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# CITIZENS' BUDGET

EXECUTION  
IN 2022



# **CITIZENS' BUDGET:** EXECUTION IN 2022

The “Citizens’ Budget: Execution in 2022” publication was prepared within the framework of the joint project of UNDP and the Ministry of Economy and Finance of the Republic of Uzbekistan on “Financing for Sustainable Development in Uzbekistan”.

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# INTRODUCTION

The Ministry of Economy and Finance presents the next scheduled «Citizens' Budget» publication which discloses information on the State Budget execution in 2022.

This publication describes the macroeconomic context in which the 2022 State Budget has been executed, the performance with regard to the projected revenue indicators and actual volumes of budget expenditures, as well as information on execution of local budgets, new approaches to planning and executing expenditures, as well as on budget deficit.

State Budget execution in 2022 has taken place in the context of global disruptions and remaining high uncertainty in the world. The national economy has grown though by 5.7 % in this context.

The key section of the publication presents information on execution of the key parameters of the State Budget. In 2022 tax and other revenues of the State Budget have slightly exceeded target forecast indicators and have shown an increase as compared to 2021. Information on revenue execution is provided broken down by taxes and takes into account factors that had an impact on the increase or decrease of revenues collection to the budget.

State Budget expenditures have also exceeded the targets that were approved for 2022. The majority of additionally allocated expenditures was related to the implementation of population and economy support measures.

This section also provides information on participatory budgeting practice that has been scaled up to all districts across the country starting from 2022. Readers may also learn about the areas where the largest number of initiatives and projects have been proposed; what initiatives and projects have received the largest support among population; as well as how the Government has supported such initiatives.

In pursuance of the tradition, the Ministry of Economy and Finance also introduces for readers new approaches and instruments that are implemented within the budgeting process. This publication presents the piloting outcomes of the new methodology for identification and quantification of expenditures that have an impact on climate change (climate expenditures).

In 2022, 13% of the total State Budget expenditures, or 30,016.3 billion UZS, were evaluated as linked with climate change; other expenditures were classified as neutral, i.e. either as those that do not have any impact or as those that cannot be assessed due to the disputability of their identification as "climate expenditures".

The final part of the publication discloses information about the budget deficit and sources of its coverage.

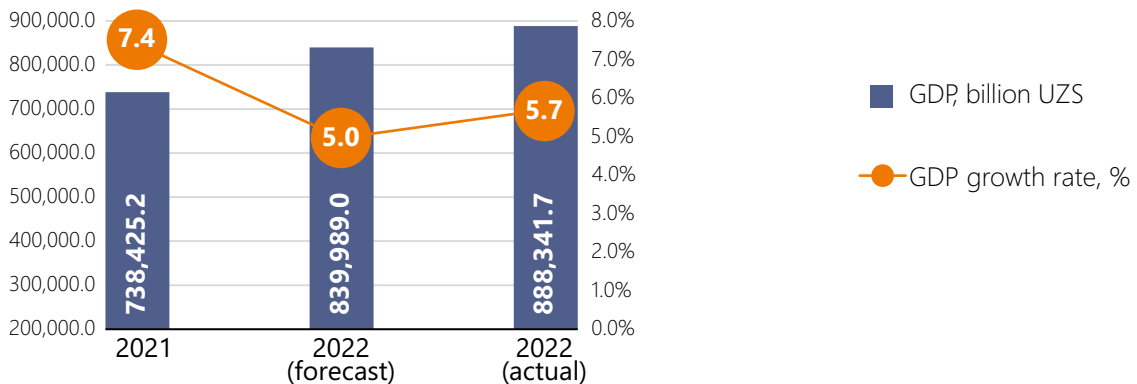
The Ministry of Economy and Finance hopes that this publication will be useful for a broad range of users and that it will foster citizens' interest to the processes of preparation, discussion and execution of the State Budget.

# 1 MACROECONOMIC CONTEXT OF BUDGET EXECUTION

Parameters of 2022 Consolidated budget were developed based on the forecast GDP growth of 6 %. However, against the backdrop of geopolitical conflicts and economic crises witnessed globally, the above forecast growth was revisited to be equal to **5%**.

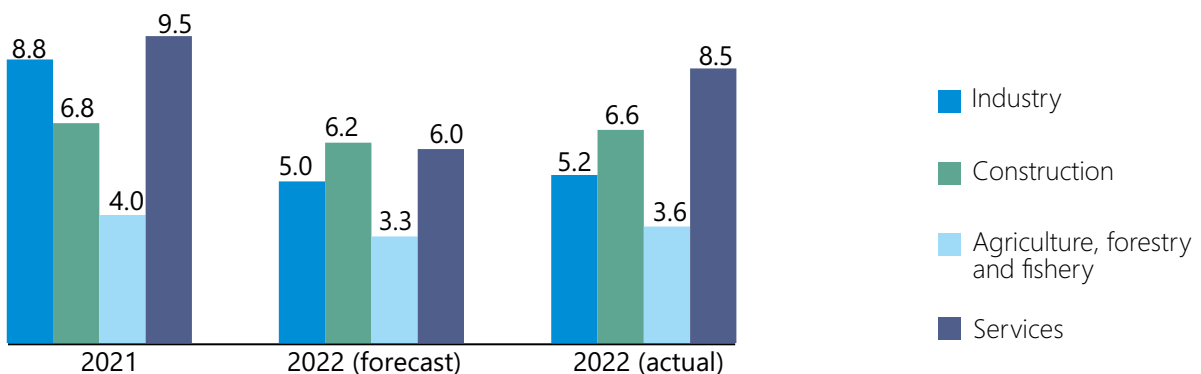
In fact, the GDP growth rate in January-December 2022 amounted to 5.7 %, while the GDP (in current prices) – to **888.3 trillion UZS**, or **80.4 billion USD** (average official exchange rate in 2022 was equal to 11,051.2 UZS per 1 USD).

## GDP VOLUME AND GROWTH RATES IN 2021-2022



Following the outcomes of 2022, the highest rates of economic activity were achieved in the services sector that has demonstrated the growth rate of about 8.5 % (in contrast to the forecast of 6 %). The positive trend in this sector has been largely driven by the growth in trade services, catering and accommodation services, transportation and storage services, as well as information and communication services.

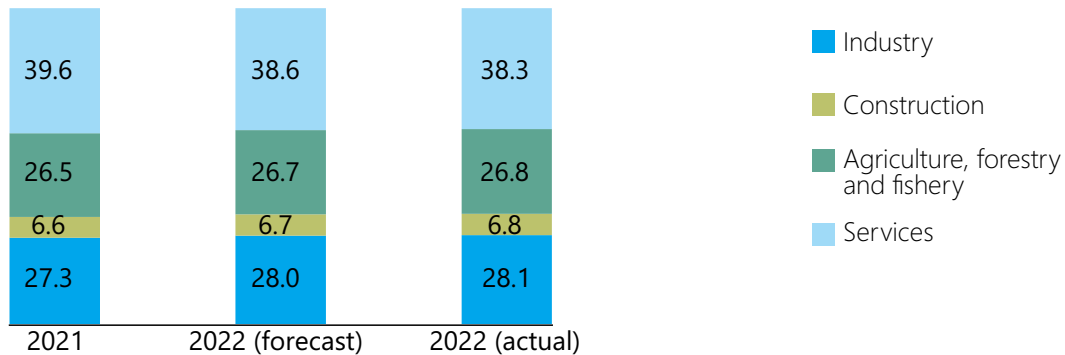
## GDP GROWTH RATES BY TYPES OF ECONOMIC ACTIVITY, %



Industry growth rate forecasted for 2022 at 5.0 % was actually equal to 5.2%, following outcomes of the year. In Agriculture, forestry and fishery the growth was equal to 3.6% (in contrast to the forecast of 3.3%) driven largely by the growth in production of agricultural produce. In 2022 the Construction works have grown by 6.6%, as compared to the forecast of 6.2%.

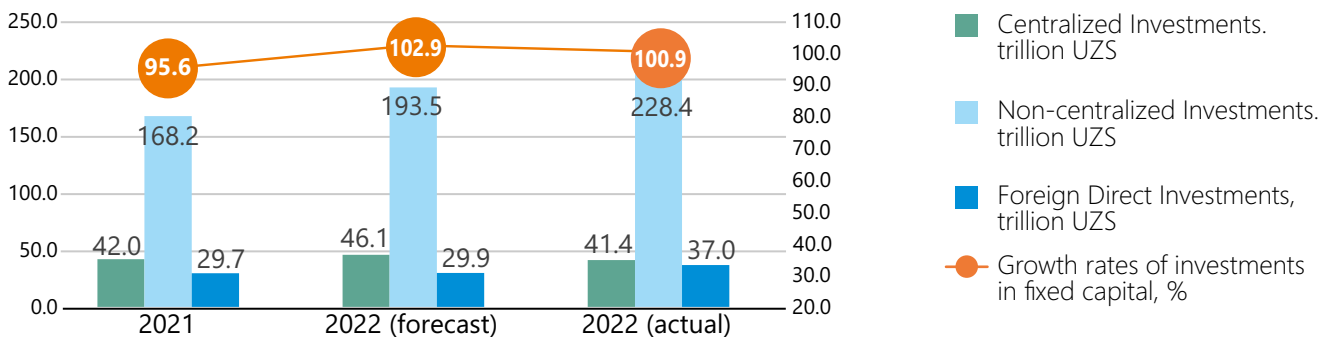
Changes in the GDP sectoral structure are mainly related to the increasing share of services sector, which is fostered by higher growth rates witnessed in this sector.

### GDP STRUCTURE BY SECTORS, %



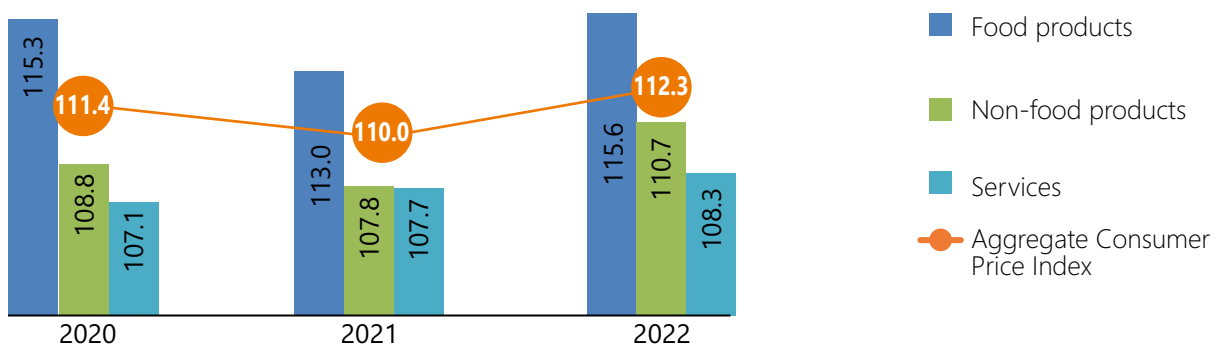
Following the outcomes of 2022, from all the sources of financing there has been disbursed investments for 270 trillion UZS or 24.4 billion US Dollars (the disbursement rate of investments in fixed capital was equal to 100.9 % as compared to 2021).

### CAPITAL INVESTMENTS BY SOURCES OF FINANCING FOR 2020-2022, TRILLION UZS



Consumer Price Index for January-December 2022 was equal to 112.3 %. Over the analyzed period the prices for food products have increased on average by 15.6 %, for non-food products – by 10.7 %, while for services – for 8.3 %.

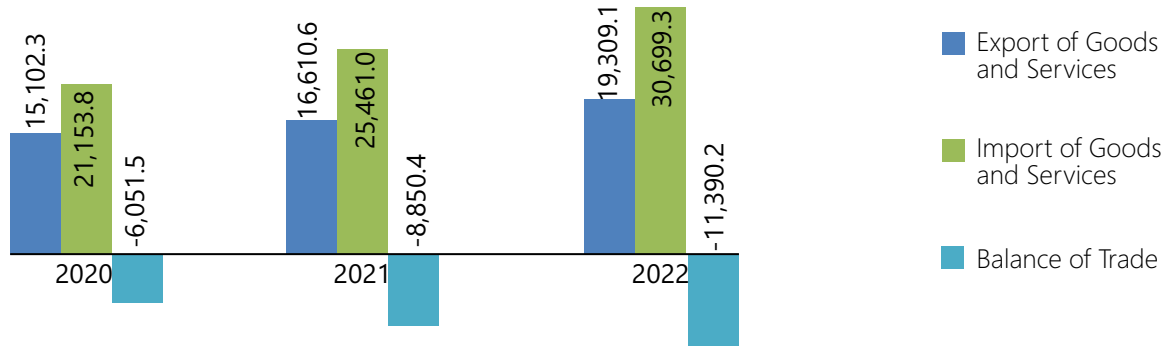
### DYNAMICS OF CONSUMER PRICE INDEX FOR THE KEY GROUPS OF GOODS AND SERVICES FOR 2020-2022, %





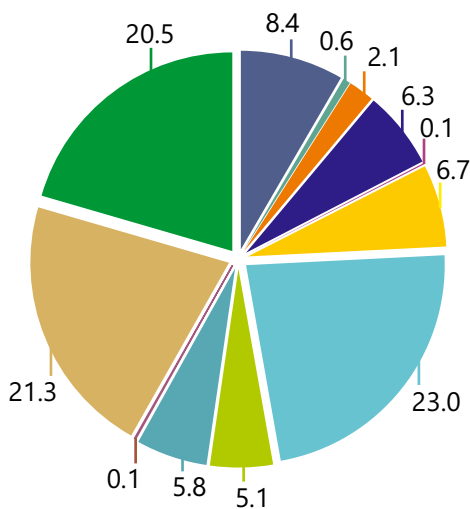
The recovery of foreign economic activities in 2022 was taking place in line with recovery of global production and distribution value chains and growth of global trade. Following the outcomes of 2022, the foreign trade turnover of the country was equal to 50,008.4 million USD and has increased by 18.6 % as compared to 2021.

**FOREIGN TRADE BALANCE IN 2020-2022, MILLION USD**

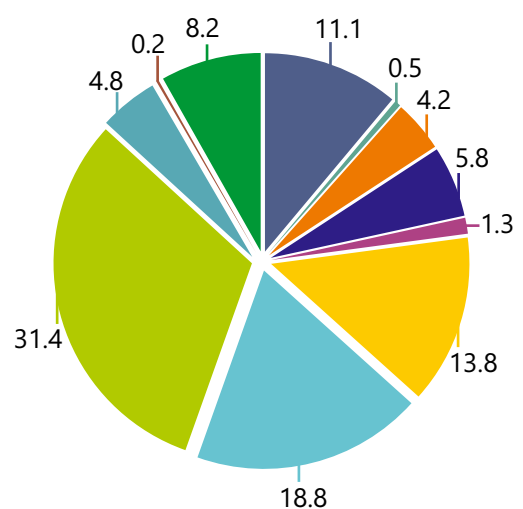


Industrial goods, gold, services, as well as food products and living animals accounted to the major share of the exports. Machinery and transportation equipment, industrial goods, as well as chemicals and similar goods prevailed in the imports.

**EXPORTS STRUCTURE, %**



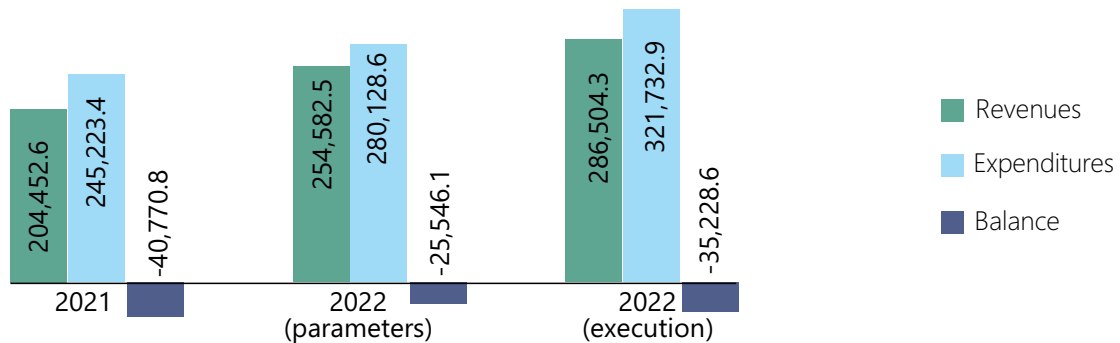
**IMPORTS STRUCTURE, %**



- Food products and living animals
- Industrial products
- Beverages and tobacco
- Machinery and transportation equipment
- Non-food raw materials, except for fuel
- Various finished products
- Mineral fuel, lubricating oils and similar materials
- Other goods
- Animals and vegetable oils, fats and wax
- Gold
- Chemicals and similar products
- Services

According to the preliminary estimate, following the outcomes of 2022 the deficit of overall fiscal balance of the Consolidated budget was equal to 4.0 % of GDP.

#### AGGREGATED PARAMETERS OF THE CONSOLIDATED BUDGET FOR 2021-2022, BILLION UZS

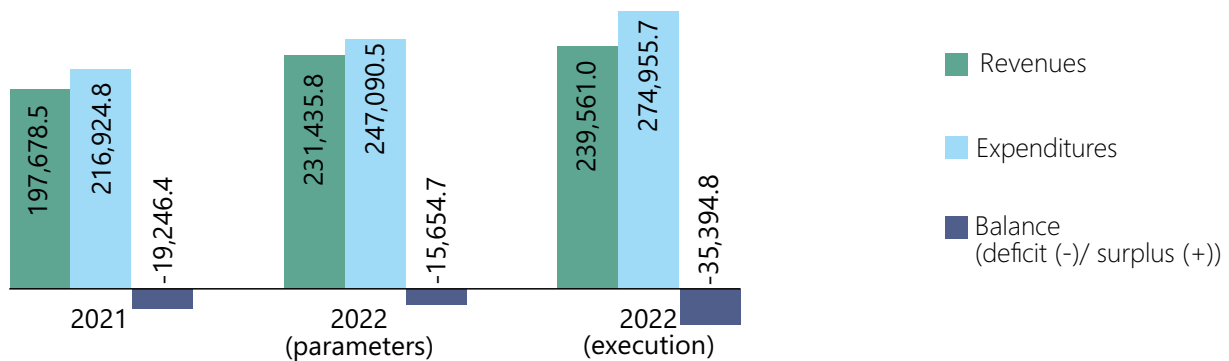


Execution of the State Budget in 2022 can be described by increasing revenues and growing expenditures as compared to 2021.

The increased revenues to the budget resulted from the economic recovery after COVID-19 and cancellation of lockdown restrictions, as well as due to continuously high global prices for precious metals.

The increase in the State Budget expenditures is driven by additional expenditures for social support to population, increased volume of centralized investments, as well as implementation of support measures for the economy.

#### PARAMETERS OF THE STATE BUDGET AND BUDGETS OF STATE TARGETED FUNDS FOR 2021-2022, BILLION UZS



## 2

# EXECUTION OF THE STATE BUDGET

## Revenues

Following the outcomes of 2022, the revenues of the State Budget have amounted to 201,863.7 billion UZS, the excess over the forecast was equal to **1,525.0 billion UZS**. In comparison with 2021 revenues have increased by **37,064.2 billion UZS**.

### REVENUES ADMINISTRATED BY

THE STATE TAX COMMITTEE	THE STATE CUSTOMS COMMITTEE
<b>148,501.2</b> billion UZS	<b>46,024.6</b> billion UZS
<b>104.1</b> % of the forecast	<b>111.9</b> % of the forecast
<b>FOR OTHER SOURCES OF REVENUES - 7,337.9 billion UZS</b>	

Other revenue sources include amounts that were returned (reimbursed) under the value added tax, funds returned to citizens in the amount of 1% ("cashback") of the purchase amount, as well as dividends and non-tax revenues.

