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Report No: ICR00006444

IMPLEMENTATION COMPLETION AND RESULTS REPORT

(IBRD-93210, IDA-70140)

ON A

IBRD LOAN IN THE AMOUNT OF US\$150 MISSION AND

IDA CREDIT IN THE AMOUNT OF US\$250 MISLLION

TO THE
REPUBLIC OF UZBEKISTAN

FOR THE

Accelerating Uzbekistan's Transition Development Policy Operation (P176353)

June 25, 2024

Macroeconomics, Trade And Investment Global Practice
Europe And Central Asia Region



CURRENCY EQUIVALENTS

(Exchange Rate Effective June 24, 2024)

Currency Unit =

UZS 12 625.18 = US\$1

US\$ = SDR 1

FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AI80	Low Octane Gasoline
CPF	Country Partnership Framework
DPO	Development Policy Operation
EBRD	European Bank for Reconstruction and Development
FDI	Foreign Direct Investment
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gases
ICT	Information and Communication Technologies
IEA	International Energy Agency
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MW	Megawatt
PA	Prior Action
PDO	Program Development Objective
PPP	Public Private Partnership
PPPDA	Public Private Partnership Development Agency
RI	Results Indicator
SAMA	State Asset Management Agency
SCTSSP	State Commission for Conducting Tenders for the Sale of State Property
SOCB	State-owned Commercial Bank
SOE	State-owned Enterprise
SOP	Standard Operating Procedure
SR	Single Registry
TA	Technical Assistance
UFRD	Uzbekistan Fund for Reconstruction and Development
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
UZS	Uzbek Sum
WBG	World Bank Group



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**DATA SHEET****BASIC INFORMATION****Product Information**

Project ID	Program Name
P176353	Accelerating Uzbekistan's Transition Development Policy Operation
Country	Financing Instrument
Uzbekistan	Development Policy Lending

DPF Options

Programmatic	Regular Deferred Drawdown Option	Catastrophic Deferred Drawdown Option
No	No	No
Crisis or Post Conflict	Sub-National Lending	Special Development Policy Lending
No	No	No

Organizations

Borrower	Implementing Agency
Republic of Uzbekistan	Ministry of Finance

Program Development Objective (PDO)

Program Development Objective (PDO)

To support a faster and more equitable economic transition through (i) stronger market institutions and better management of state-owned enterprises; (ii) improved fiscal transparency and accountability; and (iii) increased economic and social inclusion, especially of women and persons with disabilities.

PROGRAM FINANCING DATA (USD)

	Approved Amount	Actual Disbursed
World Bank Administered Financing		
IBRD-93210	150,000,000	150,000,000



IDA-70140	250,000,000	250,000,000
Total	400,000,000	400,000,000

KEY DATES

Concept Review	Decision Review	Approval	Effectiveness	Original Closing	Actual Closing
29-Oct-2021	10-Nov-2021	16-Dec-2021	17-Dec-2021	30-Jun-2023	30-Jun-2023

RATINGS SUMMARY

Program Performance

Overall Outcome	Relevance of Prior Actions	Achievement of Objectives (Efficacy)
Satisfactory	Highly Satisfactory	Satisfactory

Bank Performance

Satisfactory

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
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SECTORS AND THEMES

Sectors

Major Sector/Sector	(%)	Mitigation Co-benefits (%)	Adaptation Co-benefits (%)
Agriculture, Fishing and Forestry	14	0.00	3.50
Agricultural Extension, Research, and Other Support Activities	14	0	25
Public Administration	43	4.43	4.43
Central Government (Central Agencies)	29	9	9
Sub-National Government	14	13	13
Social Protection	43	0.00	3.01
Social Protection	43	0	7



Themes	
Major Theme/ Theme (Level 2)/ Theme (Level 3)	(%)
Private Sector Development	29
Jobs	29
Job Creation	29
Finance	14
Finance for Development	14
Agriculture Finance	14
Public Sector Management	43
Public Finance Management	43
Public Expenditure Management	29
Debt Management	14
Public Administration	29
Transparency, Accountability and Good Governance	29
State-owned Enterprise Reform and Privatization	14
Social Development and Protection	43
Social Protection	43
Social Safety Nets	14
Disability	29
Human Development and Gender	100
Gender	43
Disease Control	100
Pandemic Response	100
Labor Market Policy and Programs	14
Labor Market Institutions	14
Nutrition and Food Security	14
Food Security	14



Urban and Rural Development	14
Rural Development	14
Rural Markets	14
Environment and Natural Resource Management	15
Climate change	15
Mitigation	4
Adaptation	11

ACCOUNTABILITY AND DECISION MAKING

Role	At Approval	At ICR
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I. PROGRAM CONTEXT AND DEVELOPMENT OBJECTIVES

A. Context at Appraisal

Context

This Development Policy Operation (DPO), approved in December 2021, marks the fourth DPO that supports Uzbekistan's reform program set out in the country's Development Strategy for 2017-2021. The Development Strategy reflected a comprehensive reform program initiated by the new president, aiming to shift away from the model of a tightly state-controlled economy that had persisted for over three decades. The initial phase of economic reforms under the Development Strategy, up to the approval of this DPO, concentrated on price and exchange rate liberalization, along with a substantial overhaul of the business and trade environment. This phase aimed to facilitate greater outward orientation. The Government's reform agenda prioritized measures to strengthen economic management, reduce tax burdens, enhance energy supply, eliminate external and internal price distortions, and diminish state control over agricultural production and exports. To liberalize a highly distorted economy and foster private sector-driven entrepreneurial growth, the Government also initiated reforms of state-owned enterprises (SOE), with a view to reducing the state's economic footprint. In parallel, various social reforms were introduced to modernize social safety nets, improve education and health care services, expand access to public services, and ease severely restrictive control on internal migration.

Supported by successive DPOs, these reforms significantly improved economic performance. The reforms contributed to significant growth in new business and taxpayer registrations, horticultural exports, and tourist arrivals, all achieved prior to the onset of the COVID-19 pandemic. Despite the pandemic's adverse impacts, these reforms played a pivotal role in sustaining Uzbekistan's economic growth in 2020. Poverty rates saw a decline, incomes of the bottom 40 percent experienced steady growth, and there was an overall increase in economic freedoms. These reforms triggered a paradigm shift in government policies, with emphasis placed on crucial issues such as poverty alleviation, environmental sustainability, and addressing the impacts of climate change.

The COVID-19 pandemic brought growth to an abrupt halt but the economy strongly rebounded in 2021. Real GDP growth slowed from 5.6 percent in 2019 to 2.0 percent in 2020. The decline was attributed to restrictions on mobility, weakened external demand, and reduced remittances coupled with a substantial contraction in investment due to subdued demand both domestically and internationally. Poverty increased by 0.7 percentage point in 2020, impacting approximately 250,000 individuals.¹ The adverse effects on poor households were further compounded by a sharp fall in remittances due to travel restrictions and economic contractions in Russia and Kazakhstan, preventing the return of hundreds of thousands of seasonal workers to work. The official unemployment rate, estimated at 10.5 percent in 2021, exceeded the pre-pandemic level of 9.1 percent recorded in 2019. Despite these challenges, the economy demonstrated resilience, showing a robust rebound of 7.4 percent in 2021 – surpassing the estimates at DPO approval (Table 1). The lifting of lockdown restrictions served as a catalyst for strong growth in manufacturing, construction, and services in 2021 - sectors that faced contraction in the previous year. The economic resilience during the crisis and subsequent recovery was further bolstered by gains from structural reforms and targeted anti-crisis spending. Real GDP resumed growth at a pace nearly mirroring pre-pandemic levels after the COVID-19 crisis.

¹ Project Document p. 9



To mitigate the economic and social repercussions of the COVID-19 crisis, the Government implemented robust anti-crisis measures. In 2020, a substantial and effectively targeted anti-crisis support program, equivalent to 4.0 percent of GDP, was rolled out. The initial focus of the program was on healthcare services and social protection. In March 2020, the Government announced a US\$1 billion anti-crisis package, earmarked for health-related expenses for critical equipment and the expansion of hospital bed capacity, and interim financial relief for the most adversely affected households and enterprises. In April 2020, a second set of measures was introduced to provide additional tax and debt relief to businesses. By the fall of 2021, most temporary loans and tax deferrals for businesses had been rescinded, with exceptions for sectors directly affected by ongoing challenges, such as tourism, grappling with disruptions in global travel. While expansions to social safety nets persisted, health spending grew as part of the Government’s concerted efforts to accelerate vaccinations.