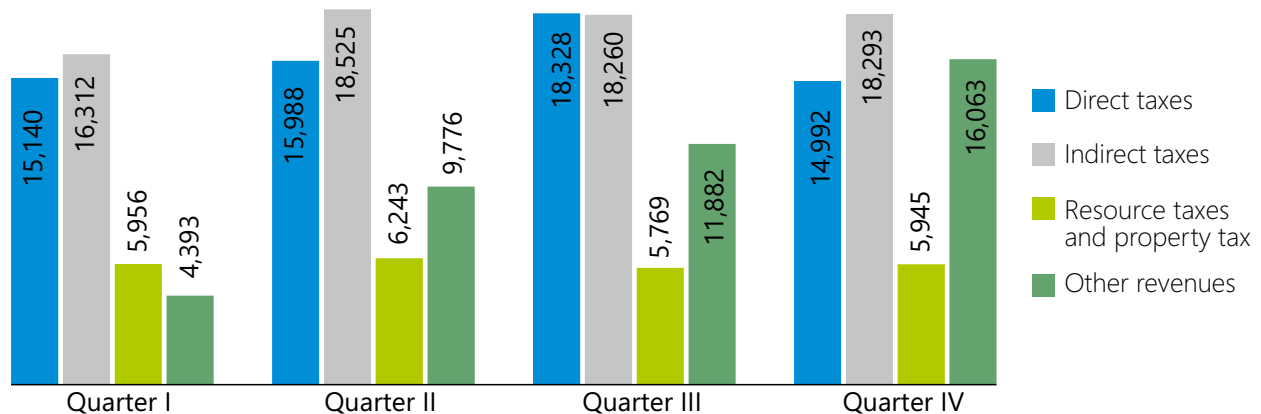
### FORECAST AND EXECUTION OF REVENUES OF THE STATE BUDGET IN 2022, BILLION UZS

Revenues	2021	2022
<b>Total</b>	<b>164,799.4</b>	<b>201,863.7</b>
<b>Direct taxes</b>	<b>58,930.3</b>	<b>64,447.1</b>
Corporate income tax	38,363.3	37,649.9
Turnover tax	1,649.4	2,512.7
Personal income tax	18,917.7	24,284.5
<b>Indirect taxes</b>	<b>56,290.4</b>	<b>71,390.2</b>
Value Added Tax	38,439.0	52,189.4
Excise Tax	13,086.5	13,455.0
Customs duties	4,764.9	5,745.7
<b>Resource taxes and property tax</b>	<b>23,036.4</b>	<b>23,912.8</b>
Property tax	2,457.3	4,015.4
Land tax	4,082.8	5,305.9
Subsurface use tax	15,811.9	13,887.4
Water resource use tax	684.4	704.1
<b>Other revenues and non-tax revenues</b>	<b>26,542.2</b>	<b>42,113.7</b>

Revenues collected from indirect taxes in 2022 were below the forecast values. This was mainly the result of the following factors. Actual VAT reimbursement was equal to 19.3 trillion UZS, which is 1.6 times more than the forecast indicator (12.5 trillion UZS).

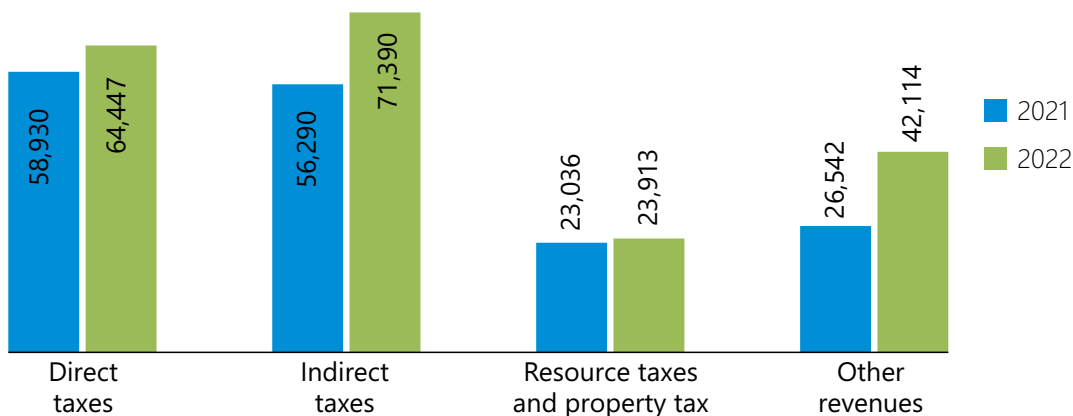
Reduction of excise tax rates for mobile communication services, for polyethylene pellets, as well as decreasing volume of sales of alcohol and tobacco products have resulted in actual collection of excise tax revenues being less than the forecast values.

#### QUARTERLY EXECUTION OF THE STATE BUDGET REVENUES BY SOURCES IN 2022, BILLION UZS



The share of direct taxes in the revenue structure of the State Budget has slightly decreased (31.9 %), while indirect taxes have accounted for 35.4 % of budget revenues. Resource taxes and Property tax have accounted for 11.8 %, while other revenues – for 20.9 % in the total revenues.

#### EXECUTION OF THE STATE BUDGET BY SOURCES IN 2021-2022, BILLION UZS



## 2022 BUDGET REVENUES BY THE KEY SOURCES

**Direct taxes** accounted for **64,447.1 billion UZS** of the State Budget revenues, which is by 5,516.7 billion UZS, or 9.4 %, more than in 2021

Revenues by taxes.

**Corporate income tax amounted to 37,649.9 billion UZS**, of which 17,393.7 billion UZS, or 46 %, were received from gold and copper mining enterprises.

In 2022 there were the following Corporate income tax revenues by types of taxpayers:

from taxpayers apart from gold and copper mining enterprises (NMMC and AMMC)	20,256.1 billion UZS, increase – by 7,609.4 billion UZS, or by 60%
from taxpayers apart from gold and copper mining enterprises (NMMC and AMMC)	13,893.7 billion UZS, increase – by 5,431 billion UZS, or by 64
from regional taxpayers	6,362 billion UZS, increase – by 2,179 billion UZS, or by 52 %

In general, collection of Corporate income tax revenues has decreased by 713 billion UZS, or by 1.9 % as compared to 2021.

<b>WHAT FACTORS HAVE INFLUENCED THE DECREASE IN THE CORPORATE INCOME TAX REVENUE? COLLECTION?</b>	■ Increasing depreciation rates by 2 times on average	▶ <b>1.3 trillion UZS</b> remained in the possession of the business entities.
	■ Increasing one-off investment deduction by 2 times	▶ <b>190 billion UZS</b> remained in the possession of the business entities.
	■ Providing business entities with an opportunity to decrease expenditures related to the purchase of online cash registers and special devices that are connected to virtual cash registers, in order to ensure correct reading and identification of bar codes and digital codes	
	■ Providing members of special economic zones with exemption from payment of corporate income tax, with the size of exemption dependent on the size of investments	▶ <b>152 billion UZS</b> remained in the possession of the business entities.

Budget losses in 2022 resulting from the application of the above measures were partially compensated through:

Increasing the number of corporate income tax payers	Up to 165.2 thousand, + 24.6 thousand, by 17.5 %
Increasing the number of taxpayers that pay advance payments under the corporate income tax	Up to 19,8 thousand +5,461, by 38.1 %
Decreasing the size of reserves created by the commercial banks that are deductible from the corporate income tax base	Up to 80 % (in 2021 – 100 %)

**Personal income tax – 24,284.5 billion UZS**, including Personal income tax that is withheld by employers – 22,482.7 billion UZS. The increase in the revenues collected from this tax, as compared to 2021, amounted to 5,366.9 billion UZS, or 28.4%.

Apart from Personal income tax, the following revenues were collected to the budget in 2022:

Dividend and Interest income tax	758.6 billion UZS (+206.3 billion UZS)
Tax on income from leasing a property	361.6 billion UZS (+100.2 billion UZS)
Tax on income from entrepreneurial activities	393.3 billion UZS (-3.4 billion UZS)

WHAT FACTORS HAVE INFLUENCED THE INCREASE IN THE COLLECTED PERSONAL INCOME TAX REVENUES?

- Increase in the minimum wage amount in the budget sector by 14.7 % on average, as compared to 2021.
- Increase in the number of taxpayers up to 5,018 thousand people (by 215 thousand or by 8% as compared to 2021) due to formalization of the number of employees.
- Increase in the payroll fund up to 156.9 trillion UZS (by 30.7 trillion UZS, or by 25% as compared to 2021).

+5,366.9 billion UZS, 28.4 %

**Turnover tax – 2,512.7 billion UZS**, as compared to 2021 the revenues have increased by 863.3 billion UZS (+52.3 %).

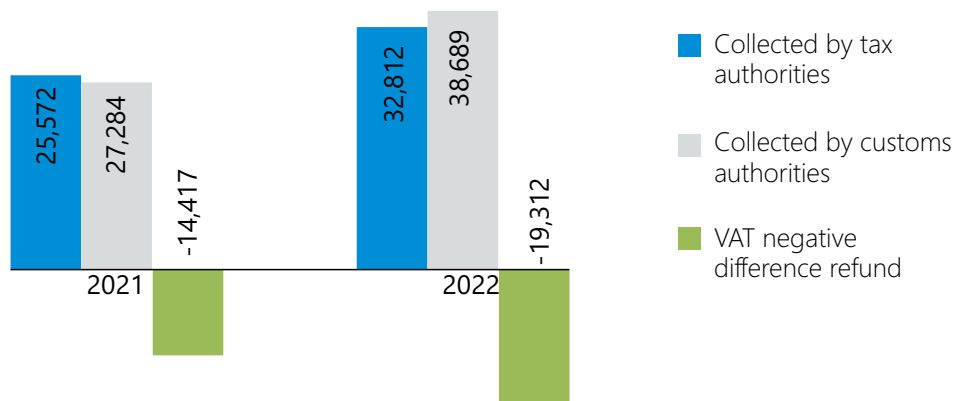
In 2022 the number of turnover tax payers has increased by 24.1 thousand, or by 7.3 % as compared to 2021, and amounted to 330.7 thousand.

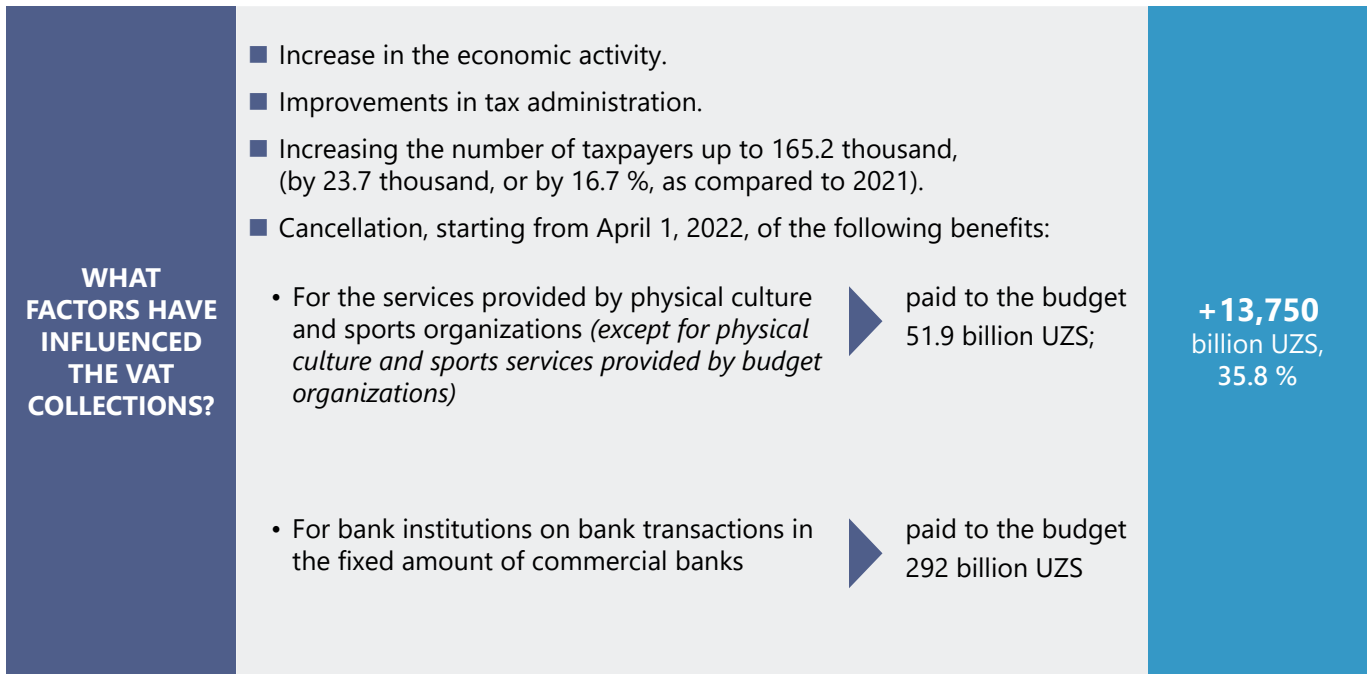
**Indirect taxes** have generated the State Budget revenues in the amount of **71,390.2 billion UZS**, which is by 15,099.7 billion UZS, or by 26.8 %, more than in 2021.

**Revenues by taxes.**

**Value Added Tax – 52,189.4 billion UZS**, which is by 13,750.4 billion UZS or 35.8 % more than in 2021. Value Added Tax (VAT) collected by customs authorities has increased by 41.8 %, while VAT collected by tax authorities – by 28.3 %.

**VAT REVENUES, BILLION UZS**

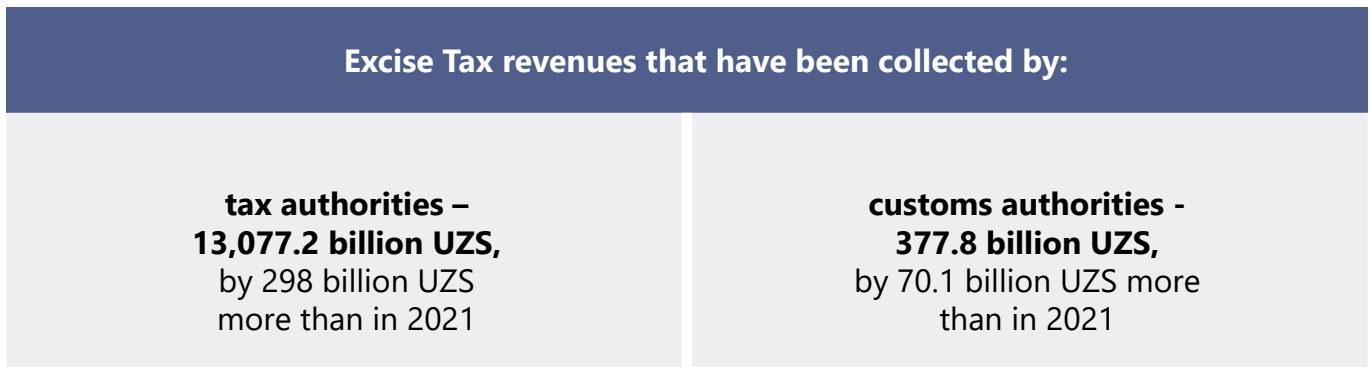




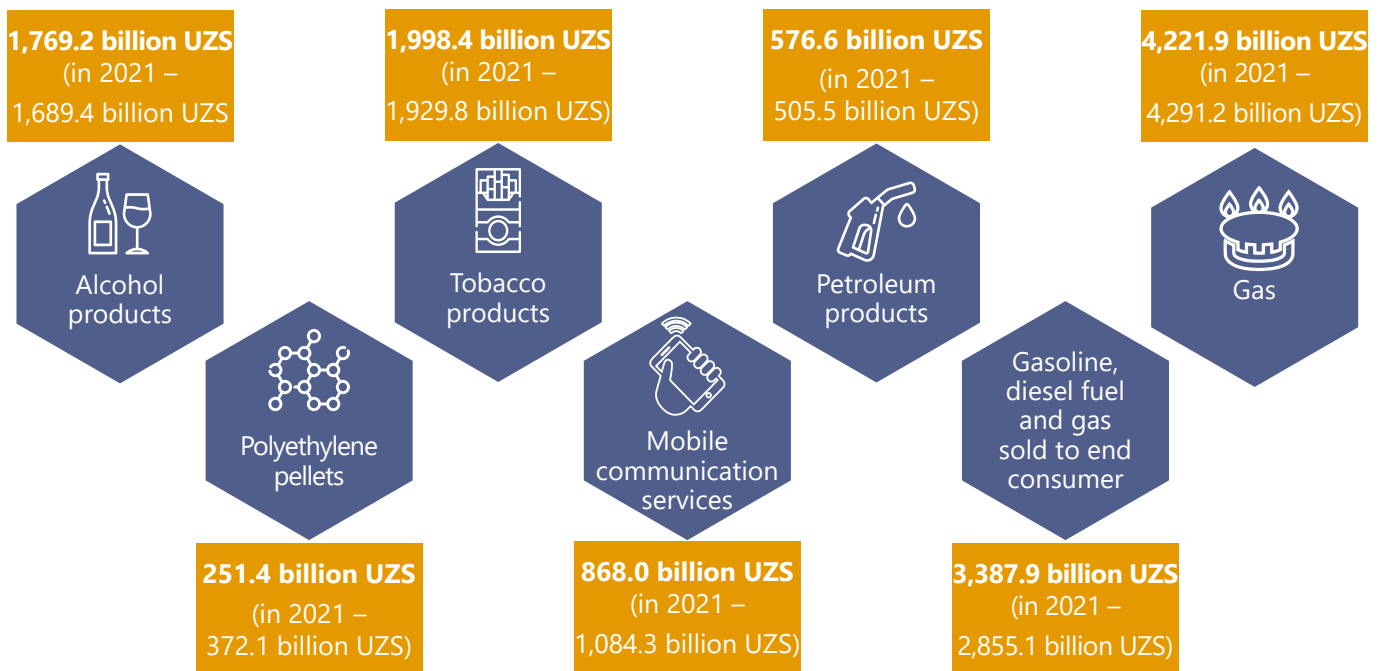
Following the improvements in the VAT refund procedure in 2022, 19.3 trillion UZS were refunded to cover the negative VAT difference (27% of collected VAT). To compare, in 2021 taxpayers were refunded 14.4 trillion UZS, while in 2020 – 9 trillion UZS.

*Measures aiming to improve VAT administration enabled improvement in its performance (with regard to collection) from 48% in 2021 to 53.7 % in 2022 (VAT performance = VAT revenues' share to GDP / VAT rate).*

**Excise Tax – 13,455.0 billion UZS**, which is by 368.5 billion UZS, or 2.8 %, more than in 2021.



**EXCISE TAX REVENUES BY EXCISABLE GOODS, AS COLLECTED BY TAX AUTHORITIES IN 2021-2022**



**THE FOLLOWING HAS INFLUENCED THE COLLECTION OF EXCISE TAX REVENUES TO THE BUDGET:**

- Indexation, starting from June 1, 2022, of rates established as an absolute amount for the alcohol and tobacco products by 10% on average;
- Cancellation of excise tax for producers of liquefied gas. ▶ 51.6 billion UZS remained in the possession of business entities;
- Reduction of excise tax rate for mobile communication services from 15% to 10%. ▶ 400 billion UZS remained in the possession of business entities;
- Reduction of excise tax rate for polyethylene pellets (including their import) from 20% to 10%. ▶ 215.4 billion UZS remained in the possession of business entities.

**Revenues from customs duties – 5,745.7 billion UZS;** as compared to 2021 the revenues have increased by 980.8 billion UZS.

**WHAT FACTORS HAVE INFLUENCED THE INCREASE IN THE REVENUES FROM CUSTOMS DUTIES?**

- Increase in the import of goods as compared to 2021.
- Reduction in the time needed for clearance of imported goods. Average time for processing customs cargo declarations has decreased by 33 minutes and amounted to 2 hours 34 minutes (3 hours 7 minutes in 2021).
- Customs administration measures.

**+980.8 billion UZS, 20.6 %**



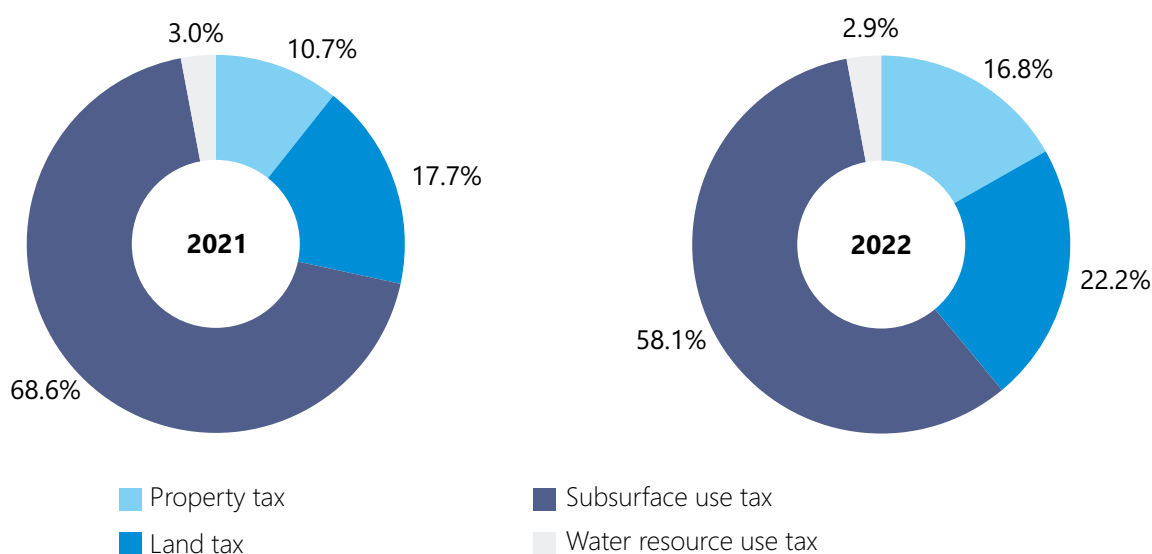
**Resource taxes and property tax – 23,912.8 billion UZS**, which is by 876.4 billion UZS more than in 2021.

The major share (13,887 billion UZS or 58.1 %) of revenues collected from resource taxes is related to the subsurface use tax, of which major share (63.7 %) in turn is paid by state gold mining companies.

#### COLLECTION OF RESOURCE TAX REVENUES FOR THE BUDGET, EXECUTION, BILLION UZS

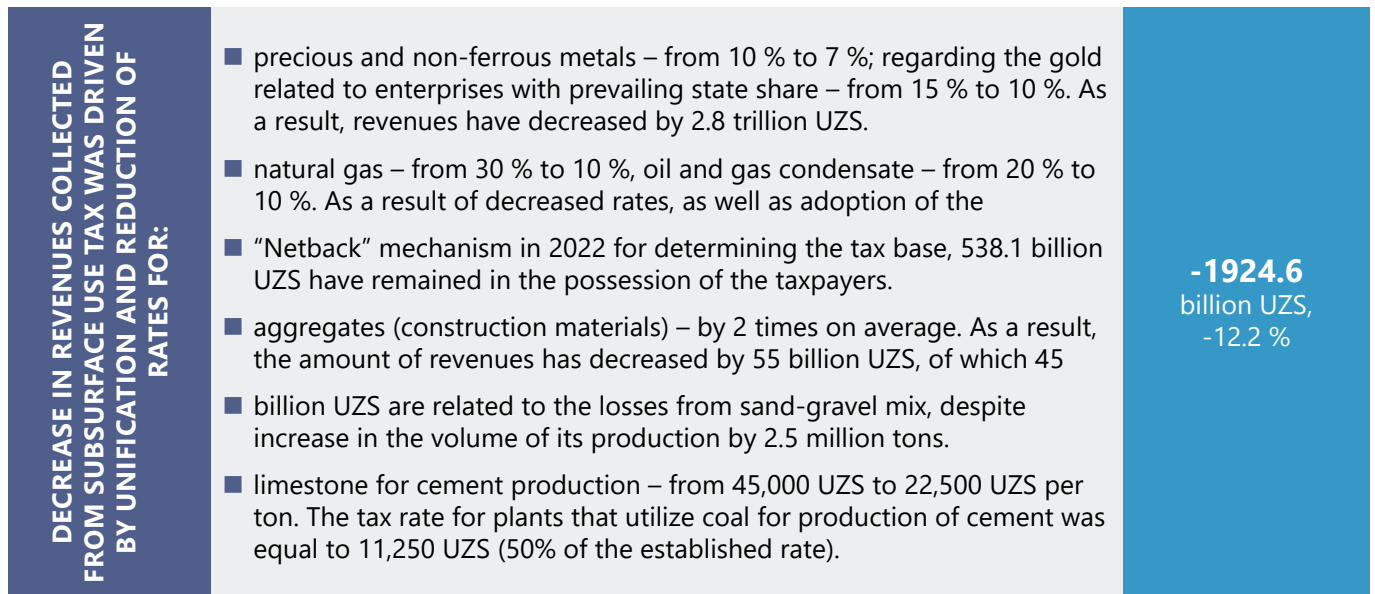
Tax type	2021	2022
<b>Resource taxes – total</b>	<b>23,036.4</b>	<b>23,912.8</b>
<b>Property tax – total</b>	<b>2,457.3</b>	<b>4,015.4</b>
<i>including:</i>		
<i>legal entities</i>	1,576.1	3,040.5
<i>individuals</i>	881.2	974.9
<b>Land tax – total</b>	<b>4,082.8</b>	<b>5,305.9</b>
<i>including:</i>		
<i>legal entities</i>	2,662.5	3,422.0
<i>individuals</i>	1,420.3	1,883.9
<b>Subsurface use tax</b>	<b>15,811.9</b>	<b>13,887.4</b>
<b>Water resource use tax</b>	<b>684.4</b>	<b>704.1</b>

The shares of property tax (by 6.1 %) and land tax (by 4.5 %) have increased in the structure of total revenues from resource taxes, while the share of subsurface use tax has decreased by 10.5 %.



Revenues by taxes.

**Subsurface use tax – 13,887.4 billion UZS**, which is by 1,924.6 billion UZS, or 12.2 %, less than in 2021.



**Property tax – 4,015.4 billion UZS**, which is by 1,558.1 billion UZS, or 63.4 %, more than in 2021.

Property tax revenues:	
<b>legal entities -</b> 3,040.5 billion UZS, by 1,464.4 billion UZS (or 2 times) more than in 2021	<b>individuals-</b> 975 billion UZS, by 94 billion UZS, or by 10.6 %, more than in 2021

One of the factors that have influenced the increase in the revenues from property tax for legal entities (despite the decrease in the tax rate from 2 % to 1.5 %) was introduction, starting from January 1, 2022, of a norm providing that tax base for calculating the tax for buildings and structures shall not be lower than the minimum value determined as an absolute value per m2 depending on the regional location thereof. This measure has been introduced aiming at performing phased transition to calculation of property tax based on cadastral value that is approximated to market value. In order to prevent sharp increase in the tax burden, Jokargi Kenges of the Republic of Karakalpakstan and Kengashes (Councils) of people’s deputies of regions were granted the right to establish the reduction factor for the established minimum value down to 0.5x, depending on the level of economic development of districts.

**Land tax – 5,305.9 billion UZS**, which is by 1,223.1 billion UZS, or 30 %, more than in 2021.

Land tax revenues collected from legal entities in 2022 amounted to 3,422 billion UZS; in comparison with 2021 they increased by 760 billion UZS, or 28.5 %.

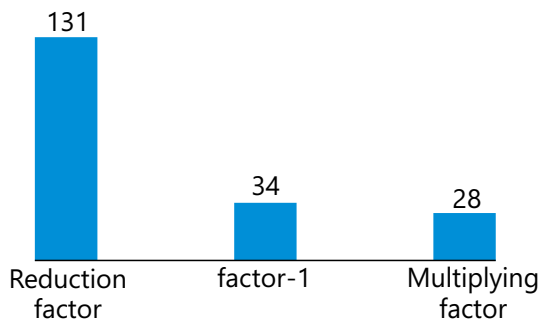
**WHAT FACTORS HAVE INFLUENCED THE INCREASE IN LAND TAX REVENUES COLLECTED FROM LEGAL ENTITIES?**

- Increase in the reduction factor from 0.3x to 0.4x that is applied to land tax rates in relation to land plots occupied by the selected types of facilities (railways, trunk pipelines, communication and power transmission lines, real estate properties for which a decision of the Cabinet of Ministers has been adopted on their conservation thereof, and other facilities).
- Indexation by 7% of non-agricultural lands-related base tax rates that have been in force in 2021.

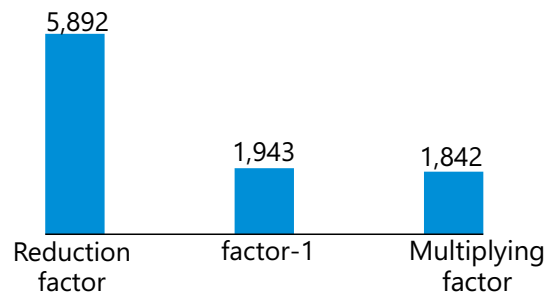
**+760**  
billion UZS,  
28.5 %

*The specific size of land tax rates is determined by local authorities based on base tax rates and use of multiplying and reduction factors thereof, depending on the level of economic development and status value of a district. The corresponding right has been granted to local authorities starting from 2021.*

**USE OF COEFFICIENTS ESTABLISHED BY JOKARGI KENGES OF THE REPUBLIC OF KARAKALPAKSTAN AND KENGASHES (COUNCILS) OF PEOPLE'S DEPUTIES OF THE REGIONS IN 2022 BY DISTRICTS AND CITIES**



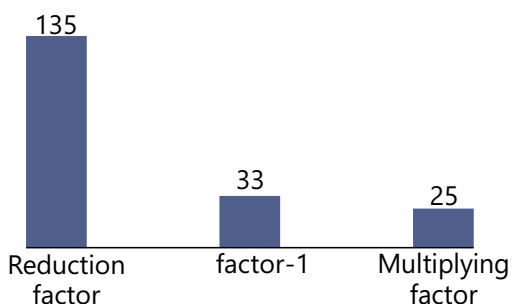
**USE OF COEFFICIENTS ESTABLISHED BY KENGASHES (COUNCILS) OF PEOPLE'S DEPUTIES OF THE DISTRICTS AND CITIES IN 2022 BY QUARTERS, BLOCKS, MAKHALLAS, STREETS**



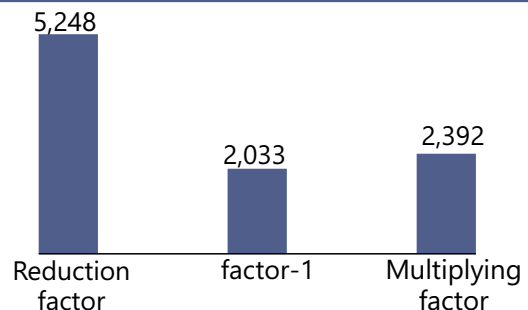
Land tax revenues collected from individuals in 2022 amounted to 1,883.9 billion UZS, which is by 464 billion UZS, or 32.6 %, more than in 2021.

Increase in the collected revenues in 2022 was driven by indexation of base land tax rates by 7% and application by local authorities of multiplying and reduction factors to land plots that are owned by individuals.

**USE OF COEFFICIENTS ESTABLISHED BY JOKARGI KENGES OF THE REPUBLIC OF KARAKALPAKSTAN AND KENGASHES (COUNCILS) OF PEOPLE'S DEPUTIES OF THE REGIONS BY DISTRICTS AND CITIES**



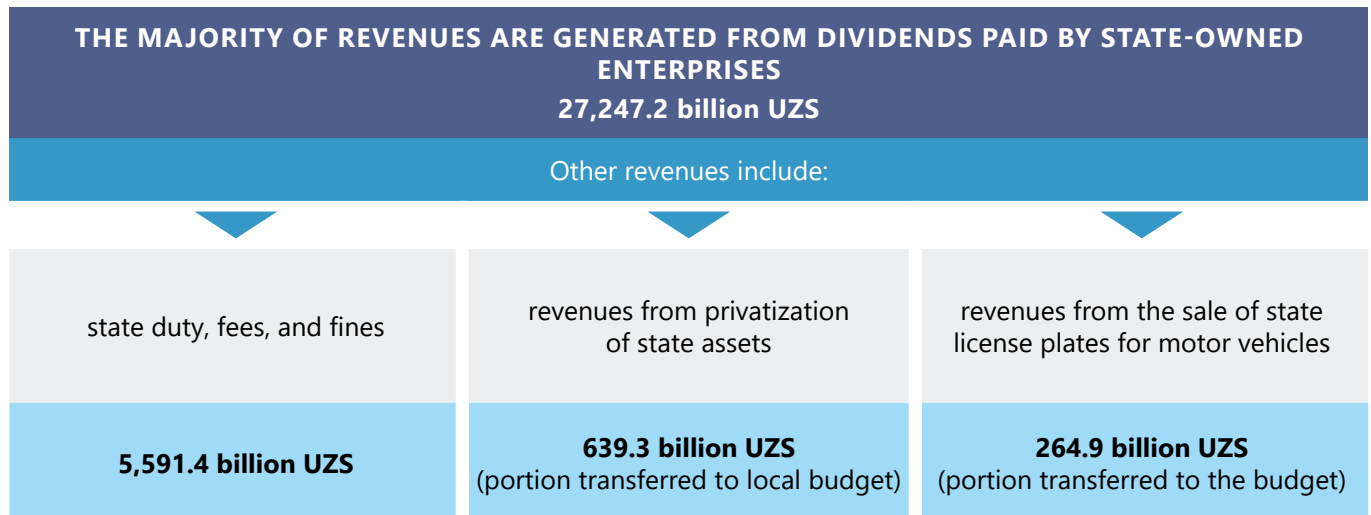
**USE OF COEFFICIENTS ESTABLISHED BY KENGASHES (COUNCILS) OF PEOPLE'S DEPUTIES OF THE DISTRICTS Q AND CITIES BY QUARTERS, BLOCKS, MAKHALLAS, STREETS**



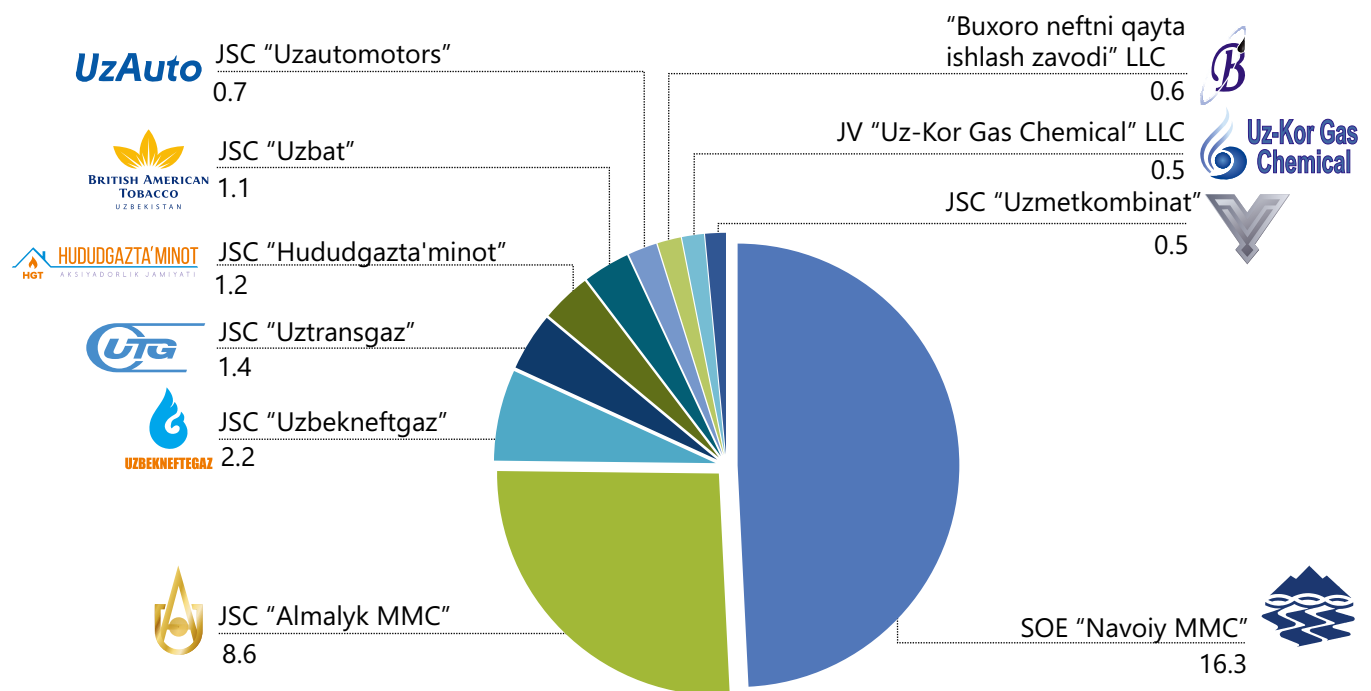
**Water resource use tax – 704.1 billion UZS.** Despite indexation of water resource use tax rates by 10%, while in some sectors of the economy – by 30%, collected revenues from this tax have increased just slightly – by 19.7 billion UZS, or by 2.9 %, as compared to 2021.

*Tax rates established based on the volume of water used for irrigation of agricultural lands and fish farming (rearing) were maintained at the level of 2021.*

**Other revenues and non-tax revenues – 42,113.7 billion UZS (+58.7 %).**



**SHARE OF LARGE TAXPAYERS WITHIN THE TAX REVENUES OF THE STATE BUDGET OF THE REPUBLIC OF UZBEKISTAN, EXECUTION IN 2022 (WITHOUT CUSTOMS PAYMENTS), %**



# Expenditures

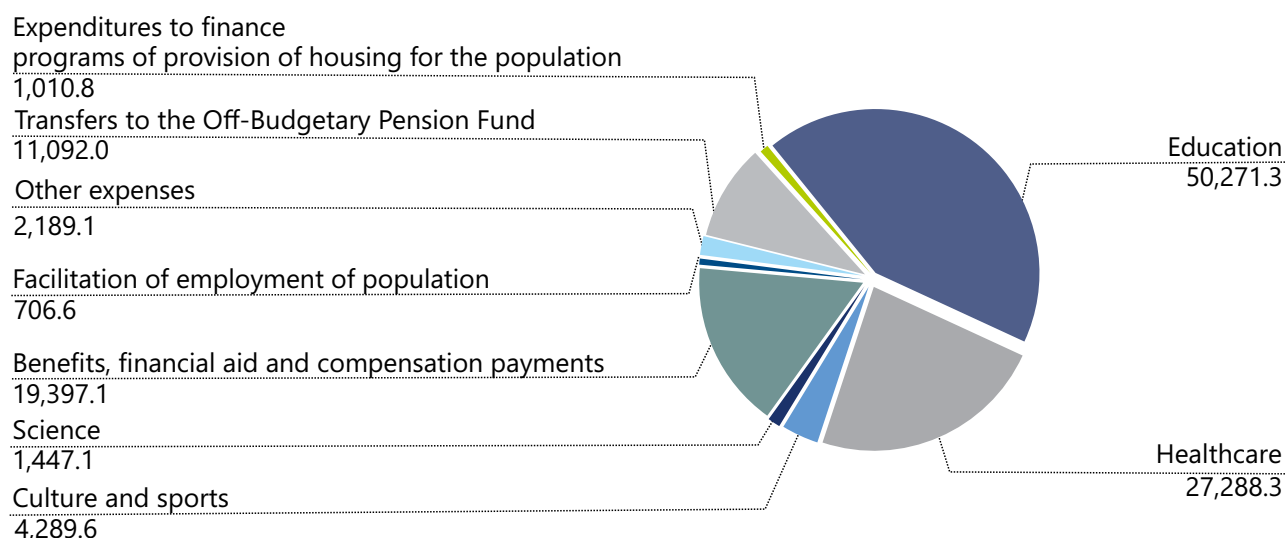
In 2022 the State Budget expenditures have been executed in the amount of **236,692.0 billion UZS**, which is by 48,434.9 billion UZS more than in 2021.