Anti-crisis spending, and a surge in public investment, broadened the fiscal deficit, even as the budget consolidation process remained on track. Prior to the pandemic, the fiscal stance demonstrated prudence overall, despite an increase in off-budget spending. Total budget expenditures rose significantly as a share of GDP, notably in 2018 and 2019, primarily driven by higher allocations for social safety net expenditures. The budget balance shifted into a deficit, rising from 1.8 percent of GDP in 2018 to 3.3 percent in 2020 (Table 1). The fiscal deficit further increased to 6.0 percent of GDP in 2021, boosted by anti-crisis spending and weak tax revenues.² During the same period, off budget spending, particularly through policy lending from the Uzbekistan Fund for Reconstruction and Development (UFRD), aimed at supporting SOEs affected by the crisis, remained elevated at around 4 percent of GDP. In 2020, UFRD was integrated into the budget and its operations moved to the Treasury Single Account (TSA), with support from the preceding DPO3. Subsequently, in 2021, the Government incorporated additional specialized funds into the budget, a trend expected to continue in subsequent years. The inclusion of UFRD spending and revenues in the budget significantly reduced off-budget policy lending, as UFRD represented the majority of quasi-fiscal activities.

Table 1: Key Macroeconomic Indicators and projections at DPO approval and ICR preparation (2017-2023)

Description	2017	2018	2019	2020	2021	2022	2023
Real GDP (% change)	4.5	5.4	5.6	1.7 (2.0)	6.2 (7.4)	5.6 (5.7)	5.8 (6.0)
CPI (end of period, in %)	18.8	14.3	15.2	12.9 (12.9)	10.7 (10.8)	10.5 (11.4)	8.7 (10.0)
Public expenditures	23.4	26.0	27.2	28.8 (28.8)	29.2 (31.9)	29.2 (34.6)	28.9 (34.6)
Total budget revenue	24.7	27.8	27.0	25.6 (25.5)	25.6 (25.9)	25.8 (30.5)	26.1 (28.8)
Budget balance	1.3	1.8	-0.2	-3.1 (-3.3)	-3.5 (-6.0)	-3.4 (-4.1)	-2.9 (-5.8)
Policy lending*	3.1	4.0	3.5	1.1 (1.1)	2.5 (1.5)	1.0 (-0.1)	0.9 (0.9)
Public debt	20.2	20.4	28.3	36.4 (37.4)	40.6 (36.6)	42.5 (34.0)	42.2 (36.1)

² A summary of anti-crisis measures and their fiscal impact is presented in World Bank, “Uzbekistan Public Expenditure Review”, 2022.



Current account balance	2.5	-7.1	-5.6	-5.0 (-5.0)	-6.5 (-7.0)	-6.0 (-0.8)	-5.6 (-4.7)
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Note: Estimates for 2020 and 2021; projections for 2022 and 2023 at program approval. In parentheses: realizations and estimates for 2023 at ICR preparation.

* Mainly lending to finance SOE investments by the Uzbekistan Fund for Reconstruction and Development (UFRD) until its integration in the budget in 2020, and other on-lending activities of the Ministry of Economy and Finance (e.g., mortgage market financing).

Source: Program Document; World Bank data; World Bank Macro Poverty Outlook, March 2024

The DPO was designed to continue supporting Uzbekistan's ongoing reform agenda aimed at transitioning to a market economy. Approved in December 2021, upon the completion of the Government’s 2017-2021 Development Strategy, the operation encompassed an IDA credit of US\$250 million and an IBRD loan of US\$150 million. This operation followed three preceding standalone DPOs, each amounting to US\$500 million, approved by the World Bank in June 2018, June 2019, and December 2020.³ These previous operations supported the initial phase of Uzbekistan’s transition to the market, with a focus on people-centric and sustainable transition as the principal policy objective. Additionally, they contributed to the effective implementation of the 2017-2021 Development Strategy. The Government maintained a strong commitment to implementing the reforms endorsed by the first three DPOs. Similar to previous DPOs, the DPO under review continued to serve as an anchor in the WBG’s broader programmatic reform engagement with Uzbekistan, as outlined in the 2016-2020 Country Partnership Framework (CPF).⁴

During appraisal, the sustainability of structural reforms following the pandemic was a key challenge. The ongoing structural reform agenda remained dedicated to fostering contestability in private markets by diminishing the privileges of SOEs and reducing their economic footprint. However, short-term crisis response had gained center stage as a result of the impact of the COVID-19 pandemic. Essential to enhancing efficiency was the imperative to introduce greater flexibility in land and labor markets, including the sustained liberalization of the agricultural sector. The significance of improved governance continued to be seen as a cornerstone for building confidence and attracting investment. The DPO was designed to further deepen reforms, strengthening market institutions, improving public sector transparency and accountability, and fostering inclusion, especially for women and persons with disabilities. By emphasizing these critical reforms, this operation was important to get the reform focus to shift from short-term crisis management back to the longer-term growth agenda.

Emphasis was placed, in the results framework of the operation, on aligning development goals with environmental considerations. Climate change impacts loom large for Uzbekistan, which is already experiencing the effects of a changed climate. Droughts, extreme heat, rainfall volatility, and dust storms are increasingly wreaking havoc on people and the economy. Climate risks pose a source of vulnerability for the economy, which could end up 10 percent smaller by 2050 than it would have been without climate damages, resulting in significantly lower employment and higher poverty.⁵ The Government intensified efforts to address climate change risks and ensure a sustainable transition to a greener economic model. In December 2022, the President of Uzbekistan approved the Green Growth Strategic Framework Program and Action Plan to

³ The World Bank provided, in April 2020, supplemental financing of US\$200 million to the 2019 DPO in response to the financing gap of the budget caused by the COVID-19 pandemic.

⁴ Following the approval of this DPO, the Government adopted the New Uzbekistan Development Strategy, setting a path for the development of the Uzbek economy from 2022 to 2026. Enacted on January 28, 2022, this plan outlines seven priority areas. The overarching objective is to build upon previously initiated reforms, supported by the World Bank’s DPOs, to catch up with middle-income countries and facilitating adaptation to shifts in the global economy.

⁵ See World Bank, “Uzbekistan: Country Climate and Development Report”, November 2023.



transition to a green economy by 2030.⁶ Growing attention was progressively placed on ensuring alignment between the Government’s primary development objectives of poverty reduction and income growth and its environmental policy objectives. The results framework of the operation was designed accordingly, also with a view to helping monitor threats from climate change risks.

Original Program Development Objective(s) (PDO) (as approved)

The Program Development Objective (PDO) of the operation was to support a faster and more equitable economic transition through:

- (i) Stronger market institutions and better management of state-owned enterprises;
- (ii) Improved fiscal transparency and accountability; and,
- (iii) Increased economic and social inclusion, especially of women and persons with disabilities.

Original Policy Areas/Pillars Supported by the Program (as approved)

Policy areas were structured under three pillars, corresponding to the components of the PDO:

PILLAR 1: Stronger market institutions and better management of state-owned enterprises, through measures to liberalize wheat markets and strengthen the corporate governance of state-owned enterprises.

PILLAR 2: Improved fiscal transparency and accountability, through measures to fully consolidate all public sector spending into the budget and establish new public debt legislation that would allow for more transparent and systematic debt management.

PILLAR 3: Increased economic and social inclusion, especially of women and persons with disabilities, through measures to overhaul and modernize labor market regulations, align social assistance spending with improved poverty measures, and improve equal opportunities and protections for the disabled.