## EXECUTION OF THE STATE BUDGET EXPENDITURES IN 2022, BILLION UZS

Expenditures	2021	2022
<b>Expenditures – total</b>	<b>188,257.1</b>	<b>236,692.0</b>
Social Expenditures	92,013.6	117,691.9
Expenditures for the economy	21,169.7	34,090.9
Expenditures to finance centralized investments (including “Obod qishloq” and “Obod makhalla” programs)	29,900.1	27,807.0
Maintenance of government, administrative, judicial authorities and prosecutor’s office	8,479.2	11,468.6
Maintenance of courts	849.8	1,117.6
Maintenance of citizens' self-government bodies and state support for NGOs	1,132.7	1,068.9
Reserve Fund of the Cabinet of Ministers, Republic of Karakalpakstan, provinces and Tashkent city	1,401.8	1,811.0
Expenditures on the public debt servicing (interest expenses)	2,238.2	3,528.5
Other Expenses	31,072.1	38,107.6

In 2022 49.7 % of the State Budget expenditures were represented by social expenditures that were executed in the amount of 117,691.9 billion UZS, which is by 25,678.3 billion UZS more than in 2021. A substantial amount of funds under social expenditures was directed to the education sector.

## STRUCTURE OF EXPENDITURES ON SOCIAL SECTOR, EXECUTION IN 2022, BILLION UZS





### Education

66% of expenditures for education were allocated for general secondary education, 20 % – for preschool education, and 14 % – for staff training.

#### EXPENDITURES ON EDUCATION BY AREAS, EXECUTION IN 2022, BILLION UZS

Area	Expenditure (Billion UZS)
Preschool education	10,151.9
General secondary education	33,138.1
Staff training	6,981.3

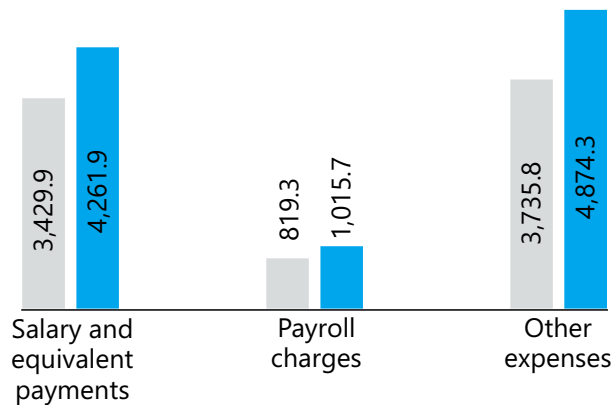


### Preschool educational institutions (PEIs)

In 2022 expenditures for preschool education amounted to **10,151.9 billion UZS**, which is by 2,166.9 billion UZS more than in 2021. The increase in the expenditures is driven by the increase in salaries and implementation of the instructions of the President and the Government of the Republic of Uzbekistan to expand the network and to improve the material and technical base of the PEIs.

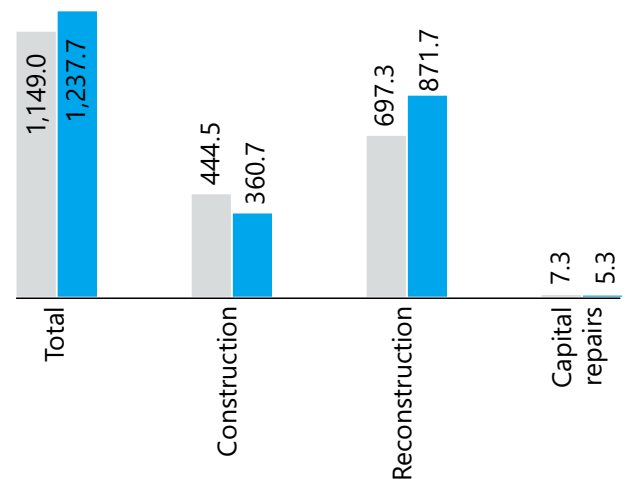
In 2022, while expenditures for reconstructions have been reduced as compared to the previous year, more funds were allocated for construction and capital repairs of new preschools.

#### EXPENDITURES OF THE STATE BUDGET FOR PRESCHOOLS IN 2021-2022, BILLION UZS



2021  
2022

#### EXPENDITURES OF THE STATE BUDGET FOR CONSTRUCTION, RECONSTRUCTION AND CAPITAL REPAIRS OF PRESCHOOLS IN 2021-2022, BILLION UZS



2021  
2022

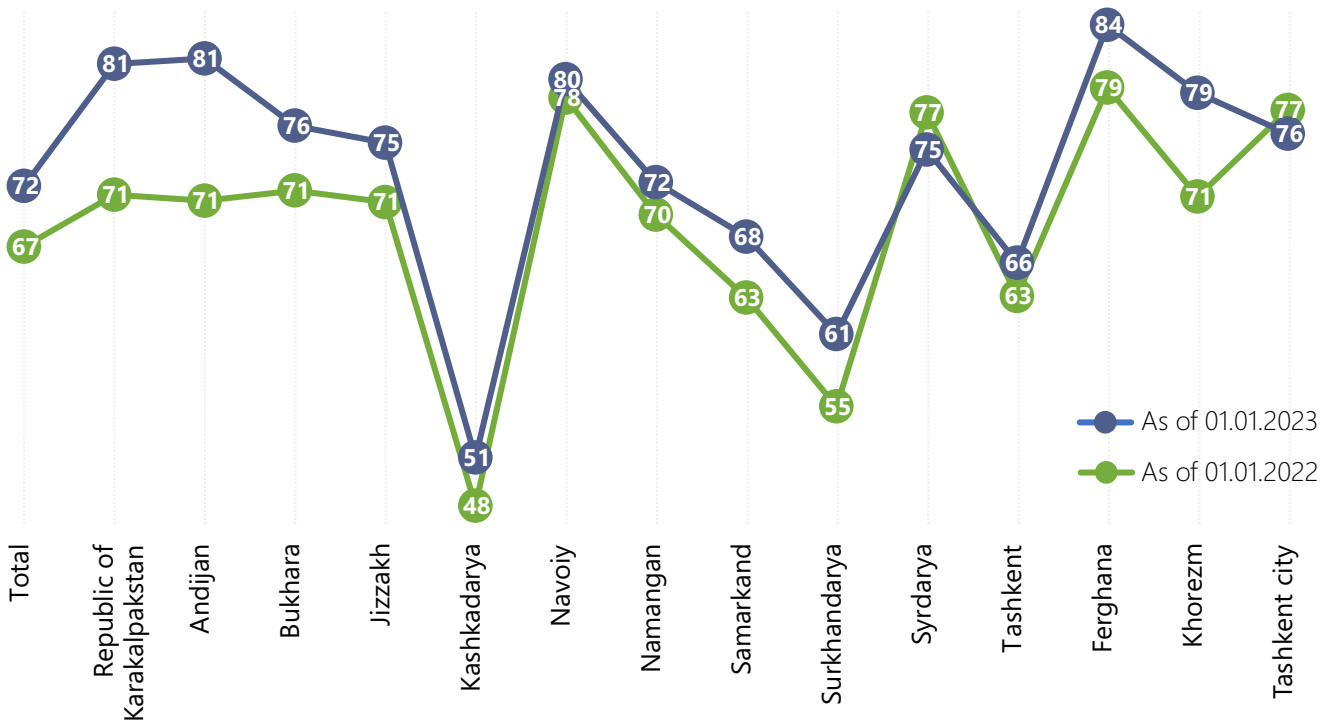
In order to increase children’s enrollment in preschool education, the state continues to actively support development of public-private partnership in this sector.

Subsidies were provided to the PEIs created on the basis of the public-private partnership in order to cover:		
expenditures on salary, food products, etc.	50% of expenditures for one child	50% of expenditures for electricity
2,149.4 billion UZS	221.7 billion UZS	0.3 billion UZS

Number of non-government PEIs	Total enrollment in preschool education
22,822	71%





**ENROLLMENT IN PRESCHOOLS BY REGIONS, %**



**School education**

In 2022 expenditures of the State Budget for general secondary education have increased as compared to 2021 by 21.6 % and amounted to **33,138.1 billion UZS**. Expenditures have exceeded the approved parameters mainly because of the increased salaries and allocation of additional funds for payment of maternity benefits to women that work in educational institutions.




## KEY INDICATORS OF GENERAL EDUCATION INSTITUTIONS

Indicators		2021	2022
	Number of general education institutions	10,207	10,398
	General education schools	9,862	9,908
	<i>Of which:</i>		
	Specialized schools	45	193
	Boarding schools	231	226
	Boarding schools for children with special needs of physical/mental development	69	71
	Students, thousand people	6,273	6,360
	Teachers, thousand people	533	531
	Expenditures of the State Budget for general education institutions and other expenditures related to general education, billion UZS	27,247.7	33,138.1



## Extracurricular education

## KEY INDICATORS





	 Children's music and arts schools	 Number of students	 Expenditures of the State Budget for the maintenance, billion UZS
2021	322	91,784	561.8
2022	323	91,922	641.9



## Staff training

In 2022 expenditures for the maintenance of vocational educational institutions and academic lyceums amounted to **2,131.9 billion UZS**.

## KEY INDICATORS OF SECONDARY VOCATIONAL AND SECONDARY SPECIALIZED EDUCATION

Indicators		2021	2022
	Number of vocational education institutions and academic lyceums	813	784
	Students, thousand people	412.8	454.4
	Teachers, thousand people	27.0	33.6
	Expenditures of the State Budget for the maintenance of vocational colleges and academic lyceums, billion UZS	1,671.7	2,131.9



**EXECUTION OF THE STATE BUDGET EXPENDITURES FOR STAFF TRAINING IN 2022**

 <p><b>for vocational colleges and technical colleges</b></p>	 <p><b>for academic lyceums</b></p>	 <p><b>for higher and other educational institutions</b></p>
<p>1,797.9 billion UZS</p>	<p>302.0 billion UZS</p>	<p>31.9 billion UZS</p>



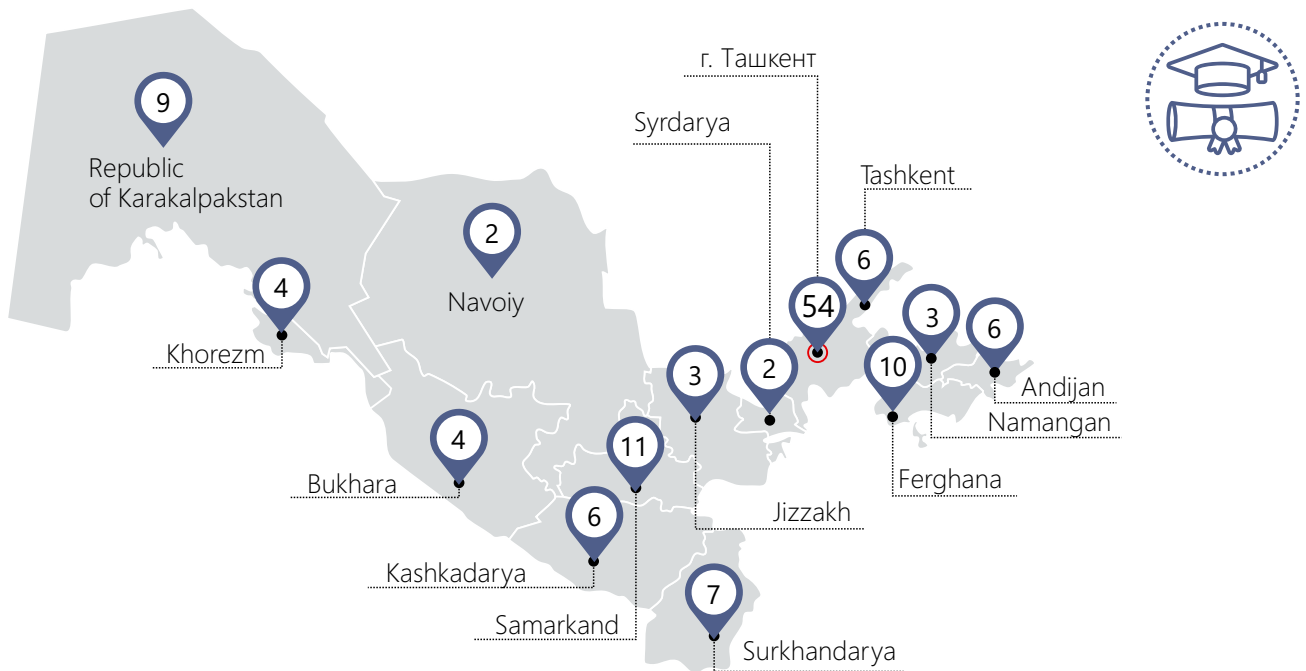
**Higher education**

In 2022 expenditures for the maintenance of higher education institutions amounted to **4,849.4 billion UZS**. In 2022 the Educational Loan Financing Fund under the Ministry of Economy and Finance has **allocated 1,713.7 billion UZS to 174,677 students**.

**KEY INDICATORS OF HIGHER EDUCATION INSTITUTIONS**

	 <p><b>Number of higher education institutions</b></p>	 <p><b>Number of students</b></p>
<p>2021</p>	<p>127</p>	<p>851 thousand</p>
<p>2022</p>		<p>1,014 thousand</p>

**HIGHER EDUCATION INSTITUTIONS BY REGIONS**





## Healthcare

In 2022 healthcare expenditures amounted to **27,288.3 billion UZS**.

### HEALTHCARE EXPENDITURES, EXECUTION IN 2022, BILLION UZS

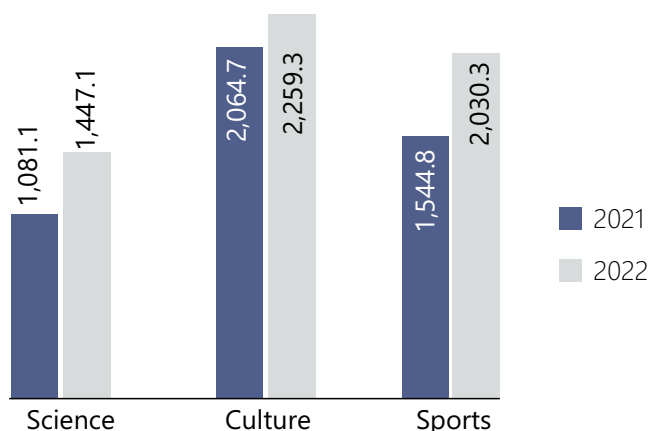
Expenditures	2021	2022
<b>Total</b>	<b>23,316.8</b>	<b>27,288.3</b>
Of which:		
Prosthetics	13.8	23.7
Multidisciplinary polyclinics, centers	2,064.3	2,834.2
Polyclinics	2,123.8	2,860.8
Rural medical facilities	659.8	904.2
Dental polyclinics	67.8	85.3
Specialized polyclinics, centers, and dispensaries without beds	116.6	147.3
Ambulance and emergency medical care stations	1,657.0	2,125.6
Blood transfusion stations	64.5	74.6
Clinics, hospitals, medical associations, and centers with beds	4,531.0	5,276.9
Republican center and regional branches of emergency medical care	1,846.6	2,344.5
Specialized centers, hospitals, and dispensaries with beds	1,904.3	2,412.2
Maternity hospitals, obstetric complexes	640.5	788.9
Baby homes	39.0	38.7
Sanatoriums for children with tuberculosis	162.9	205.8
Sanatoriums for children and teenagers (without tuberculosis)	16.4	21.3
Sanitary and epidemiological stations	797.5	928.6
Center and regional branches for prevention of quarantine and especially dangerous infections	34.0	42.3
Activities to fight epidemics	2,878.6	1,610.3
Sanitary awareness raising and medical statistics institutions	20.4	25.8
Expenditures of AIDS centers	128.1	161.3
Expenditures related to forensics examinations	127.7	164.2
Professional medical expert commissions	38.8	63.3
Sanatoriums, care homes for elderly and disabled people	312.6	649.6
Home-based social care branches	133.3	100.7
Rehabilitation centers for disabled	56.8	74.3
Other healthcare activities and expenditures	2,583.8	3,323.9

Similarly, to other social sectors, the excess of executed expenditures over the approved parameters was related to the increases in salaries. The Decree of the President of the Republic of Uzbekistan No. UP-136 dated May 17, 2022 "On measures to enhance material support and incentives for the staff of medical institutions" has increased the salary of medical, pharmaceutical, and other workers of state medical institutions starting from June 1, 2022; 2.2 trillion UZS have been allocated for these purposes from the additional budget funds. Another driver was the allocation of additional funds for payment of maternity benefits to women that work in educational institutions.



## Science, culture, and sports

### EXPENDITURES OF THE STATE BUDGET FOR THE SCIENCE, CULTURE AND SPORTS IN 2021-2022, BILLION UZS



In 2022 science-related expenditures of the State Budget have increased by 34.0 % as compared to 2021 and amounted to **1,447.1 billion UZS**.

	2021	2022
Expenditures for the maintenance of scientific research institutions, billion UZS	480.6	628.3
Other expenditures, in particular, transfers to the Fund for Financing Science and Support of Innovations, billion UZS	600.5	818.8

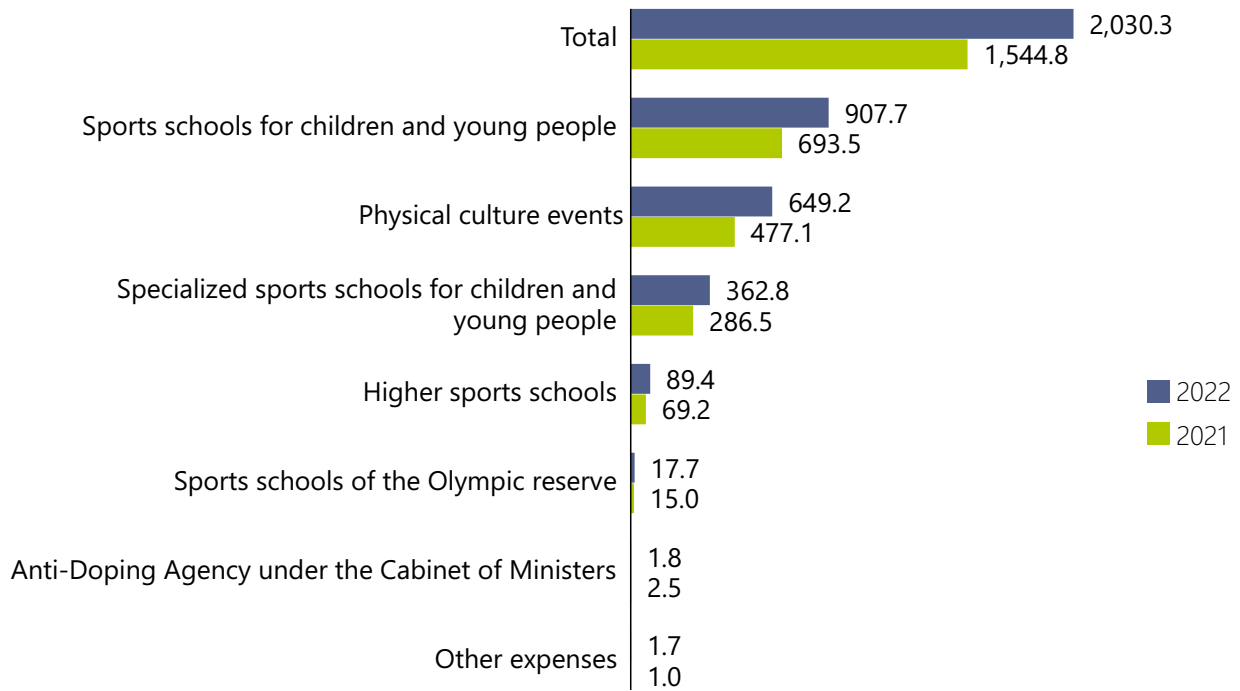
In 2022 state expenditures for culture amounted to **2,259.3 billion UZS**.

### EXECUTION OF EXPENDITURES FOR CULTURE IN 2022, BILLION UZS

Expenditures	2021	2022
<b>Total</b>	<b>2,064.7</b>	<b>2,259.3</b>
<i>including:</i>		
Libraries	162.6	199.0
Museums, exhibitions and exhibition halls	70.8	101.1
Cultural and community centers, clubs and other club-type institutions	275.0	241.0
Expenditures for maintenance of the Palace of International Forums "Uzbekistan"	6.4	7.4
Financing theaters, philharmonics, musical groups and ensembles	299.6	342.0
Financing restoration works	85.7	118.4
Film production services	80.6	88.8
Television and radio broadcasting	398.4	435.2
Periodical press and publishing houses	57.5	62.5
Center for Mass Communications of the Agency for Information and Mass Communications	27.0	41.5
Republican Center of Spirituality and Enlightenment	107.0	95.4
Cinematography Agency of the Republic of Uzbekistan and its territorial branches	51.9	67.7
Other cultural institutions and activities	442.2	459.3

In 2022 **2,030.3 billion UZS** have been allocated for **sports**, which is by 31.0 % more than in the previous year. Expenditures have increased mainly because of the allocation of additional funds for arrangement and organization of Olympic, Paralympic and other sports events, and for maintenance of sports schools..

**EXECUTION OF EXPENDITURES FOR SPORTS IN 2021-2022, BILLION UZS**

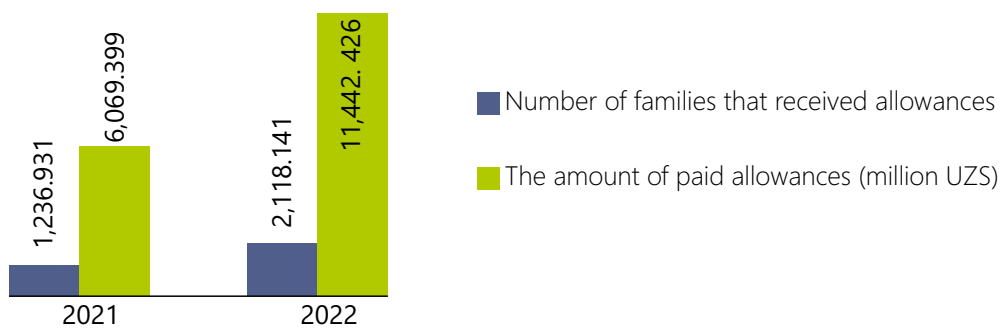


**Social protection**

In 2022 expenditures on social protection amounted to 19,397.1 billion UZS, which is by 78.3 %, or 8,516.8 billion UZS, more than in 2021. The increase in expenditures on social protection is driven by the increase in the number of families that received social allowances, as well as by payment of one-off material support to those in need.

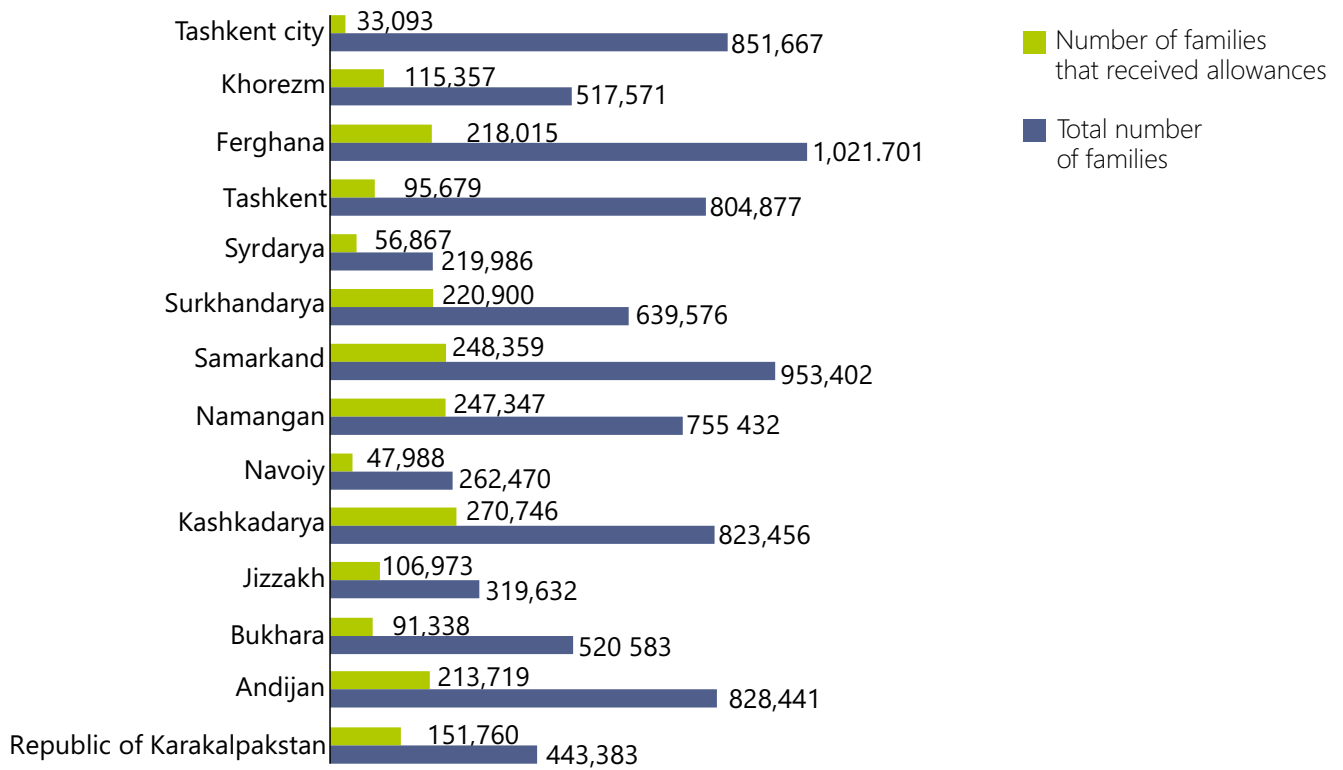
of social protection.<sup>1</sup>

**EXPENDITURES ON SOCIAL ALLOWANCES AND THE NUMBER OF FAMILIES THAT RECEIVED ALLOWANCES IN 2021-2022**



<sup>1</sup> Resolution of the President of the Republic of Uzbekistan No. PP-258 dated 25.05.2022 "On additional measures for targeted support of population groups in need of social protection".

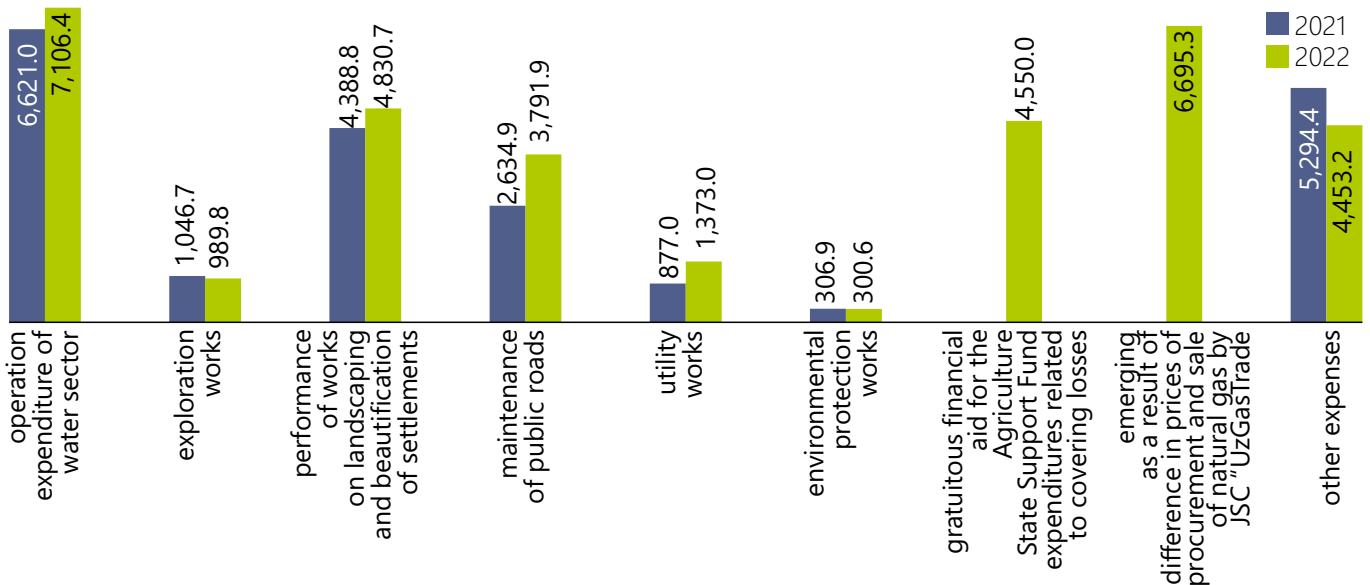
**NUMBER OF FAMILIES THAT RECEIVED ALLOWANCES IN 2022 BY REGIONS**



**Expenditures for the economy**

In 2022 expenditures for the economy, including operational water management expenditures, exploration works, landscaping and beautification of settlements, maintenance of public roads, utility works, etc. amounted to **34,090.9 billion UZS**, which is by 61 %, or by 12,921.2 billion UZS, is more than in 2021.

**EXPENDITURES OF THE STATE BUDGET FOR THE ECONOMY IN 2021-2022, BILLION UZS**



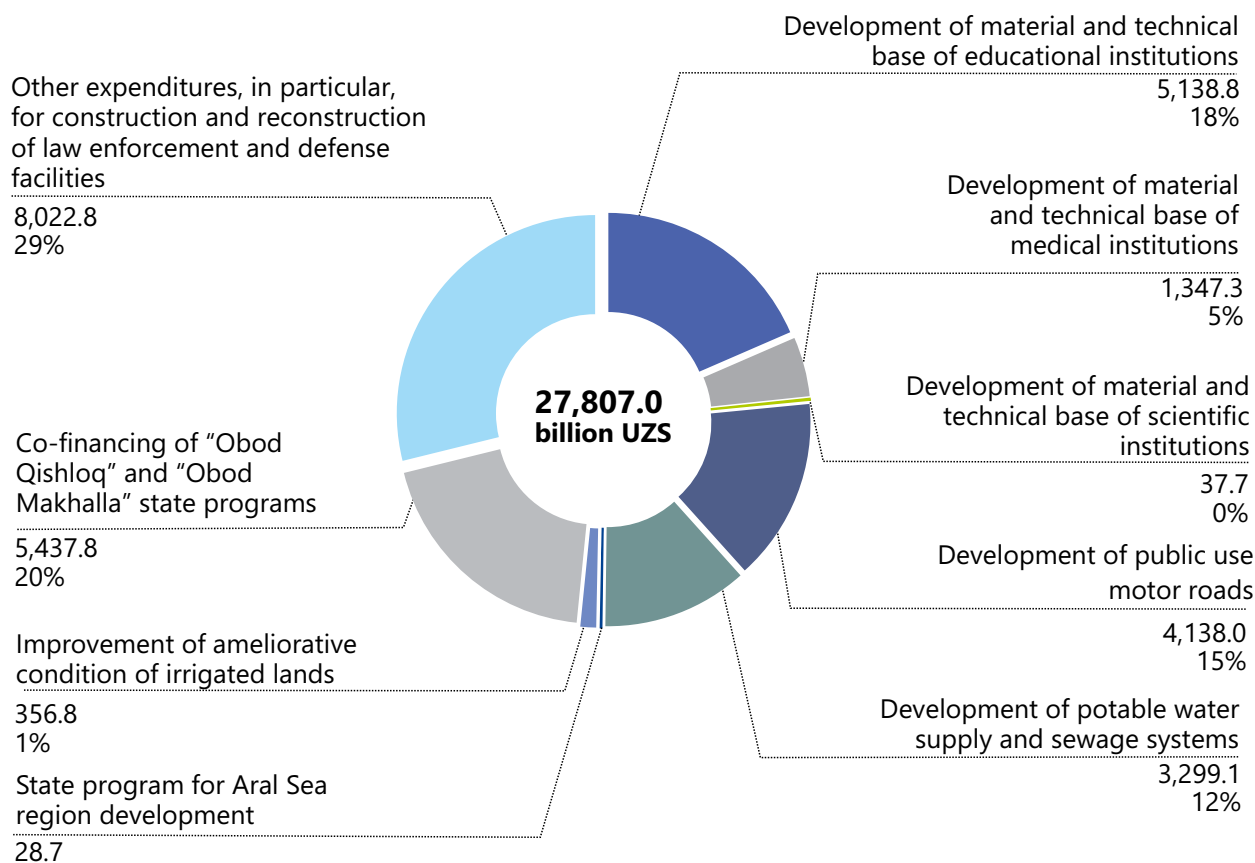
Increase in the expenditures for the economy is related to the allocation of gratuitous financial aid for the Agriculture State Support Fund in the amount of **4,550.0 billion UZS** and expenditures for covering losses that emerge as a result of the difference in prices for procurement and sale of natural gas by JSC "UzGasTrade" in the amount of **6,695.3 billion UZS**.

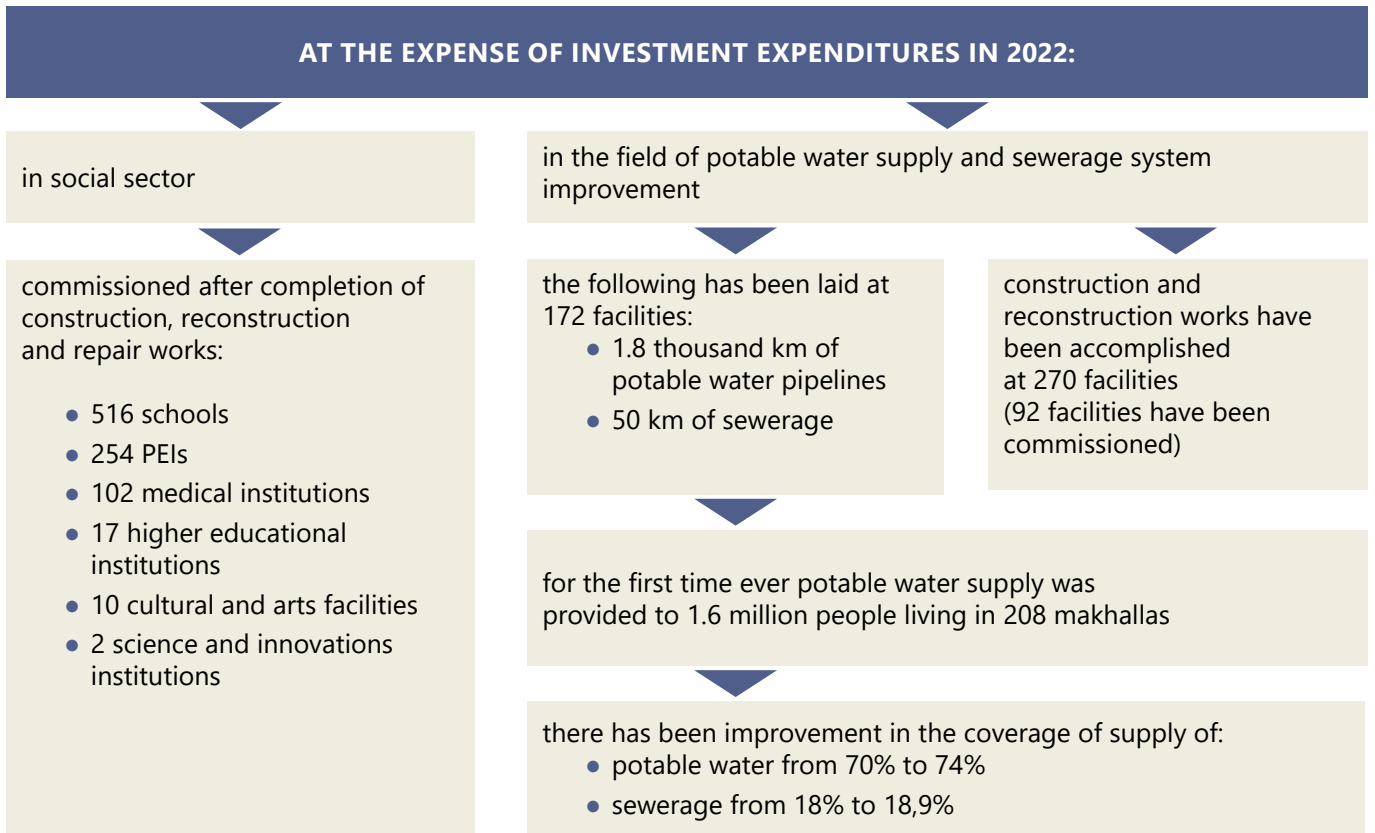


### Centralized Investments

Expenditures for centralized Investments amounted to **27,807.0 billion UZS**.

#### EXPENDITURES ON CENTRALIZED INVESTMENTS, EXECUTION IN 2022, BILLION UZS

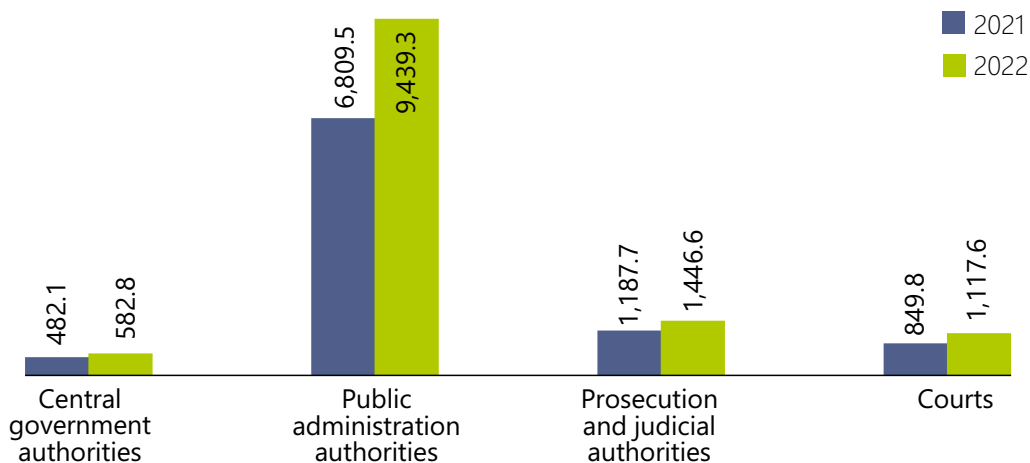




**Maintenance of government, administrative, judicial authorities, prosecutor’s offices and courts**

Expenditures for the maintenance of government, administrative, judicial authorities, prosecutor’s offices and courts amounted to **12,586.3 billion UZS**.