B. Significant Changes During Implementation

None

II. ASSESSMENT OF KEY PROGRAM DESIGN AND OUTCOMES

Prior Actions	Results Indicators (original and revised)
PILLAR 1: Stronger market institutions and better management of state-owned enterprises	
<u>Prior Action 1:</u> In accordance with the Borrower’s agricultural modernization strategy to increase climate	<u>Result Indicator 1: Achieved</u>

⁶ Uzbekistan adhered to the OECD Green Growth Indicators Framework. In October 2023 the first monitoring report, “Greening the Economy in Uzbekistan: The State of Play in 2023” was issued. (<https://www.oecd.org/environment/outreach/Green-growth-indicators-Uzbekistan-report.pdf>)



<p>resilience and eliminate state-controlled agricultural production, the Borrower has abrogated restrictions requiring wheat farmers to sell a fixed quota of ^(SEP) production to the State at a price regulated by the State to allow farmers to determine their buyers and to set farm gate prices based on market conditions.</p>	<p>Convergence of prices paid by government for wheat with domestic market prices.</p> <p><i>Baseline (January 2021): Price set annually by regulatory decree</i></p> <p><i>Target (December 2023): Price paid per ton of wheat by the government for public grain reserves is within a 5% range of the market price determined in the Commodity Exchange</i></p> <p><i>Current status (2022 and 2023): The Government procured wheat for public grain reserves at prices corresponding to the average price at the Uzbek Commodity Exchange</i></p>
<p><u>Prior Action 2:</u> To improve the management of state-owned enterprises, the Borrower has submitted a new state asset management law for parliamentary approval that establishes corporate governance and financial transparency requirements for all state enterprises and legislates principles for reducing the number of state-owned enterprises.</p>	<p><u>Result Indicator 2: Partly Achieved</u></p> <p>Improved supervisory oversight of SOEs, as measured by the number of top 30 state-owned enterprises, classified by size of balance sheet assets, for which the State Asset Management Agency has selected and appointed independent supervisory board members, in line with OECD corporate governance principles</p> <p><i>Baseline (January 2021): Zero</i></p> <p><i>Target (December 2023): At least 20</i></p> <p><i>Current status (February 2024): 16</i></p> <hr/> <p><u>Result Indicator 3: Achieved</u></p> <p>Improvement in the climate change and environmental governance of state-owned enterprises.</p> <p><i>Baseline (January 2021): No specific legal requirements for SOE corporate governance to account for environmental and climate change risks</i></p> <p><i>Target (December 2023): Approved implementation roadmap in place for the transition of SOE operations to more sustainable and climate-friendly business practices, consistent</i></p>



	<p><i>with requirements under the new Asset Management Law.</i></p> <p><i>Current status (2023): Approved roadmap in place in the industrial sector, where most SOEs operate.</i></p> <p><i>(i) Presidential Decree (PP-436) "On the transition to a green economy and ensuring green growth", issued on December 2, 2022, with focus on "transition to a green economy and ensuring energy saving in industries" (Decree Appendix No2)</i></p> <p><i>(ii) Decision of the Cabinet of Ministers No 474, issued on August 25, 2022, "On measures to determine environmental requirements and standards of environmental protection in the field of mining and metallurgy industry based on international standards".</i></p>
PILLAR 2: Improved fiscal transparency and accountability	
<p>Prior Action 3: To increase the transparency of public spending and parliamentary oversight of the budget, and to improve the alignment of spending to government priorities, the Borrower has enacted amendments to Articles 45 and 46 of the Budget Code of the Republic of Uzbekistan to expand the composition of the Consolidated Budget of the Republic of Uzbekistan to include off-budget funds of all budgetary organizations and extra-budgetary funds of budgetary organizations.</p>	<p>Result Indicator 4: Achieved</p> <p>Improved alignment of consolidated government spending to government priorities relating to climate change and environment.</p> <p><i>Baseline (January 2021): No methodology exists for the classification and scoring of public expenditures against government environmental and climate change priorities.</i></p> <p><i>Target (December 2023): Approved methodology in place and being piloted for the classification and scoring of public expenditures against government environmental and climate change priorities.</i></p> <p><i>Current status (2023): A Methodology and Roadmap for Green Budget Tagging was published and applied to state budget expenditures for 2022</i></p>
<p>Prior Action 4: To strengthen the management of public debt and increase debt transparency, the Borrower has submitted a new State Debt law for parliamentary approval that (i) establishes objectives for debt management and assigns specific purposes, roles, and responsibilities for debt management; and (ii)</p>	<p>Result Indicator 5: Achieved</p> <p>Increased parliamentary oversight of the government's medium-term debt strategy.</p> <p><i>Baseline (January 2021): No Medium-Term Debt Strategy in place.</i></p>



<p>establishes legally binding requirements for debt reporting.</p>	<p><i>Target (December 2023): A Medium-Term Debt Strategy has been approved by the government and at least one annual debt report has been submitted to Parliament</i></p> <p><i>Current status (2023): A Medium-Term Debt Management Strategy for 2023-25 was approved in June 2022 and an annual debt report was submitted to the Parliament. The updated Medium-Term Debt Management Strategy for 2025-27 is in the process of Cabinet approval.</i></p> <hr/> <p>Result Indicator 6: Achieved</p> <p>Improvement in climate and environmental related debt reporting.</p> <p><i>Baseline (January 2021): No regulatory requirements exist for the government to report on purpose-specific impact bonds.</i></p> <p><i>Target (December 2023): Secondary regulations have been approved to require government to produce allocation impact reports for purpose-specific impact bonds, and at least one allocation impact report, which includes climate-specific objectives has been published.</i></p> <p><i>Current status (2023): Secondary regulations were approved and an allocation and impact report for Uzbekistan’s first SDG Bond (issued in June 2021 and linked to climate objectives) was published on November 15, 2022.</i></p>
<p>PILLAR 3: Increased economic and social inclusion, especially of women and persons with disabilities</p>	
<p>Prior Action 5: To modernize labor relations and reduce gender and other discrimination in the labor market, the Borrower has submitted to Parliament for approval a new labor code that (i) introduces equal pay for men and women for equal work; (ii) prohibits discrimination in hiring and labor contract termination; and (iii) establishes and regulates the concept of ‘minimum wage’.</p>	<p>Result Indicator 7: Achieved</p> <p>Increased enterprise compliance with new labor regulations prohibiting gender and other forms of discrimination, and requiring equal pay for men and women.</p> <p><i>Baseline (January 2021): Regulations did not exist</i></p> <p><i>Target (December 2023): At least 60 percent of all labor code compliance audits and investigations</i></p>



	<p><i>conducted by the Ministry of Labor and Employment Relations include checks of new labor code regulations.</i></p> <p><i>Current status (2023): All labor code compliance audits conducted at the discretion of the Ministry of Labor and Employment Relations include checks of new labor code regulations.</i></p>
<p>Prior Action 6: To better link the social safety net system with the needs of the poor, the Borrower has (i) adopted a new poverty line methodology consistent with international good practice, and (ii) required the new poverty line to be used in the determination of need and the level of social benefit payments made to individuals.</p>	<p>Result Indicator 8: Achieved</p> <p>Increased usage of the new poverty line in social assistance programs, as measured by the share of total public expenditure on regular (non-emergency) social assistance programs that are based on program criteria determined by the new poverty line (eligibility thresholds and/or the setting and indexation of benefit amounts).</p> <p><i>Baseline (January 2021): Zero</i></p> <p><i>Target (December 2023): At least 80 percent</i></p> <p><i>Current status (2023): 95.3 percent</i></p>
<p>Prior Action 7: To increase the economic inclusion of persons with disabilities, and better align Uzbekistan's legal regime for disability rights with international good practice, the Borrower has enacted a law ratifying Uzbekistan's accession to the Convention on the Rights with Persons with Disabilities.</p>	<p>Result Indicator 9: Achieved</p> <p>Strengthened institutional frameworks that supported greater inclusion of persons with disabilities, and their protection from future vulnerabilities, as measured by the presence of a national implementation plan to progressively realize Uzbekistan's obligations under the United Nations Convention on the Rights of Persons with Disabilities (CRPD).</p> <p><i>Baseline (January 2021): Uzbekistan's accession to UN CRPD not ratified.</i></p> <p><i>Target (December 2023): A national implementation plan, which includes strategies to reduce the impact of climate change risks on persons with disabilities, has been approved and is under implementation.</i></p>



	<i>Current status (2023): On December 19, 2022, the Legislative Chamber approved the 2023-25 National Action Plan on the Realization of the Convention on the Rights of Persons with Disabilities in the Republic of Uzbekistan</i>
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Note: See Annex 5 for information and data sources on the results indicators

A. Relevance of prior actions

Rating: Highly Satisfactory

The prior actions (PA) demonstrated relevance and were geared towards the achievement of the PDOs. As the economy recovered from the pandemic, the DPO program was designed to consistently align with the Government’s reform priorities, thereby accelerating the transition to the market-oriented system. This involved a strong emphasis on strengthening market institutions and reducing the state’s economic footprint (PA1, PA2); enhancing public sector transparency (PA3, PA4); and strengthening economic and social inclusion (PA5, PA6, PA7). The PDOs were properly formulated to mirror these priorities, and all prior actions complemented the reforms outlined in Uzbekistan's Development Strategy for 2017-21. The prior actions deepened the reforms initiated under the initial three DPOs in the areas such as agriculture market liberalization, SOEs reform, fiscal transparency, labor market reform, and social protection (Annex 4). At the same time prior actions laid a robust foundation for the next phase of reforms.

The design of the operation was well aligned with the 2016–2020 Country Partnership Framework (CPF) between the World Bank Group (WBG) and Uzbekistan, as modified by the 2018 Performance and Learning Review (PLR). The first pillar of “stronger market institutions and better management of state-owned enterprises”, is consistent with the first and second focus areas in the revised CPF (supporting a Sustainable Transformation toward a Market Economy and Reforming State Institutions and Citizen Engagement). The second pillar of “improved fiscal transparency and accountability” is aligned with the second CPF focus area of Reforming State Institutions and Citizen Engagement. The third pillar of “increased economic and social inclusion, especially of women and persons with disabilities”, supports the third CPF focus areas of building the human capital and citizens participation, with measures to improve the functioning of the labor market, increase the economic participation of women, improve social safety net coverage, and promote inclusion of persons with disabilities.

PILLAR 1: Stronger market institutions and better management of state-owned enterprises

PA1: Liberalizing wheat markets.

By reducing market distortions, the PA was relevant for strengthening agricultural productivity and the resilience of agriculture to climate change. The removal of the state wheat order system—under which farmers were subject to production targets and surrendering up to 50 percent of production to the state under mandatory procurement—was a highly relevant step towards the liberalization of agriculture and the achievement of the Pillar 1 PDO of stronger market institutions. Over time, the reform is expected to significantly improve farmer incomes and encourage investments to increase agricultural productivity. The reform is also expected to help the wheat sector adapt to water and food security vulnerabilities, caused by



climate change, by enabling farmers to increase investments in water-saving technologies and land improvements, and the use of more climate-resilient crop varieties.

PA2: Strengthening the corporate governance of state-owned enterprises.

The PA was highly relevant for achieving the Pillar 1 PDO of improving management of state-owned enterprises. SOE reform and privatization was acknowledged as key for improved economic efficiency and was supported by the World Bank's 3 preceding DPOs (Annex 4). However, despite these reforms, large parts of the legal framework remained outdated, non-transparent, fragmented, without providing a robust enough basis for the government to implement its ambitious privatization agenda. The new Law "On State Property Management", the submission of which to the Parliament was supported by the PA, bridged this gap by creating a unified legal framework for the management of state enterprises and property. The Law was enacted with some delay, on March 9, 2023 (LRU No 321). It establishes good practice corporate governance requirements, based largely on OECD principles, which apply to all SOEs. This includes requirements to adopt International Financial Reporting Standards (IFRS), develop and implement business transformation plans, enhance the independence of supervisory boards, and separate state ownership and regulatory responsibilities. By strengthening corporate governance and financial transparency of SOEs and addressing their institutional weaknesses the PA was highly relevant for the achievement of the Pillar 1 PDO.

PILLAR 2: Improved fiscal transparency and accountability

PA3: Fully consolidating all public spending into the budget.

The PA was highly relevant for achieving the PDO of improving fiscal transparency and accountability. This PA was part of a steady sequence of reforms, supported by the previous DPOs, which addressed the long-standing distortion of funding central government operations in a non-transparent manner, through government agencies, extra-budgetary funds, state owned banks, and SOEs.⁷ The UFRD was central in these off-budget operations, and was consolidated into the state budget in 2020 with support from the previous DPO3. On appraisal of this DPO, remaining off-budget operations in 2021 amounted to an estimated 1.5 percent of GDP (Table 1—policy lending). Expanding the composition of the consolidated budget to include remaining off-budget funds would complete the sequence of these reforms towards fiscal transparency. By improving fiscal transparency, the PA would also help reduce fiscal risks over time.

PA4: Establishing new public debt legislation to allow more transparent and systematic debt management.

By consolidating and modernizing fragmented and outdated public debt management legislation, the PA was highly relevant for achieving the PDO of improving fiscal transparency and accountability. The new law helped address these shortcomings and consolidate improvements in debt management practice. It expanded the definition and scope of public debt coverage, and clarified institutional roles and responsibilities—including of Parliament, the Chamber of Accounts, and the Debt Management Office. It also codified measures to increase debt transparency, reporting, and discipline, establishing a new ceiling prohibiting debt from increasing beyond 60 percent of GDP. Stronger accountability provisions in the law were a meaningful step to improve debt management and prepare the ground for disclosure of fiscal risk—an area the World Bank is currently providing support to the authorities. Moreover, clearer legal obligations requiring comprehensive debt reporting and information dissemination were expected to facilitate the use of innovative market

⁷ Uzbekistan Public Expenditure Review, World Bank, 2019



financing instruments—such as climate and SDG bonds—that help attract financing to areas where market investment interests and government policy priorities are strongly aligned.

PILLAR 3: Increased economic and social inclusion, especially of women and persons with disabilities

PA5: Overhauling and modernizing labor market regulations.

The PA was highly relevant for promoting equal opportunities and full economic participation of women in line with the Pillar 3 PDO. The new Labor Code supported by the PA expanded regular and parental leave provisions, and strengthened measures to reduce discrimination and ensure equal pay for equal work, especially for women and persons with disabilities. Addressing constraints that discourage full economic participation by women was highly relevant as in Uzbekistan the labor force participation rate among women was, in 2021, only 44.9 percent, significantly lower than for men (70.9 percent). Moreover, the share of women in total employment slightly declined from 41.4 percent in 2019 to 41.3 percent in 2021.⁸ The new labor code also modernized legislation governing temporary and full-time employment contracts, expanded regular annual leave days for workers, addressed weaknesses in the legal definition for the minimum wage, and established a regular minimum wage review process. These reforms were highly relevant for promoting economic inclusion, as sought by the PDO and also by previous DPOs (Annex 4).

PA6: Aligning social assistance spending with improved poverty measures.

The introduction of a poverty line was a highly relevant step towards the systematic measurement of poverty and the improvement of social inclusion, in line with the Pillar 3 PDO. Prior to 2020, there was no formal recognition and measurement of poverty. The new Household Budget Survey (HBS), rolled out in 2020 with support by the World Bank, was a milestone for the development of a modern poverty line based on consumption and expenditure. The PA supported the introduction, in April 2021, of the new poverty line, based on a minimum consumption basket, which will result in a substantial increase in the number of people categorized as poor in Uzbekistan. It will also change the way that social assistance amounts are set, calculated based on the number of individuals in need. Over time, these adjustments to social assistance amounts are expected to make social safety nets significantly more effective in reducing poverty. The reforms supported by this DPO built on measures supported under DPO3, which increased the adequacy of support for beneficiaries receiving low-income family allowances and rolled out nationwide the single registry for social protection.

PA7: Improving equal opportunities and protections for the disabled.