**EXPENDITURES FOR THE MAINTENANCE OF GOVERNMENT, ADMINISTRATIVE, JUDICIAL AUTHORITIES, PROSECUTOR’S OFFICES AND COURTS IN 2021-2022, BILLION UZS**



Increase in the expenditures for the maintenance of government, administrative, judicial authorities, prosecutor’s offices, and courts was driven by the increase in salaries, as well as by changes in the sources of additional payments to employees of selected ministries and agencies.

**EXECUTION OF THE STATE BUDGET EXPENDITURES BY ECONOMIC CLASSIFICATION  
IN 2021-2022, BILLION UZS**

№	Expenditures	2021 (actual)	2022 (actual)
	<b>Total</b>	<b>188,257.1</b>	<b>236,692.0</b>
	<i>Of which:</i>		
1	Salary and equivalent payments	57,667.0	77,050.1
2	Payroll charges	11,630.6	14,380.5
3	Capital investment	17,455.4	13,986.8
4	Other expenses	101,504.2	131,274.6
	<i>Of which:</i>		
4.1	Expenditures on goods and services	19,650.7	21,265.3
	<i>including:</i>		
	Travel expenditures	102.7	151.1
	Utility services	4,335.1	6,269.0
	Maintenance and repair	3,955.9	2,667.5
	Expenditures on inventories	5,775.2	7,095.3
	<i>Of which:</i>		
	Food products	1,863.4	2,475.8
	Medicines, medical supplies, vaccines and bacteriological preparations	2,364.6	2,548.5
	Fuel and lubricants	388.9	630.5
4.2	Other expenses on goods and services	5,458.8	5,047.2
4.3	Expenses for fixed assets	5,949.4	5,235.2
4.4	Interest	2,454.4	4,148.5
4.5	Subsidies	5,629.8	12,260.9
4.6	Transfers related to changes in financial assets and liabilities	1,477.9	637
4.7	Other Expenses	60,883.2	83,253.8



# Climate Expenditures Tagging

Uzbekistan is one of the countries that are the most vulnerable to climate change, which predetermines the need to develop and implement a consistent climate policy. Recognizing the importance of climate change issues, in 1993 Uzbekistan has acceded the United Nations Framework Convention on Climate Change (UNFCCC), and in 2017 it has signed the Paris Agreement.

**Paris Agreement** is a document that has been adopted within the United Nations Framework Convention on Climate Change that regulates measures to reduce the CO<sub>2</sub> in the atmosphere starting from 2020. The Agreement has been adopted building upon Kyoto Protocol during the Climate Change Conference in Paris on December 12, 2015. The objective of the Agreement is to promote implementation of UNFCCC, in particular, to hold the increase in the global average temperature to “well below” 2°C and to pursue efforts to limit the temperature increase to 1.5°C, which will require reduction of global greenhouse gas emissions by 40-70 percent by 2050 and reaching zero or negative rates of greenhouse gas emissions by 2100.

In accordance with the commitments taken in 2021, Uzbekistan intends to enhance climate change measures and actions, to increase the energy efficiency of the economy by 20 percent during the next 5 years, as well as to increase the share of renewable energy sources up to 25 percent, thus reducing specific greenhouse gas emissions per unit of GDP by 35 percent by 2030 from the level of 2010\*.

How are these priorities considered in preparation of the budget and what resources are mobilized for climate change action?

One of the instruments that enables consideration of the climate aspect in planning and in the budgeting process is the climate budget tagging.

## CLIMATE BUDGET TAGGING –

is the process of identification and quantification of climate-related budget expenditures (mitigation and adaptation to climate change) in order to enable evaluation and monitoring of such expenditures

### ENSURES:

- alignment of budget allocations with climate change policy priorities by including such issues into the planning and budgeting system;
- increasing awareness of state bodies and the public about climate change policy;
- increasing accountability and transparency of climate expenditures and results by disclosing information on them; and
- accountability in the context of international commitments on climate finance




\* Resolution of the President of the Republic of Uzbekistan No. PP-436 dated 02.12.2022 “On measures to increase effectiveness of reforms aimed at transition of the Republic of Uzbekistan to green economy by 2030”.

In order to enhance integration of climate issues in the planning and budgeting processes the Ministry of Economy and Finance of the Republic of Uzbekistan, with the support from the UNDP and French Agency for the Development (FAD), has prepared the Climate Public Expenditure and Institutional Review (CPEIR) and has developed the methodology for climate budget tagging. This methodology has been developed in due regard of the national strategic priorities, budget practice and institutional solutions\*.

Climate expenditures are classified based on two criteria:

**CPEIR** – is a diagnostic tool enables assessment of opportunities and limitations for integration of problems related to climate change into the process of allocating and expending national and subnational budgets through qualitative and quantitative analysis of public expenditures and of their relationships with climate change, country's plans and climate change policy, institutional framework, and architecture of public finances.

#### ■ Nature of climate expenditures:

	Mitigation	Climate change mitigation expenditures – to finance measures and actions that will result in reduction of greenhouse gas emissions.
	Adaptation	Climate change adaptation expenditures pursue timely adaptation to irreversible climate change impacts in order to prevent / reduce associated potential losses and damage to the national economy and social sector
	Combined	Expenditures on mitigation and adaptation to climate change

#### ■ Relevance of expenditures from the perspective of climate change action:



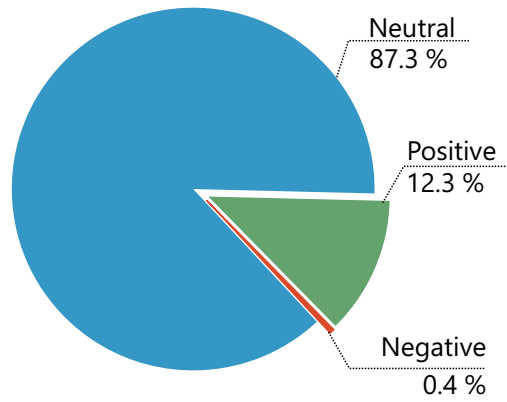
In order to pilot the proposed methodology, the climate budget tagging has been performed based on data on the State Budget execution of the Republic of Uzbekistan for 2022\*. The following has been taken into account during the assessment of expenditures: whether a budget line was related to climate or not, whether such relevance is positive, negative or neutral, and whether it relates to mitigation, adaptation, or has both mitigation– and adaptation–related impact.

In 2022, **30,016.3 billion UZS**, or **13%**, of the total State Budget expenditures were evaluated as linked to climate change; other expenditures were classified as neutral, i.e. either as those that do not have any impact on climate change or as those that cannot be assessed due to the disputability of their identification as “climate expenditures”.

With regard to the relevance criterion, the prevailing share of climate expenditures was assessed as having positive impact on climate

\*Funds for implementation of projects (programs) attracted from the foreign sources were not considered, because they are not reflected in revenues and expenditures of the State Budget. There was no identification of the relevance of such expenditures for mitigation and adaptation to climate change.

**STATE BUDGET EXPENDITURES**  
**236.7 TRILLION UZS**



By their nature, the majority (96.6%) of positive climate expenditures was represented by expenditures for adaptation to climate change.

**POSITIVE CLIMATE EXPENDITURES**

	Mixed (combined) impact	424 billion UZS (1.5 %)
	Expenditures on climate change mitigation	613 billion UZS (2.1 %)
	Expenditures on adaptation to climate change	27,962 billion UZS (96.4 %)

**EXAMPLES OF ADAPTATION MEASURES:**

- adoption of water saving technologies (drip irrigation) in order to reduce use of irrigation water;
- creating water reservoirs to accumulate water resources in the country during spring, autumn and winter periods (water discharges by countries that discharge water resources in order to produce electricity – Tajikistan and Kyrgyzstan);
- transition to farming less water-intensive crops (reducing the area of lands used for cotton farming that requires large volumes of irrigation water);
- use of laser leveling of fields;
- more extensive greenification of settlements and cities, afforestation, development of agroforestry;
- development of an early warning system for extreme weather events and climate risks, etc.

**EXAMPLES OF CLIMATE CHANGE MITIGATION MEASURES:**

- investments in modernization and reconstruction of existing thermal power plants;
- construction of small hydropower plants, as well as solar power plants, wind farm parks;
- development of electric mobility (including public transportation);
- construction of energy efficient and low-carbon buildings;
- installing solar photovoltaic installations on roofs of all types of buildings to supply electricity to the grid;
- use of solar water heating installations in housing and communal sector;
- use of biogas installations in livestock farming (reducing methane emissions), etc.

**MIXED IMPACT MEASURES  
INCLUDE THE FOLLOWING:**

- implementation of a program to expand plantations in Aral Sea region and on the dry bed of Aral Sea that will reduce greenhouse gas emissions through carbon sequestration by trees and adaptation to climate aridification by creating a micro-climate and reducing desertification, along with rational use of water resources;
- rehabilitation of degraded pastures resulting from the decrease in water resources, droughts, if, for example, their irrigation is organized through the use of pumps that are powered by solar photovoltaic installations, or use of manure (methane) from stall livestock (cattle) farming for production of biogas that is used for generation of heat energy and electricity, while a by-product – organic manure – for increasing the yield of feed crops and reducing the use of mineral fertilizers; restoration of landscape vegetation contribute to mitigating climate aridity, etc.

**EXPENDITURES OF THE STATE BUDGET THAT AFFECT MITIGATION AND ADAPTATION TO CLIMATE CHANGE BY SECTORS, EXECUTION IN 2022, BILLION UZS**

	Expenditures	Execution	Positive	Negative	Neutral
	<b>Expenditures, total</b>	<b>236,692.0</b>	<b>28,998.5</b>	<b>1,017.7</b>	<b>206,675.7</b>
	In % of total expenditures	100.0	12.3	0.4	87.3
1	Social Expenditures	117,691.9	516.5	-	117,175.3
2	Expenditures for the economy	34,090.9	17,253.3	989.8	15,847.8
3	Investment expenditures	27,807.0	10,508.6	-	17,298.4
4	Expenditures on maintenance of government, administrative, judicial authorities, prosecutor's office, courts, and citizens' self-government authorities	13,551.7	690.3	-	12,861.4
5	Reserve funds of the Cabinet of Ministers and the budget of the Republic of Karakalpakstan, regions, cities and districts	1,811.0	-	-	1,811.0
6	Expenditures for the public debt servicing and repayment	3,528.5	-	-	3,528.5
7	Other expenses	38,211.0	29.8	27.9	38,153.3

From the sectoral perspective, agriculture (irrigation), transportation and water supply account for more than 73% of positive climate expenditures.

**EXPENDITURES WITH POSITIVE CLIMATE IMPACT BY SECTORS IN 2022**

By functional classification		2022
Group	Subgroup (sector)	
General public services	Legislative and executive power, public administration, financial and fiscal relations, foreign affairs	4,233.7
Economic matters	Agriculture, forestry, fishery and hunting	13,397.6
	Transport	4,204.6
	Economic relations (not related to other groups)	1,723.9
Environmental Protection	Environmental protection	143.1
Housing and community amenities	Water supply	3,605.9
	Street lighting	216.4
	Utility services not included in other groups	822.8
Social protection	Expenditures for development of coastal region	12.2
	Social protection matters not related to other categories	535.6
<b>Total</b>		<b>28,998.5</b>

The majority of negative expenditures are related to mining and processing industries and construction.

**EXPENDITURES WITH NEGATIVE CLIMATE IMPACT BY SECTORS IN 2022**

By functional classification		2022
Group	Subgroup (sector)	
Economic matters	Mining, processing industries and construction	989.8
Public order and security	Rescue service	27.9
<b>Total</b>		<b>1,017.7</b>

# PARTICIPATORY BUDGETING PROJECT FINANCING

## Participatory budgeting support

Starting from 2022 the participatory budgeting practice has been scaled up in all districts of the country. Every year there are two cycles for nomination and selection of citizens' proposals to be financed from the budget funds. In 2022 the process of nomination and selection of projects developed based on public opinion and financed at the expense of local budget funds has received additional support and further development.

<b>IN ORDER TO IMPROVE TRANSPARENCY AND EFFECTIVENESS OF THE PROCESS FOR NOMINATION AND SELECTION OF PROJECTS</b>	<b>IN ORDER TO IMPROVE FINANCING AND ENSURE TARGETED USE OF FUNDS:</b>
<ul style="list-style-type: none"> <li>■ the practice has been adopted for hearing, following the outcomes of each quarter, in the Senate of Oliy Majlis of reports of the Chairman of the Council of Ministers of the Republic of Karakalpakstan, khokims of regions, Tashkent city, districts and cities on implementation of activities that were developed based on public opinion;</li> <li>■ the procedure has been established for exercising control over implementation of activities developed based on public opinion that is exercised by the State Financial Control Inspectorate under the Ministry of Economy and Finance following the outcomes of a reporting year.</li> </ul>	<ul style="list-style-type: none"> <li>■ sources of financing for selected projects have been expanded. 2.5 trillion UZS have been allocated for implementation of the selected projects, including 2.1 trillion UZS – at the expense of local budgets and 0.4 trillion UZS – at the expense of funds that were additionally allocated from the republican budget of the Republic of Uzbekistan;</li> <li>■ “Public Control” page has been launched on the “Open Budget” portal;</li> <li>■ the possibility of online tracking of all project implementation phases has been added.</li> </ul>

## Information on projects that were nominated by citizens and awarded

Within the framework of selection cycle in 2022			
Nominated by citizens	Published for public voting	Voted	Selected following the voting outcomes
<b>131 thousand projects</b>	<b>78 thousand projects</b>	<b>14,542.612 people</b>	<b>4,136 projects</b>

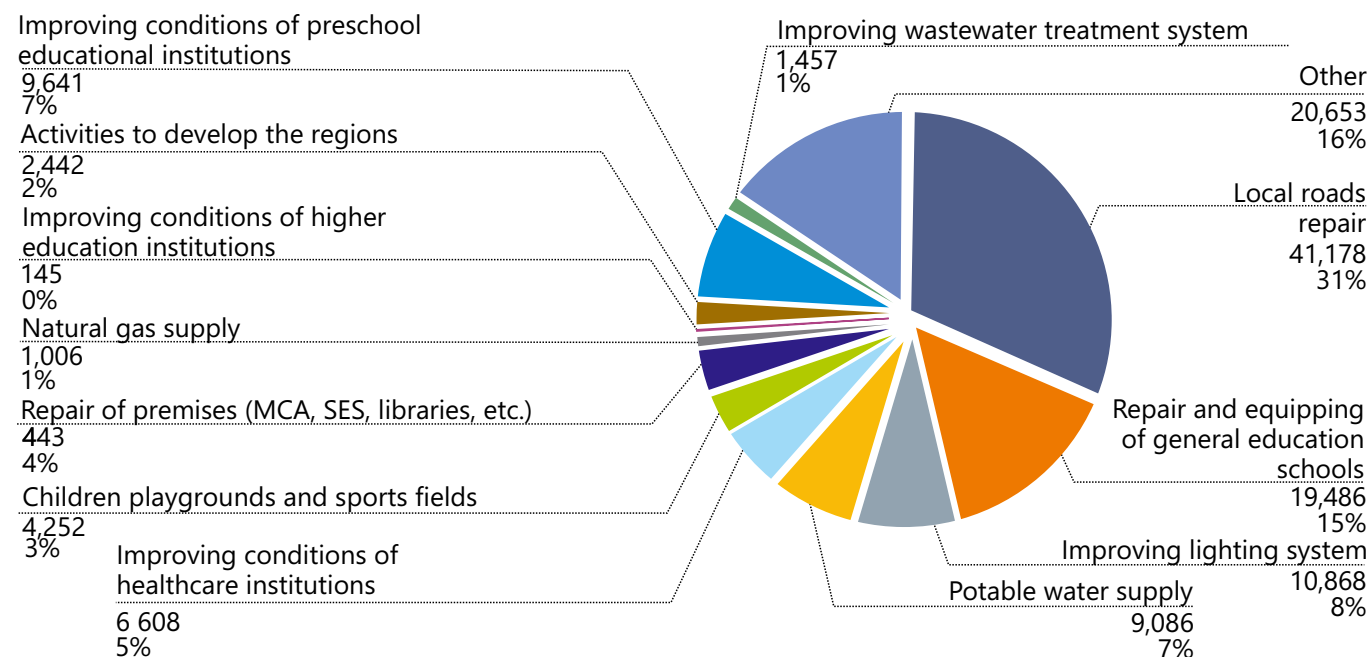
## NUMBER OF NOMINATED AND AWARDED PROJECTS IN 2022, BY REGIONS

		Number of projects			Number of citizens who voted, people
		nominated by citizens	submitted for public voting	selected following the outcomes of public voting	
1	Republic of Karakalpakstan	15247	8,464	234	431,815
2	Andijan region	4702	3,680	287	1,122,554
3	Bukhara region	14038	9,861	282	828,160
4	Jizzakh region	6229	3,995	165	591,518
5	Kashkadarya district	9367	5,809	332	1,434,524
6	Navoiy region	5113	2,722	221	540,784
7	Namangan region	8977	7,103	314	1,571,267
8	Samarkand region	6551	3,723	381	1,389,441
9	Surkhandarya region	20975	10,298	279	1,452,606
10	Syrdarya region	5178	2,199	244	359,633
11	Tashkent region	7460	4,175	393	1,164,613
12	Ferghana region	6316	4,887	436	2,409,415
13	Khorezm region	10436	7,085	250	900,087
14	Tashkent city	10741	3,946	318	346,195

## The most demanded areas

The largest number of projects nominated by citizens in 2022, similar to the previous year, was related to the repair of roads, repair and equipping of general education schools, improvement of lighting systems and potable water supply.