The PA was an important step towards the social and economic inclusion of persons with disabilities in line with the Pillar 3 PDO. Persons aged three years and older, having some form of disability, represent 13.5 percent of the total population, while 3.5 percent have severe disabilities.⁹ They face significant constraints in access to public services, in obtaining legally entitled benefits and privileges, while most buildings and social infrastructure are not adapted to their needs.¹⁰ The ratification of the UN Convention on the Rights of Persons with Disabilities (CRPD) through the PA will act as a commitment mechanism to ensure alignment with international best practices and improve the policy environment supporting the economic and social inclusion

⁸ See Uzbekistan gender statistics: <https://gender.stat.uz/en/main-indicators/labor>

⁹ World Bank, 2021, Country Profile on Disability Inclusion in Uzbekistan, <https://documents1.worldbank.org/curated/en/099415012202114964/pdf/P156962000base01d0acaf097d-2cee632d3.pdf>

¹⁰ Program document p. 35-36.



of persons with disabilities. It will also bring enhanced UN and international monitoring of compliance and is expected to accelerate further reforms.

B. Achievement of Objectives (Efficacy)

Rating: Satisfactory

The operation largely achieved its objectives, with a minor exception of a target that was partly achieved.

The reforms supported by the DPO program were on track across the board, and no slippages were noted. The targets for all results indicators were achieved, with the exception of the number of independent Directors appointed in SOE Boards (RI2), where the target was partly achieved. However, the selection process is ongoing and the authorities are planning to fill independent Director positions in the near term in all of the 30 largest SOEs, which would then exceed the target set for the result indicator. The target set for the inclusion of checks of new labor code regulations prohibiting discrimination in labor inspections (RI7) was comfortably achieved for the audits conducted at the discretion of the Ministry of Employment, targeting mainly SOEs. However, in the case of private sector businesses, inspections are strictly circumscribed, requiring further reforms to ensure full compliance with the regulations of the new labor code.

Overall, the results indicators were appropriate, often also emphasizing climate-change related objectives, but some key development outcomes sought by the program would merit a stronger focus. Most RIs were closely linked to the PAs and relevant for assessing progress towards the PDOs. Four of the RIs (RI3, RI4, RI6, RI9) were designed with focus on climate-change related policy objectives, consistent with the PDOs. Most of these RIs were linked to the PAs, with the exception of RI4—aiming at better alignment of consolidated government spending to priorities relating to climate change and environment—which was remotely linked to the PA of consolidating all public spending into the budget. In some cases, it might have been appropriate to design RIs with stronger focus on key outcomes sought by the program, such as: The adoption of IFRS by the SOEs; the narrowing of the gender wage gap, which remains sizeable; the lifting of core obstacles to the social and economic inclusion of persons with disabilities. Less emphasis could have been placed on the preparation of action plans, such as the target set for RI9.

PILLAR 1: Stronger market institutions and better management of state-owned enterprises

PA1: Liberalizing wheat markets.

RI 1: Convergence of prices paid by government for wheat with domestic market prices.

The result indicator was attributable to the prior action, and relevant to track progress towards the PDO.

The PA abrogated the requirement of wheat farmers to sell a fixed quota of ^(T)_(SEP) production to the State, which should procure wheat through the market, at prices determined at the Commodity exchange. This would equalize the prices paid by government for its strategic wheat procurement and the trading prices of wheat in the commercial commodity exchange, in line with the target set for the RI. Removal of distortions in the price paid for public procurement of wheat was also a meaningful step towards strengthening agricultural markets, in line with the PDO. Prices at the commodity exchange are set competitively and they represent market prices. There has been no evidence that the government manipulates the prices at the commodity exchange, which is an established platform for discovery and determination of market prices for wholesale trade for many other commodities in Uzbekistan. Wheat prices, determined by supply and demand at the commodity exchange, are



in line with international prices. The international prices for wheat in Uzbekistan are driven by prices in Kazakhstan, which supplies all of wheat imports by Uzbekistan. Exports of wheat produced in Uzbekistan are restricted. However, Uzbekistan is a net importer, producing 6 million tons and importing another 3 million tons of wheat annually, so it would not have been able to export large volumes anyway. Therefore, the export restriction for wheat does not exert an influence on the price set at the commodity exchange.¹¹

The target set for the result indicator was achieved. In 2022, the price paid to farmers for procured wheat for the public grain reserves was equal the average price recorded at the Uzbek Commodity Exchange in June-August 2022. In June 2022 the farmers received the basis price of 3,000,000 UZS/ton and in October 2022 they received a price top up of 439,000 UZS/ton to adjust to the actual average price at the Uzbek Commodity Exchange. In 2023, the Government simplified the price determination and procured wheat for public grain reserves at 2,933,000 UZS/ton, corresponding to the average price at the Uzbek Commodity Exchange during March-May 2023. These are the months with usually highest wheat prices during the marketing year, thus benefitting farmers. The target set for RI1 was therefore achieved.¹²

PA2: Strengthening the corporate governance of state-owned enterprises.

RI 2: Improved supervisory oversight of SOEs, as measured by the number of top 30 state-owned enterprises, classified by size of balance sheet assets, for which the State Asset Management Agency has selected and appointed independent supervisory board members, in line with OECD corporate governance principles.

The RI was relevant to measure progress towards achieving the Pillar 1 PDO of improving SOE management through stronger corporate oversight and governance. Improving corporate governance of SOEs, by appointing independent directors in their boards, was a first step towards improving the operational effectiveness of SOEs, as sought by the PDO, and their contribution to overall economic efficiency. The RI was measurable and directly attributable to the PA. A list of the 30 largest SOEs was not available for monitoring progress towards the achievement of the RI during program implementation but was readily compiled, as part of the ICR, by the MoEF and SAMA who are the owners of the largest SOEs.

The target for the results indicator was partly achieved. The selection process of independent board members of SOEs was conducted with support from an international consulting firm, which was selected through international bidding. The delayed enactment of the law “On State Property Management”, in March 2023, and the resulting delays in the selection of the international consultants, account for the slippages in the target for the appointment of Independent Directors. The selection process covers 38 large enterprises with 79 independent Directors to be selected. The selection is based on required core business competencies, but also on Environmental, Social, and Corporate Governance (ESG) competence criteria, with the aim of fostering sustainable business practices and responsible investment.¹³ This is expected to also contribute to the improvement in the climate change and environmental governance of SOEs sought by RI3 (see below). So far 25 independent board members have been appointed in 16 among the 30 largest SOEs, representing 11.4

¹¹ Wheat prices in Kazakhstan are, however, quite distorted by frequent government interventions, i.e., export restrictions and domestic procurements through KazAgro. Therefore, short-term movements in Kazakh prices are not automatically reflected on Uzbek prices. Wheat prices in Uzbekistan follow nevertheless the long-term trend of prices in Kazakhstan. In order to prevent price manipulation at the Commodity exchange, the Antimonopoly Commission was granted additional powers through a resolution of the Cabinet of Ministers “On improving the system for regulating the activities of commodity exchanges”, adopted on November 24, 2022.

¹² Monthly prices of wheat are available on the Uzbek Commodity Exchange website: <https://old.uzex.uz/files/uploads/бу-дой-ртача-нархлари-якуний-русский.pdf>

¹³ See <https://www.ibm.com/topics/environmental-social-and-governance>



percent of the total Board members (Table 2). The target of appointing independent Directors in at least 20 of the largest 30 SOEs was thus only partly achieved by the end of 2023. However, the process is ongoing, and the authorities are targeting to fill up to 57 independent Director positions in the near term in all of the 30 largest SOEs, representing 26 percent of the total number of Board positions.

Table 2: Independent Directors appointed in the Boards of the 30 largest SOEs (end-2023)

No.	Name of SOE	Number of Board members	Current number of independent members	Near-term target
1	"Navoi Mining and Metallurgical Company" JSC	9	-	2
2	"Almalyk mining and metallurgical complex" JSC	9	1	2
3	"Uzmetkombinat" JSC	9	-	1
4	"Navoiyuran" SE	7	1	2
5	"Uzbekcoal" JSC	9	-	2
6	"Uzbekneftgaz" JSC	9	-	3
7	"Uztransgaz" JSC	7	-	2
8	"Hududgazta'minot" JSC	7	-	2
9	"UzGasTrade" JSC	7	-	2
10	"National electric grid of Uzbekistan" JSC	7	-	2
11	"Thermal power plants" JSC	7	-	2
12	"Regional electrical networks" JSC	7	-	2
13	"Uzbekhydroenergo" JSC	7	-	2
14	"Uzkimyosanoat" JSC	7	-	2
15	"Navoiyazot" JSC	7	-	2
16	"O'zbekiston temir yo'llari" JSC	7	-	1
17	"Uzbekistan airways" JSC	7	1	2
18	"Uzbekistan airports" JSC	7	1	2
19	"Toshshahartransxizmat" JSC	5	1	2
20	"Uzavtosanoat" JSC	7	3	3
21	"Mortgage Refinancing Company of Uzbekistan" JSC	7	3	3
22	"Uzbektelecom" JSC	7	2	2
23	"O'zagrog'urta" JSC	9	1	1
24	"Uzsanoatexport" JSC	5	1	1
25	"The Central securities depository" JSC	5	1	1
26	"Qo'qon mexanika zavodi" JSC	9	2	2
27	"National Venture Capital Fund "UzVC" LLC	9	4	4
28	"The republican stock exchange "Toshkent" JSC	7	1	1
29	"Trest-12" JSC	5	1	1
30	"Foton" JSC	9	1	1
	Total	220	25	57

Source: Ministry of Economy and Finance and State Asset Management Agency

RI 3: Improvement in the climate change and environmental governance of state-owned enterprises.

The RI was relevant to track improvements in SOE management, in line with the Pillar 1 PDO and in support of the Government's environmental policy objectives. SOEs enjoy dominant market shares in economic sectors that are responsible for the lion's share of Uzbekistan's carbon emissions—such as energy, chemicals, and other industrial manufacturing. The RI was linked to the PA, as the new Asset Management Law requires the design of roadmaps for the transition of SOE operations to more sustainable and climate-friendly business practices, consistent with the government's goals of mitigating climate change risks. Despite the overall relevance of RI3, stronger focus on remaining gaps in governance and financial transparency of SOEs might have been warranted. The number of SOEs that have adopted IFRS might have been considered, for instance, as a focus area, as the adoption of IFRS is proceeding less smoothly than in the case of the State-owned banks. Among the SOEs in the MoEF portfolio, adoption of IFRS stands at 80 percent.



The target set for the result indicator was achieved as a roadmap is in place for the transition of SOE operations to more sustainable and climate-friendly business practices. The Government has taken meaningful steps to improve the environmental sustainability of SOE operations, with focus on industry and energy where most of the SOEs operate. On December 2, 2022, the Presidential Decree (PP-436) “On the transition to a green economy and ensuring green growth”, was issued with special focus on “transition to a green economy and ensuring energy saving in industries” (Presidential Decree Appendix No2). The Decree identified measures to improve energy efficiency and save fuel and energy resources at large energy-intensive enterprises and utilities (such as, adoption of an accounting system of energy resources; introduction of energy audits; improving the quality and tariff policy of heat supply). A second important step was the issuance, on August 25, 2022, of the Decision of the Cabinet of Ministers No 474, “On measures to determine environmental requirements and standards of environmental protection in the field of mining and metallurgy industry based on international standards”. The roadmap includes 32 actions to be taken, with specific reference to the heavily polluting SOEs in mining and metallurgy, the implementation mechanisms and the timeframe for execution. Uzbekneftegaz JSC, the largest state-owned company in Uzbekistan, operating in oil and gas production and processing, already publishes an annual sustainability report, detailing the impact of its operations in line with the UN Sustainable Development Goals.¹⁴

The World Bank remains engaged in SOE reform and privatization. The implementation of the SOE reform program will take time, as the Government seeks to avoid high social costs resulting from unemployment. Moreover, the global COVID-19 pandemic, geopolitical turbulence caused by the Russia’s invasion of Ukraine, and tighter global financial conditions have slowed SOE reform. Despite ongoing reforms, SOEs still have a range of advantages, including various tax holidays, better access to commodities, energy and utility supplies, local and external markets, and subsidized financing.¹⁵ The subsequent standalone DPO5, approved in December 2022, supported the Law “On Privatization”, which replaced the 1991 denationalization legislation and 13 other substantive laws, resolutions, and decrees that cover various aspects of state asset privatization.¹⁶ Moreover, the Institutional Capacity Building Project, approved in May 2019, continues to support the Government in building the proper infrastructure for effective management and oversight of SOEs, developing a pipeline of PPPs, supporting the preparation of PPPs and privatization transactions, and building the capacity of the State Asset Management Agency (SAMA) and the PPP Development Agency.

PILLAR 2: Improved fiscal transparency and accountability

PA3: Fully consolidating all public sector spending into the budget.

RI 4: Improved alignment of consolidated government spending to government priorities relating to climate change and environment.

The Government has almost completed the sequence of budget consolidation reforms. The composition of the consolidated budget was gradually expanded to include off-budget funds of all budgetary organizations and extra-budgetary funds of budgetary organizations. In 2021 and 2022 the Government included 24

¹⁴ See <https://webdev.ung.uz/media/allfiles/files/8481e82749a6412e9d710cc660ece5e3.pdf>

¹⁵ Statistics about the number, employment, and share of GDP of SOEs is fragmented, but a list of SOEs is publicly available from SAMA: <https://davaktiv.uz/en/corporate>

¹⁶ Detailed information about privatization of public assets is publicly available from SAMA: <https://davaktiv.uz/en/privatization>



additional specialized funds in the budget. The incorporation of UFRD spending and revenues in the budget in 2020 had significantly reduced off-budget policy lending, as UFRD represented the bulk of quasi-fiscal activities. The UFRD provides debt financing, at subsidized interest rates, to SOEs for modernization projects in strategically important sectors. Starting from 2022, the budget contains a fully consolidated fiscal position, comprising the Republican Budget; the revenues and expenses of UFRD; extra budgetary funds (EBFs); and spending sources that were fully unreported previously. These extra-budgetary funds and off-budget accounts were moved on the Treasury Single Account (TSA).¹⁷ In 2023 off budget spending was estimated at 0.9 percent of GDP, down from 1.5 percent in 2021 (Table 1). It represents on-lending operations to banks for the financing of special programs, especially mortgages and social housing.

The integration of policy lending from UFRD and other EBFs has strengthened fiscal management.

Parliament's oversight now covers the entire consolidated government budget, including UFRD operations, EBFs and off-budget accounts. Spending limits apply to the entire consolidated government budget and if spending is expected to exceed by 3 percent the approved ceiling, the government must submit to the Parliament a supplementary budget. Increased budget transparency requirements have also led to improvements in UFRD data disclosure. Quarterly UFRD operational and financial positions are published regularly, while UFRD activity is subject to quarterly scrutiny by parliamentary subcommittees (World Bank, 2022). However, although UFRD and the EBFs are part of the consolidated budget and the government's TSA, and are subject to annual audit requirements similar to other public spending, they risk creating fragmentation in public spending and undermine efforts to strengthen the quality of budget execution.

The results indicator was meaningful for enhancing the impact of public spending on climate change and environmental policy objectives but weakly linked to the DPO prior action.

Improved fiscal consolidation, supported by the PA, is a prerequisite for the government to upgrade its budget planning and reporting systems. It is a key part of efforts towards performance budgeting with a view to enhancing the impact of public spending on key policy objectives. Developing methodologies to classify public expenditures and score budget allocations against Uzbekistan's Sustainable Development Goals is a relevant step towards the PDO of better budget transparency and accountability. However, this outcome was not directly attributable to the PA. Focus on the still remaining off-budget expenditure items through policy lending would be more directly linked to the PA. Moreover, the focus of public expenditure scoring on climate change and environmental priorities, as opposed to Uzbekistan's other Sustainable Development Goals, could have been more explicitly justified.

The target for the results indicator was achieved.

In collaboration with the "Agence Française de Développement" (AFD) and UNDP, the Government published, in May 2022, a Methodology and Roadmap for Green Budget Tagging (GBT) in Uzbekistan.¹⁸ The GBT methodology uses the functional classification of the budget. It identifies expenditures in different sectors – such as agriculture, forestry, fuel and energy, waste management, water waste management, pollution abatement – with a view to understanding whether the expenditures will have implications for Uzbekistan's environmental (green) outcomes. An initial assessment was conducted on the basis of the functional classification of total state budget expenditure in 2022 and was

¹⁷ For the progress of these fiscal reforms and the remaining gaps see World Bank, Uzbekistan Public Expenditure Review, 2022, p.151-152.