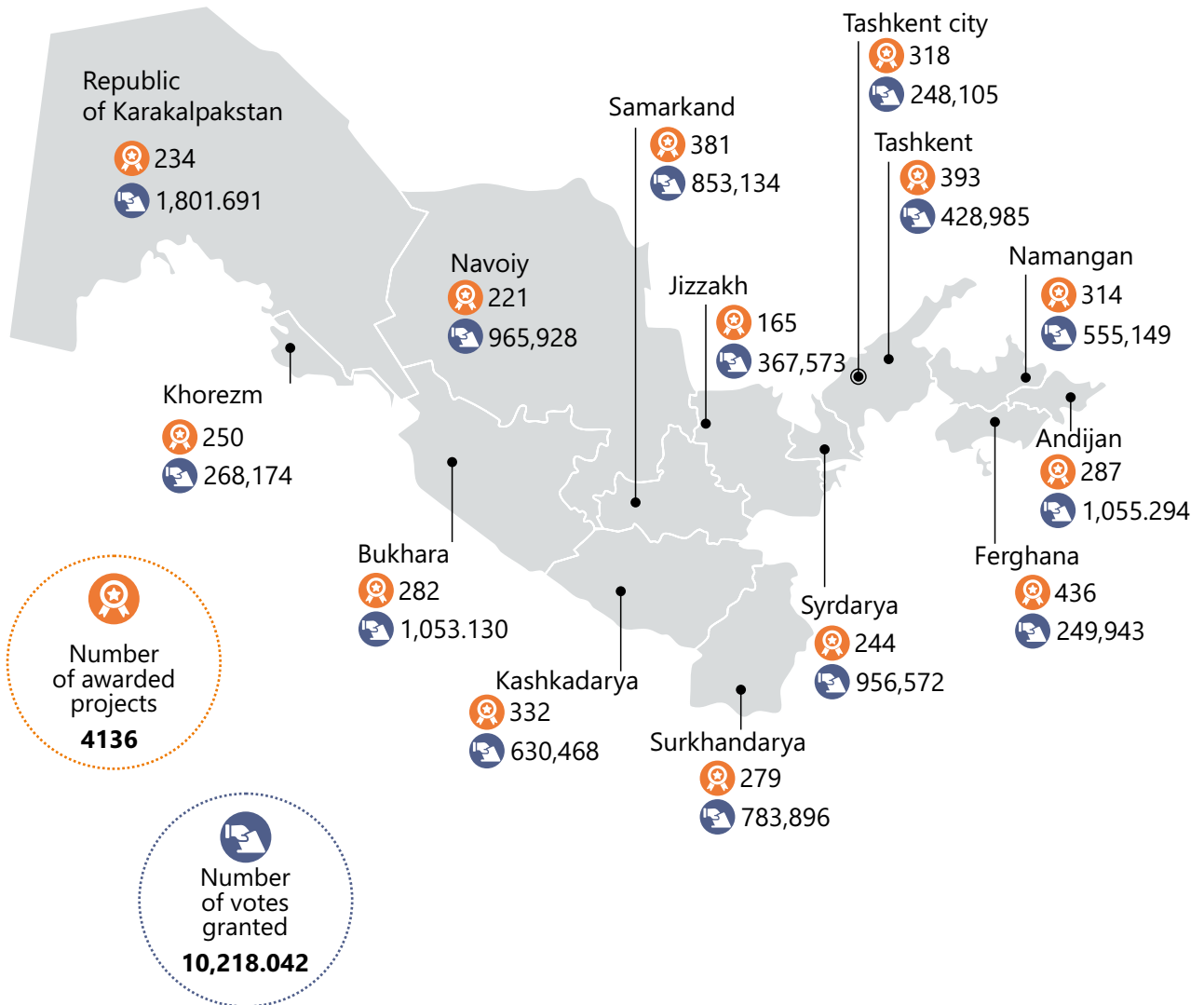
## NUMBER OF PROJECTS NOMINATED BY CITIZENS IN 2022, BY AREAS



The largest number of votes was for the projects to repair general education schools and local roads.

### The most active regions

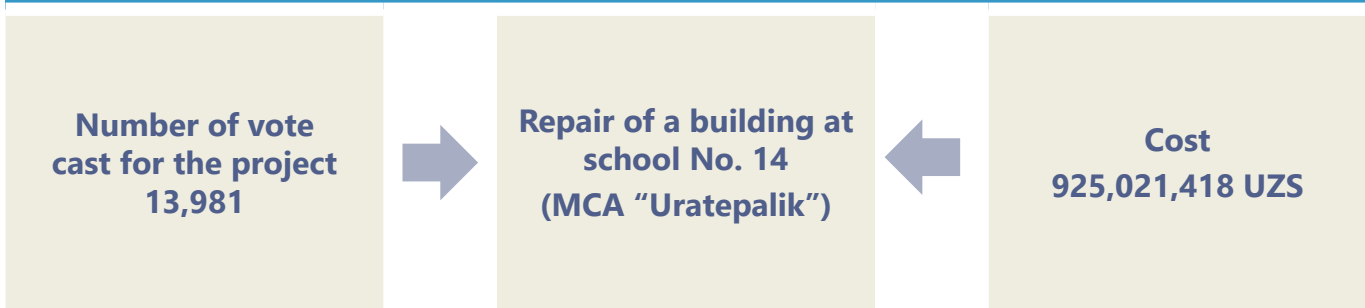
BY THE NUMBER OF		
PROJECTS SUBMITTED FOR PUBLIC VOTING	AWARDED PROJECTS	CITIZENS WHO PARTICIPATED IN PUBLIC VOTING
<ul style="list-style-type: none"> <li>Surkhandarya region</li> <li>Bukhara region</li> <li>Republic of Karakalpakstan</li> </ul>	<ul style="list-style-type: none"> <li>Ferghana region</li> <li>Tashkent region</li> <li>Samarkand region</li> </ul>	<ul style="list-style-type: none"> <li>Ferghana region</li> <li>Namangan region</li> <li>Surkhandarya region</li> </ul>





## Examples of implemented projects

### Project for repair of a building at school No. 14 in Jizzakh city of Jizzakh region

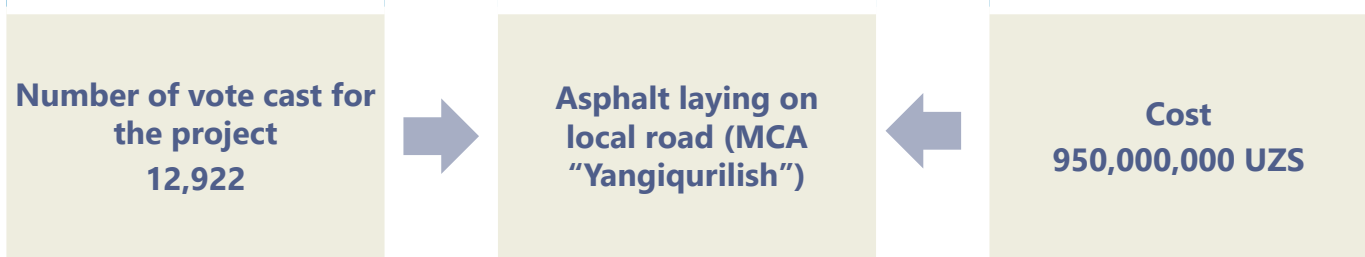


Previous condition



Performed works

### A project for rehabilitation of a local road in Altynsay district of Surkhandarya region



Previous condition

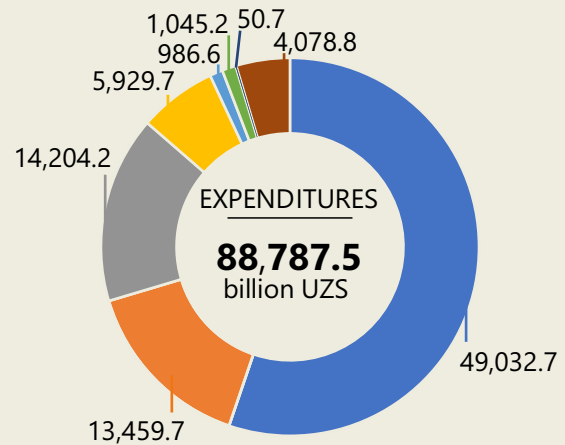
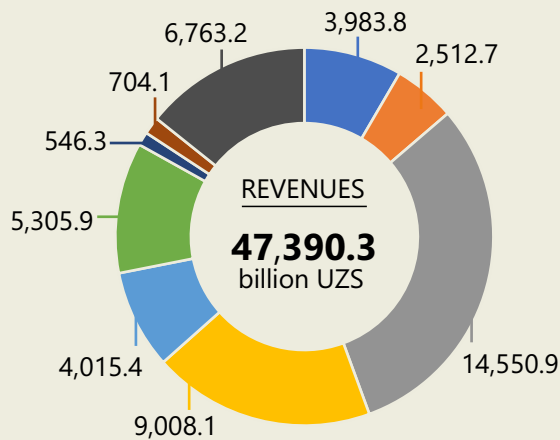











Performed works

# Execution of local budgets

In 2022 revenues of the budget of the Republic of Karakalpakstan, local budgets of regions and Tashkent city were collected in the amount of 49,187.4 billion UZS. Expenditures of local budgets were executed in the amount of 88,787.6 billion UZS. In order to ensure the balance of local budgets, the difference between their revenues and expenditures was covered at the expense of inter-budgetary transfers.

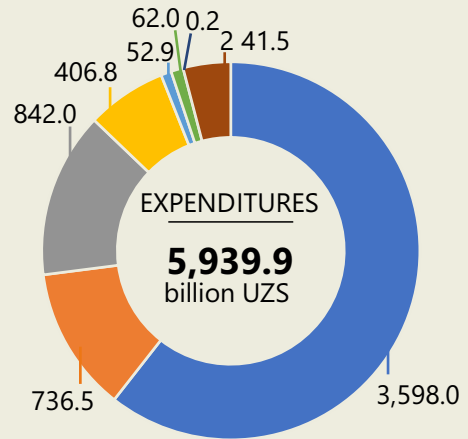
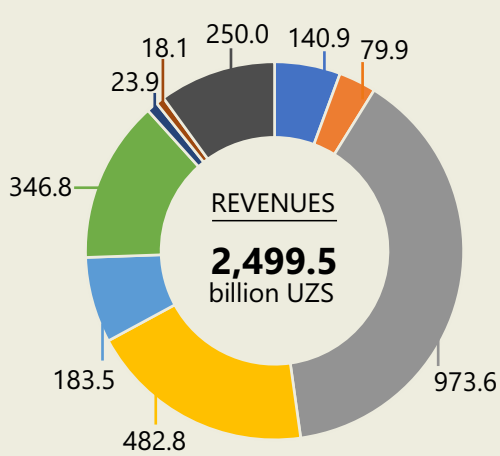
## PARAMETERS OF LOCAL BUDGETS










-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
-  Other revenues and other non-tax revenues

-  Expenditures
-  Expenditures for the economy
-  Expenditures to finance centralized investments
-  Maintenance of government, administrative, judicial authorities, prosecutor's offices and courts
-  Maintaining local governments and state support for NGOs
-  Reserve Fund of the Republic of Karakalpakstan, provinces and Tashkent city
-  Expenditures on the public debt servicing
-  Other expenses

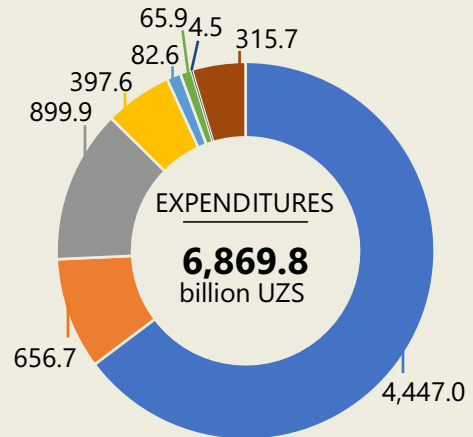
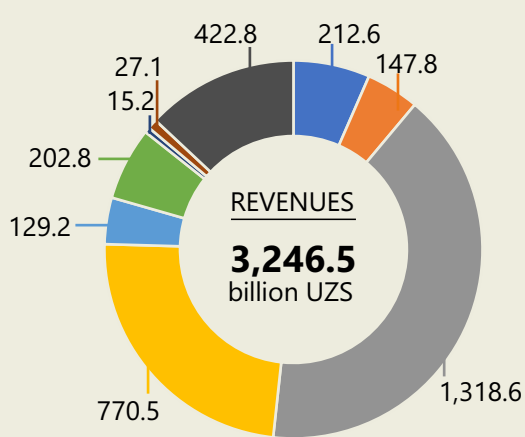
## REPUBLIC OF KARAKALPAKSTAN












-  Corporate income tax
-  Turnover tax
-  Personal income tax
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-  Land Tax
-  Subsurface use tax
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-  Other expenses

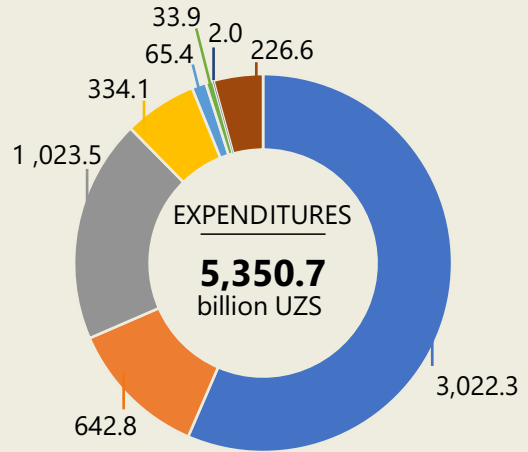
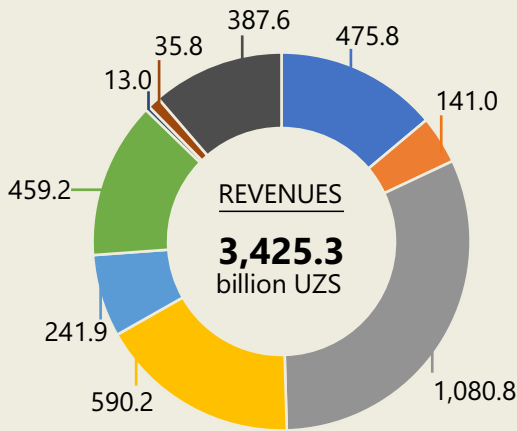
### ANDIJAN REGION







-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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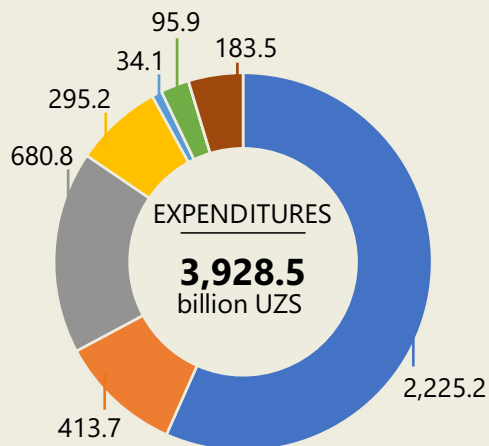
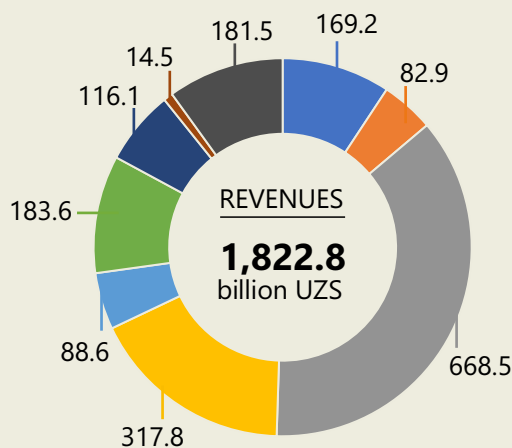
### BUKHARA REGION



-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
-  Other revenues and other non-tax revenues

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-  Other expenses

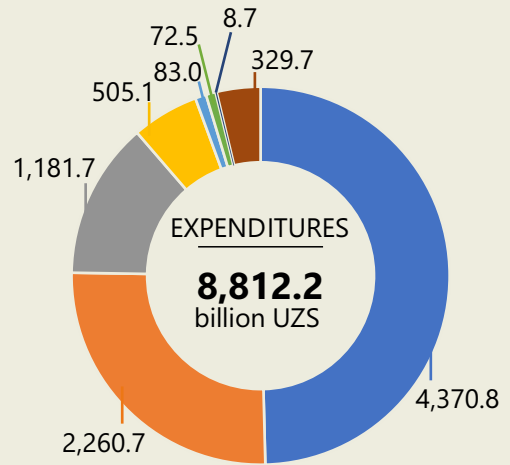
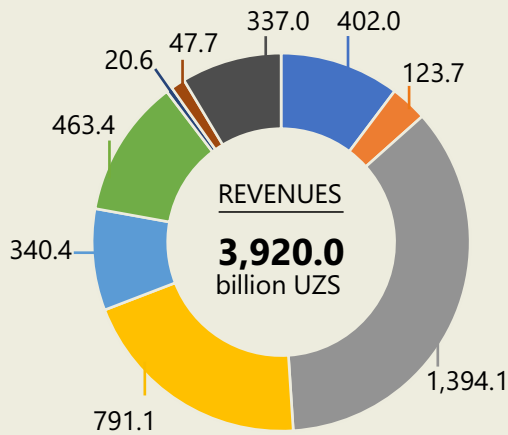
### JIZZAKH REGION




-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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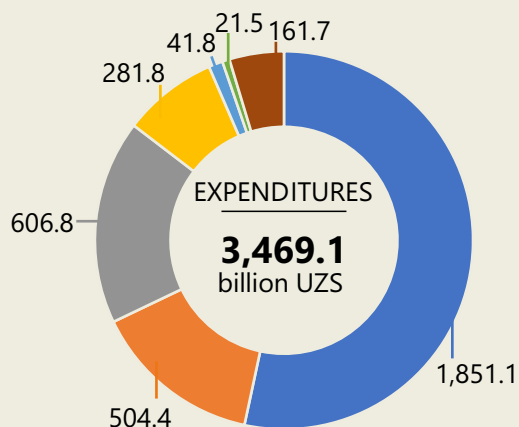
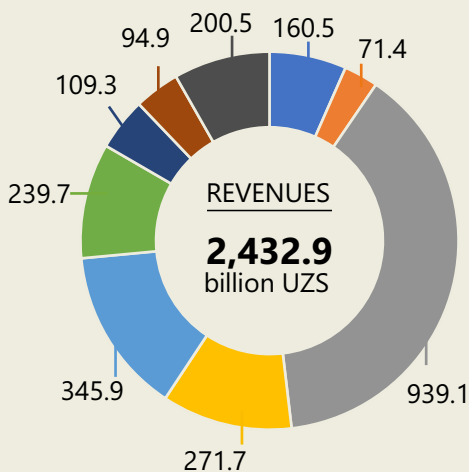
### KASHKADARYA REGION











-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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-  Reserve Fund of the Republic of Karakalpakstan, provinces and Tashkent city
-  Expenditures on the public debt servicing
-  Other expenses

### NAVOIY REGION

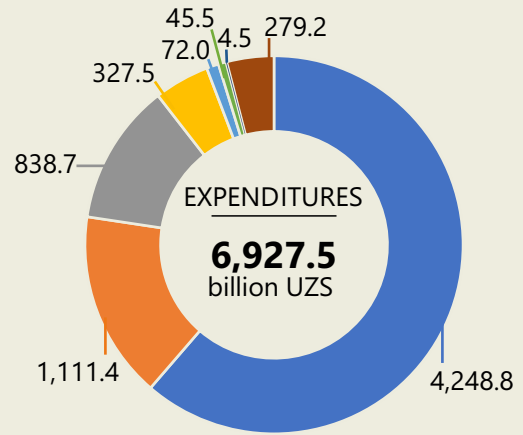
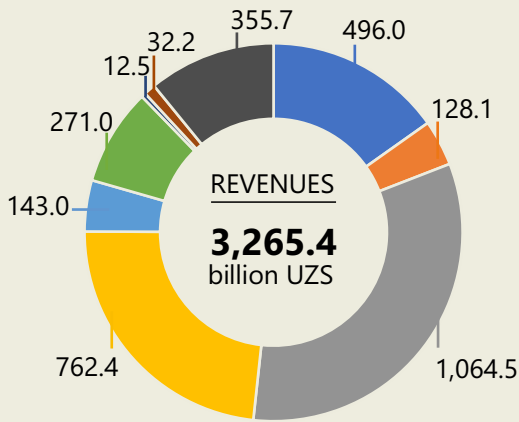











-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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-  Other expenses