<https://documents1.worldbank.org/curated/en/099143503032342898/pdf/P1731400b7033d022087b409217648dc35e.pdf>

¹⁸ "Climate budget tagging in Uzbekistan: Methodology and implementation roadmap", UNDP and Agence Française de Développement



published in August 2023.¹⁹ The review covered 976 separate expenditure lines, using the lowest level of granularity available. Of these, 11 percent were provisionally identified as being only associated with positive impacts on environmental objectives, 2 percent as having a combination of positive and negative impacts, 1 percent as being associated with negative impacts and 82 percent as having a largely neutral impact on environmental objectives. This comprehensive assessment was a compelling achievement but work is ongoing to further refine the estimates.

PA4: Establishing new public debt legislation to allow more transparent and systematic debt management.

RI 5: Increased parliamentary oversight of the government's medium-term debt strategy.

The results indicator was attributable to the PA and relevant for tracking achievement of the PDO of improved fiscal transparency and accountability. The “Law on State Debt” (Law No 836, dated April 29, 2023) was signed by the President and entered into force. The law stipulates the preparation of the Medium-term Debt Management Strategy (MTDMS) by the Debt Management Office under the Ministry of Economy and Finance (MoEF), and its approval by the Cabinet of Ministers together with the Medium-Term Fiscal strategy for a period of three years. The Debt Management Office is fully operational within the MoEF. It comprises 29 staff and is organized in 4 divisions (debt service division; front office; middle office; and financial markets division). It publishes a report on debt management, which presents the dynamics of public debt, its structure, currency composition, distribution by creditors, debt issuance, debt ratings, and actions taken to further develop the debt market.²⁰ The first MTDMS was part of the Medium-Term Fiscal Strategy for 2023-25, approved by the Cabinet of Ministers (Protocol No 144, dated June 15, 2022). According to State Debt Law, Parliament reviews reports on the implementation of the debt management strategy. The annual report “State Debt of the Republic of Uzbekistan 2022” was published and submitted to the Parliament. The updated MTDS, covering the period 2025-27, was prepared in November 2023, with technical assistance from the World Bank and the IMF. A decree for the MTDS approval by the Cabinet of Ministers is being drafted. Once approved, the MTDMS will be submitted to the Parliament for information. The target for RI5, of a MTDMS approved by the Government by end of 2023 and at least one annual debt report submitted to the Parliament was thus reached.

RI 6: Improvement in climate and environmental related debt reporting.

The results indicator was linked to the PA as the new Law on State Debt required improvements in comprehensive debt reporting and information dissemination. Improvements in reporting would ensure that investors purchasing purpose-specific impact financing instruments, such as climate-linked or SDG bonds, are better informed about how debt financing has been used to achieve its intended objectives. Regular and comprehensive reporting on how purpose-specific impact finance has been used to generate outcomes would support greater debt transparency, in line with the Pillar 2 PDO. It would also help sustain Uzbekistan's ability to attract further debt financing at competitive prices.

The target for the results indicator was achieved. The Ministry of Economy and Finance (MEF) developed secondary regulations for the regular publication of allocation impact reports for purpose-specific impact

¹⁹ “Climate Public Expenditure and Institutional Review: Uzbekistan”, See <https://openbudget.uz/portal/news/davlat-biudzheti-kharazhatlarining-ik-lim-uzgarishiga-bog-lik-ligi>

²⁰ See https://api.mf.uz/media/document_files/State_debt_2022_ENG_bHBBgRd.pdf



bonds. In line with the target for RI6, at least one allocation impact report, which includes climate-specific objectives, was published. The allocation and impact report for Uzbekistan’s first SDG Bond was published on November 15, 2022.²¹ Uzbekistan was the first country in the region—and the second in the world—to issue, in July 2021, a sovereign SDG Bond worth US\$ 235 million (denominated in UZS), with a 14 percent coupon rate, for a period of three years. The Bond facilitated the financing of public SDG-oriented projects in seven areas: Education (SDG 4), Water Management (SDG 6), Health (SDG 3), Green Transportation (SDG 11), Pollution Control (SDG 11), Management of Natural Resources (SDG 15), and Green Energy (SDG 7). All areas support, directly or indirectly, adaptation to, or mitigation of, climate risks. The allocation and impact report provides information on how the proceeds from the bond issuance are used to achieve the Government’s development priorities and underlines the commitment to achieving the SDGs. On October 6, 2023, Uzbekistan issued UZS 4.25 trillion (US\$ 350 million) of Green sovereign international bonds on the London Stock Exchange, in parallel with two tranches of international bonds, worth US\$660mn.²² The green bonds issued by Uzbekistan were the first green sovereign bonds issued in the Commonwealth of Independent States (CIS). The Debt Department of the MEF is planning to publish the allocation report for this bond issue by the end of 2024.

PILLAR 3: Increased economic and social inclusion, especially of women and persons with disabilities

PA5: Overhauling and modernizing labor market regulations.

RI 7: Increased enterprise compliance with new labor regulations prohibiting gender and other forms of discrimination, and requiring equal pay for men and women.

The results indicator was attributable to the PA and relevant for tracking the achievement of the PDO but the target could have been better aligned with the outcome sought. The target required at least 60 percent of all labor code compliance audits to include checks of new labor code regulations. It might have been more accurate to target the extent of effective compliance with the non-discrimination and equal pay regulations, as measured by the audits conducted by the Ministry of Employment. It might have also been appropriate to place stronger focus on the evolution of the gender wage gap, as a results indicator of the PA. The economy-wide women pay was about 34 per cent lower than for men in 2022. The gender wage gap remains sizable but has been on a declining trend since 2020 (Table 3).

Table 3: Gender wage gap in Uzbekistan (2016-2022; in %)

2016	2017	2018	2019	2020	2021	2022
34.5	34.6	38.6	36.2	37.5	35.6	34.0

Source: Uzbekistan Gender Statistics; <https://gender.stat.uz/en/additional-indicators/economic-resources>

The target set for the results indicator was reached. The new labor code, after approval by the Parliament, was signed by the President on October 28, 2022, and entered into force on April 30, 2023. Article 4 establishes the prohibition of gender and other forms of discrimination and the requirement for equal pay. The Labor Code also introduced for the first time a minimum wage. All labor inspections that have been conducted at the

²¹ See <https://www.undp.org/uzbekistan/publications/uzbekistans-first-sdg-bond-allocation-and-impact-report>

²² The MoEF indicated that the proceeds from the green bonds will finance environmentally focused projects, such as the implementation of water-saving technologies, the expansion of railway and metro transportation systems, sanitation initiatives for populated areas, and the establishment of protective forests to combat wind erosion and water body siltation. See <https://www.biofin.org/news-and-media/uzbekistan-placed-green-eurobonds-first-time>



discretion of the Ministry of Employment since the new Labor Code entered into force included checks of the new regulations prohibiting gender and other forms of discrimination in employment and pay.²³ The target set for RI7, requiring at least 60 percent of inspections to include checks for the new regulations was thus reached. In 2023 the Ministry of Employment conducted 16,038 inspections, covering a broad array of regulations, including work safety, timely payment of salaries, level of salaries based on norms, gender and other aspects of discrimination. A total of 41,260 violations of the Labor Code were verified, of which 7,256 were related to employment conditions and pay of women. Written instructions are sent to companies after the violations have been verified, followed by a fine in the event of non-compliance. A lawsuit is filed in case of repeated violations of the labor code.