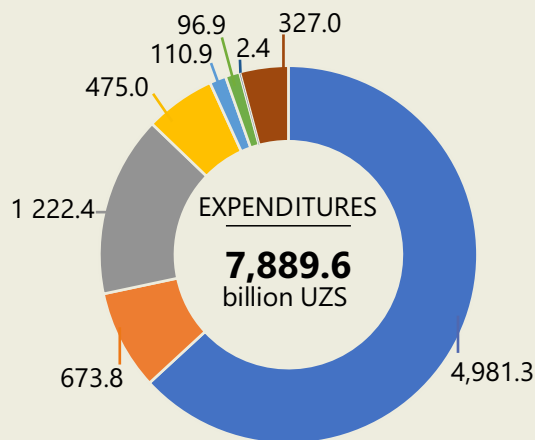
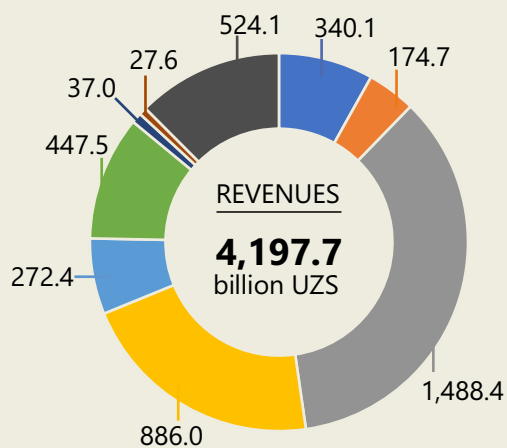
### NAMANGAN REGION












-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
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-  Other expenses

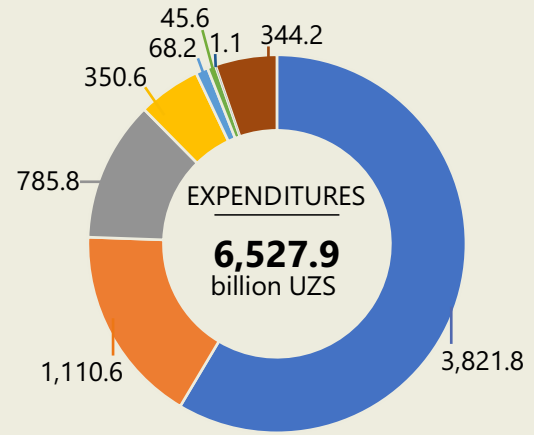
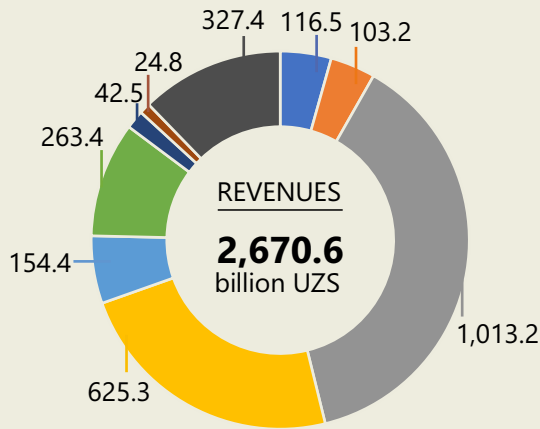
### SAMARKAND REGION



-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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-  Expenditures on the public debt servicing
-  Other expenses

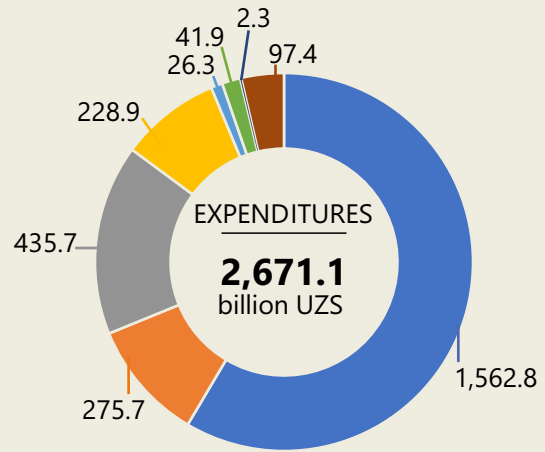
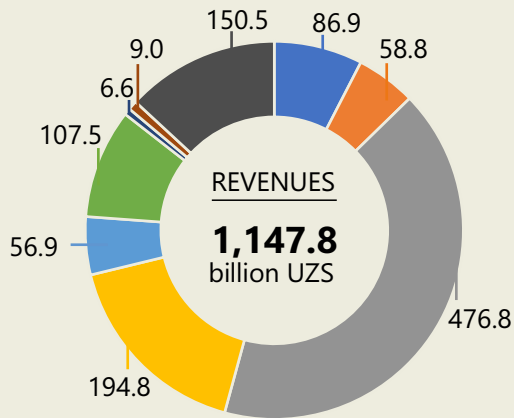
### SURKHANDARYA REGION












-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
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-  Expenditures on the public debt servicing
-  Other expenses

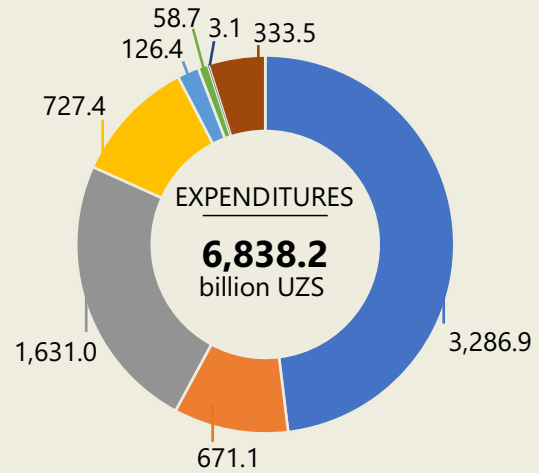
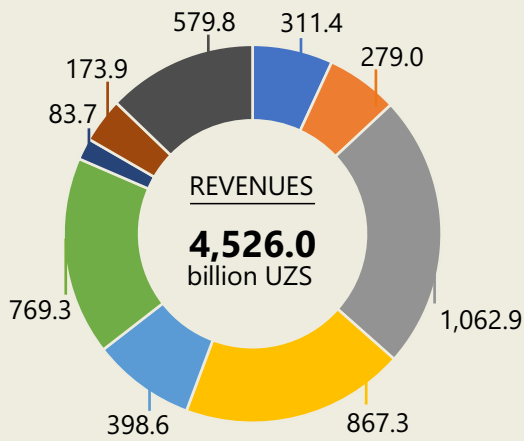
SYRDARYA REGION







-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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-  Maintaining local governments and state support for NGOs
-  Reserve Fund of the Republic of Karakalpakstan, provinces and Tashkent city
-  Expenditures on the public debt servicing
-  Other expenses

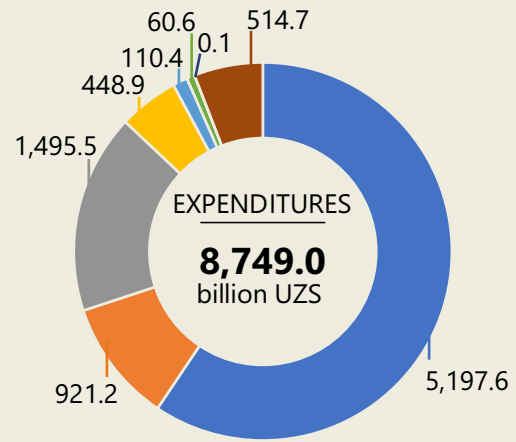
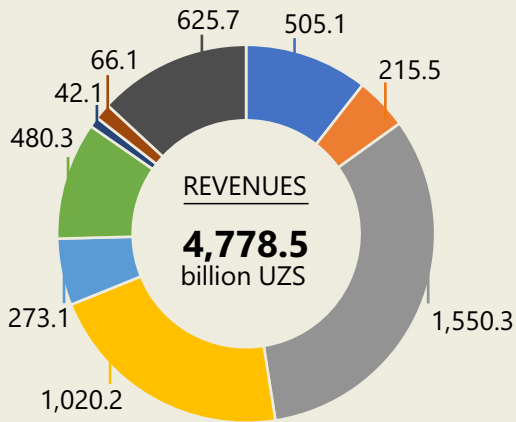
### TASHKENT REGION




-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
-  Water resource use tax
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-  Expenditures on the public debt servicing
-  Other expenses

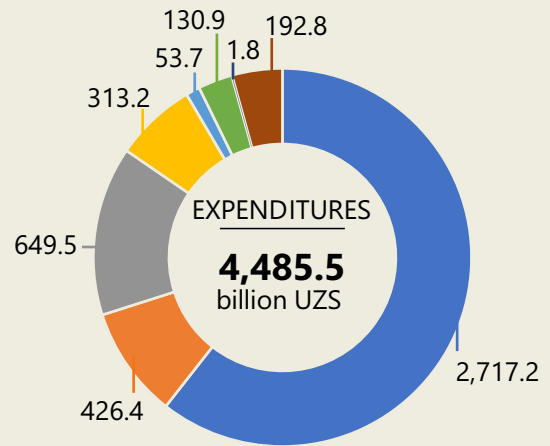
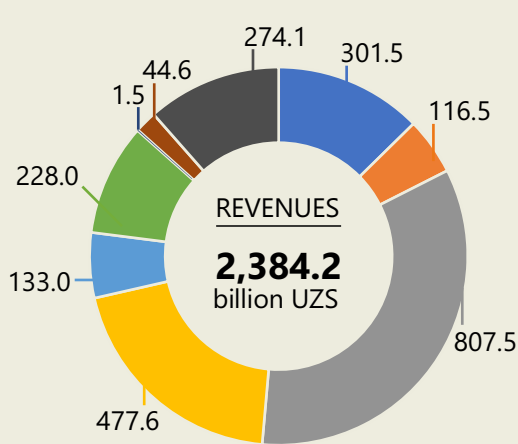
### FERGHANA REGION




-  Corporate income tax
-  Turnover tax
-  Personal income tax
-  Excise tax
-  Property tax
-  Land Tax
-  Subsurface use tax
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-  Expenditures on the public debt servicing
-  Other expenses

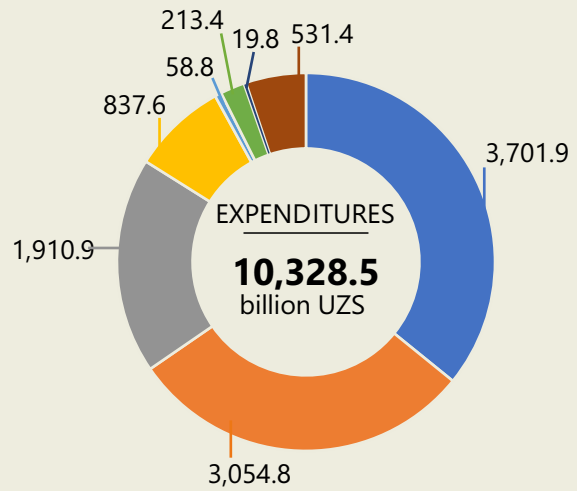
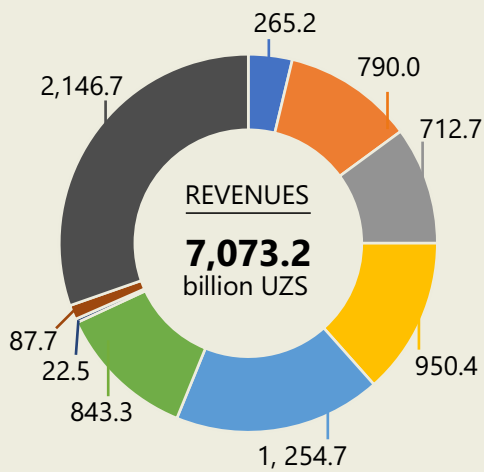
### KHOREZM REGION











-  Corporate income tax
-  Turnover tax
-  Personal income tax
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-  Property tax
-  Land Tax
-  Subsurface use tax
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TASHKENT CITY



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## INFORMATION ON ADDITIONAL REVENUES OF LOCAL BUDGETS IN 2022

In 2022, from additional the revenues, there were expenditures incurred in the amount of 9,388 billion UZS, which was equal to 10% of the total expenditures of local budgets.

### ADDITIONAL REVENUES AND EXPENDITURES OF LOCAL BUDGETS, BILLION UZS

Nº	Regions	Additional revenues	Expenditures from additional revenues	Balance
<b>Total for Local Budgets</b>		<b>10,086</b>	<b>9,414</b>	<b>672</b>
1	Republic of Karakalpakstan	533	512	21
2	Andijan region	353	342	11
3	Bukhara region	713	641	72
4	Jizzakh region	224	216	8
5	Kashkadarya region	603	578	25
6	Navoiy region	476	462	14
7	Namangan region	435	430	5
8	Samarkand region	577	570	7
9	Surkhandarya region	337	332	5
10	Syrdarya region	191	173	18
11	Tashkent region	966	833	133
12	Ferghana region	849	824	25
13	Khorezm region	467	437	30
14	Tashkent city	3,362	3,064	298

**INFORMATION ON EXPENDITURES INCURRED AT THE EXPENSE OF ADDITIONAL REVENUES OF LOCAL BUDGETS IN 2022, BILLION UZS**

No	Regions	TOTAL	Territorial development programs	Instructions following visits of the President	"Obod Qishloq" and "Obod Makhalla" development programs	Military and administrative sector fund	Development of regions	Enhancement of material and technical base of khokimiyats	Participatory budgeting project financing (OpenBudget)	Other expenses
<b>Local budgets' total</b>		<b>9,414</b>	<b>2,070</b>	<b>309</b>	<b>933</b>	<b>473</b>	<b>962</b>	<b>197</b>	<b>509</b>	<b>3,961</b>
1	Republic of Karakalpakstan	512	117	49	60	47	63	10	23	143
2	Andijan region	342	92	1	62	33	19	2	22	111
3	Bukhara region	641	221	7	117	38	13	39	30	176
4	Jizzakh region	216	47	0	9	22	13	4	27	94
5	Kashkadarya region	578	1	111	80	1	0	0	1	384
6	Navoiy region	462	165	0	85	31	43	37	23	78
7	Namangan region	430	205	40	71	17	1	4	33	59
8	Samarkand region	570	157	1	52	2	26	14	59	259
9	Surkhandarya region	332	55	0	63	72	6	12	29	95
10	Syrdarya region	173	45	1	29	18	15	4	7	54
11	Tashkent region	833	206	50	79	62	24	11	67	334
12	Ferghana region	824	214	40	101	127	20	26	54	242
13	Khorezm region	437	136	8	73	2	24	12	41	141
14	Tashkent city	3,064	409	1	52	1	695	22	93	1,791

# Budget deficit

Following the outcomes of 2022, the deficit of the total fiscal balance of the Consolidated budget has not exceeded the established ceiling and amounted to 35.2 trillion UZS (4.0 % to GDP). Increase in the budget deficit as compared to the planned target for 2022 (25.5 trillion UZS or 3.0 % of GDP) was driven by the increased expenditures primarily for the social sector, economy, and population support, as well as investments in social and production infrastructure.

## EXECUTION OF THE CONSOLIDATED BUDGET IN 2022, BILLION UZS

	Revenues	Expenditures	Balance: surplus (+) / deficit (-)
The State Budget and state targeted funds	239,561	274,956	-35,395
Fund for Reconstruction and Development*	8,615	8,071	545
Extra-budgetary accounts of budget organizations	38,328	33,646	4,682
Expenditures for the state programs funded from the external debt		5,733	-5,733
Overall balance of the Consolidated budget	286,504	321,733	-35,229

\*) without consideration of transfer to the State budget

The following sources were utilized to cover the deficit of the Consolidated budget (35,229 billion UZS):

FOREIGN	DOMESTIC
<ul style="list-style-type: none"> <li>loans from international financial institutions and issuance of Eurobonds – <b>16,668 billion UZS</b></li> <li>loans for implementation of the state targeted programs – <b>5,733 billion UZS</b></li> </ul>	<ul style="list-style-type: none"> <li>balance at the beginning of the year – <b>1,949 billion UZS</b></li> <li>revenues from privatization of state assets – <b>4,500 billion UZS</b></li> <li>issuance of government Treasury bonds – <b>6,379 billion UZS</b></li> </ul>

## STRUCTURE OF THE SOURCES USED TO COVER THE CONSOLIDATED BUDGET DEFICIT IN 2022, BILLION UZS





## GLOSSARY

**Budget of the Republic of Karakalpakstan** is a part of the State Budget that makes up the cash fund of the Republic of Karakalpakstan, providing for sources and amounts of revenues, and directions and amounts of expenditures during the financial year.

**Budget classification** is a grouping of revenues and expenditures of budgets of all levels, as well as sources of funding budget deficits and types of public debt, established by similar criteria.

**Budgets of the budget system** are the State Budget of the Republic of Uzbekistan, budgets of state targeted funds and extra-budgetary funds of budget organizations.

**Budget organization** is a non-profit organization created by a decision of state authorities in the prescribed manner to carry out functions of government, funded from the State Budget.

**Budget appropriations** are funds provided for budgetary organizations and recipients of budgetary funds from the State Budget of the Republic of Uzbekistan and the budgets of state targeted funds.

**Budget year** is the period during which the approved budget shall be executed.

**Gross domestic product** is the total market value of all finished goods and services produced in the country during the year.

**Public borrowing** is attracting assets for which obligations of the Republic of Uzbekistan as

a borrower or guarantor of repayment of credits (loans) of resident borrowers arise.

**Public domestic borrowing** is attracting assets from internal sources (legal entities and individuals-residents), for which obligations of the Republic of Uzbekistan arise as a borrower or guarantor of repayment of credits (loans) by resident borrowers of the Republic of Uzbekistan and leads to the formation of public internal debt.

**Public external borrowing** is attracting assets from external sources (foreign states, non-resident legal entities and international organizations) for which obligations of the Republic of Uzbekistan arise as a borrower or guarantor of repayment of credits (loans) by resident borrowers of the Republic of Uzbekistan and leads to the formation of public external debt.

**Government treasury bonds** are government securities placed among the population and legal entities, certifying the placement of cash into the budget by their holders and giving the right to a fixed income during the entire period of ownership of these securities.

**Participatory budgeting** is the process of citizen engagement in distribution of the portion of budget funds by nomination of initiatives / projects through the "Open Budget" information portal, pursuing the aim of addressing the most critical problems locally, and participation in voting for them.

**The Treasury** is a specially authorized financial body that carries out the execution of the State Budget.

**Intra-budgetary transfers** are funds transferred from the republican budget of the Republic of Uzbekistan to the budget of the Republic of Karakalpakstan, local budgets of regions and Tashkent city, state targeted funds and vice versa, as well as from the republican budget of the Republic of Karakalpakstan, regional budgets of regions and the budget of Tashkent city to the budgets of districts and cities and vice versa.

**Local budget** is a part of the State Budget that makes up the cash fund of the corresponding region, district, city, providing for sources and amounts of revenues, directions and amounts of expenditures during the financial year.

**Tax incentives** are full or partial tax exemption provided by tax legislation, as well as other mitigation of the tax burden for a taxpayer.

**Debt servicing** is aggregate payments in repayment of debt obligations on a loan (loans), including obligations on principal debt, payment of interest, commissions and fines.

**Recipient of budget funds** is a legal entity or an individual receiving funds from the State Budget and the budgets of state targeted funds.

**Republican budget** is a part of the State Budget used to fund activities at the national

level, providing for the sources and amounts of revenues, directions and amounts of expenditures during the financial year.

**Cost estimate** is a document drawn up by a budget organization or recipient of budget funds for a fiscal year, which reflects the budget appropriations provided for it under expenditure items.

**Medium-term budget targets** is a financial document (plan) for 3 years, including a forecast of the main macroeconomic indicators and aggregated budget parameters, limits on expenditures according to the functional classification, risks and management measures.

**Territorial financial bodies** the Ministry of Finance of the Republic of Karakalpakstan, financial departments of regional and Tashkent city administrations, financial departments of district and city administrations.

**Fiscal year** is a period from January 1 to December 31, inclusive.

**Wage fund** is a target source of financing the costs for wages, payment of bonuses, remuneration.

**Functional classification of expenditures** is a grouping of expenditures according to the main functions performed by government bodies, local government bodies, as well as other budget organizations.

**Economic classification of expenditures** is a grouping of expenditures by economic purpose and type of payment.

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