Further reforms would be needed to properly perform labor code compliance audits in private sector businesses. Audits at the discretion of the inspectorate of the Ministry of Employment can be conducted only in public sector enterprises, while in private sector businesses inspections can be initiated only if a complaint is filed. Moreover, the inspectorate must apply for permit to the Business Ombudsman 10 days in advance and can proceed to the inspection only upon its approval. As a result, only 34 inspections in private sector businesses were conducted in 2023, establishing a total of 375 violations. These inspections do not necessarily include checks on gender discrimination as they are conducted based on the complaints received. In order for the regulations of the new labor code to be consistently applied in the business sector amendments would be needed in the law on the Ombudsman regulation of inspections and the law on inspections of private companies. The International Labor Office (ILO) and IFC are supporting the Government in further reforms to implement international labor norms and standards through the “Better Work” initiative.²⁴

Uzbekistan’s overall ranking in women’s economic and legal position has improved. Based on the World Bank’s *Women, Business and the Law* (WBL) report for 2022, Uzbekistan scored 70.6 out of 100, lower than the regional average across Europe and Central Asia (84.1), but moving up compared to the 2020 edition of the report. Uzbekistan’s score further improved as a result of the introduction of the new labor code that enhances gender equality in pay and decisions to work. According to the 2024 edition of the report, Uzbekistan scored 82.5 on the WBL index, still lower than the regional average in Europe and Central Asia (85.8), but was among the 5 economies that advanced the most towards gender equality compared to 2022.²⁵

PA6: Aligning social assistance spending with improved poverty measures.

RI 8: Increased usage of the new poverty line in social assistance programs, as measured by the share of total public expenditure on regular (non-emergency) social assistance programs that are based on program criteria determined by the new poverty line (eligibility thresholds and/or the setting and indexation of benefit amounts).

The results indicator was attributable to the PA, measurable, and relevant for tracking the achievement of the PDO. The target for RI8 was closely linked to the PA as the new poverty line became the basis for the setting of eligibility criteria and the amount of financial support payable for all major social protection programs. It

²³ Uzbekistan has also ratified, since 2019, the ILO conventions on labor inspection standards. See <https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/labour-inspection/lang--en/index.htm>.

²⁴ See <https://betterwork.org/uzbekistan/our-programme/>

²⁵ “Women Business and the Law 2024”, Table 1.2, p.8 <https://wbl.worldbank.org/en/wbl> See also <https://wbl.worldbank.org/content/dam/documents/wbl/2024/snapshots/Uzbekistan.pdf>



was thus ensured that social safety nets are adequate and cover the poorest and most vulnerable individuals, in line with the Pillar 3 PDO.

The target set for the results indicator was reached. Further to the adoption of the new poverty line as eligibility criterion for the social assistance programs the number of families receiving social support increased from 2.1 million at the end of 2022 to 2.2 million at the end of 2023 (covering more than 9 million of people). In total, an estimated 22.6 percent of families receive some type of social support. The National Agency of Social Protection, established by Presidential decree in June 2023, administers the regular social assistance programs.²⁶ Social assistance benefits are managed through the Single Social Registry, initiated in 2020 with support from DPO3, which was transferred to the Agency. Non-emergency social assistance programs are based on criteria linked, among other eligibility criteria, to the new poverty line, with the exception of three targeted programs established after the COVID-19 pandemic (Women’s, Youth, and “Iron” registries), as well as two targeted regional assistance programs (covering the Karakalpak Republic and the Khorezm region). In 2023, total spending on social assistance programs contingent on the new poverty line amounted to 17,560.8 UZS billion, corresponding to 90.5 percent of total social assistance spending (Table 4). This share largely exceeded the target of at least 80 percent set for R18. Work is currently under way to integrate the three special registries into the single registry platform.

Table 4: Spending on social assistance programs contingent on the poverty line (2023)

Benefit (assistance) type	Note about Minimal Consumption Expenditures (MCE) on the poverty line	Total spending in 2023, UZS bil.	Total spending in 2023, USD mil.	Contingent on poverty line	Spending on contingent programs
Child benefits for low-income families	income threshold in assigning benefit	11,944,7	953,6	1,0	11,944,7
Financial support to low-income families	income threshold in assigning benefit	348,3	27,8	1,0	348,3
Old-age benefit	amount of benefit should not be lower than MCE	457,1	36,5	1,0	457,1
Disability benefit (adults)	amount of benefit should not be lower than MCE	2,569,7	205,1	1,0	2,569,7
Disability benefit (children)	amount of benefit should not be lower than MCE	1,37,4	114,8	1,0	1,37,4
Caregiver allowance (children)	amount of benefit should not be lower than MCE	413,5	33,0	1,0	413,5
Survivor's benefit	amount of benefit should not be lower than MCE	390,0	31,1	1,0	390,0
One-time assistance in Karakalpak Republic and Khorezm region	non-contingent	21,7	1,7	0,0	0,0
Iron book financial support	non-contingent	566,2	45,2	0,0	0,0
Women's book financial support	non-contingent	603,4	48,2	0,0	0,0
Youth book financial support	non-contingent	646,7	51,6	0,0	0,0
Total spending		19,998,8	1,548,6	7	17,560,8
as %		100,0%			90,5%

Source: National Agency of Social Protection

PA7: Improving equal opportunities and protections for the disabled.

RI 9: Strengthened institutional frameworks that supported greater inclusion of persons with disabilities, and their protection from future vulnerabilities, as measured by the presence of a national implementation plan to

²⁶ See <https://ihma.uz/en/agency-category/national-agency-of-social-protection-under-the-president-of-the-republic-of-uzbekistan/>



progressively realize Uzbekistan's obligations under the United Nations Convention on the Rights of Persons with Disabilities (CRPD).

The results indicator was attributable to the PA and relevant for tracking the economic and social inclusion of persons with disabilities, but RIs that emphasize existing core obstacles could have been considered.

Through the CRPD ratification the Government committed to implementing consistent measures to include persons with disabilities into Uzbekistan's economy, society, and polity, according to the general obligations of the CRPD.²⁷ Approval of a national implementation plan, in line with RI9, was the first step in this direction, directly attributable to the PA, and relevant for assessing progress towards the PDO. The target for RI made specific mention to the development of strategies to reduce the impact of climate change risks on persons with disabilities. Persons with disabilities are indeed exposed to higher risks from climate change.²⁸ However, it might have been appropriate to consider not only an action plan, but also RIs that emphasize the lifting of core obstacles to inclusion of persons with disabilities, through wider access to core public services and social assistance, and through broader reforms that reduce physical barriers (e.g., construction codes and standards) and promote inclusion (e.g., wage subsidies or other active labor market measures). The Government has started implementing measures in this direction that could have been used as targets, such as, for example, 6-month wage subsidies for the employment of persons with disabilities and dedicated quotas for university students. The World Bank's new DPO program (see "next phase") includes a social insurance law, which will strengthen in-work disability support.

The results indicator was achieved. On December 19, 2022, the Legislative Chamber approved the 2023-25 National Action Plan (NAP) on the Realization of the Convention on the Rights of Persons with Disabilities in the Republic of Uzbekistan. The Action Plan is designed around four pillars: (i) Improvement of the legislation to ensure and protect the rights of persons with disabilities; (ii) creation of convenient infrastructure and services for the participation of persons with disabilities in all aspects of public life and realization of their potential; (iii) informing the public about the rights of persons with disabilities, to create a favorable environment for their social inclusion; and, (iv) improvement of the system of assessment and establishment of disability, social rehabilitation and habilitation. The Interdepartmental Council for Persons with Disabilities ensures the oversight of the Action Plan. At this stage the Action Plan focuses on removing key obstacles to the participation of persons with disabilities in social and economic life, without explicit reference to strategies addressing the impact of climate change risks. Research has been undertaken, in collaboration with the ADB, to more precisely assess climate change risks for persons with disabilities.

The World Bank continued to provide support, during program implementation, for the inclusion of persons with disabilities. In January 2023 the World Bank issued a compilation of technical briefs laying out the key problems faced by persons with disabilities in Uzbekistan.²⁹ The study formulated detailed recommendations, providing the evidence base for a Strategic Note to guide the five-year NAP for implementing the CRPD. The findings and recommendations focused on: (1) accessibility and mobility; (2) effective protection of the rights of persons with disabilities; (3) employment; (4) social protection; (5) social services and independent living; (6) education; (7) health; (8) social participation; and (9) implementation and monitoring of the CRPD.

²⁷ Article 4 of the Convention; See <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-persons-disabilities>

²⁸ See Program Document p. 37

²⁹ World Bank, Technical Note on the Implementation of the Convention on the Rights of Persons with Disabilities in Uzbekistan, January 2023, <https://documents1.worldbank.org/curated/en/099051823030041628/pdf/P1783520c7133306c082d50f566673af55c.pdf>



C. Overall Outcome Rating and Justification

Rating: Satisfactory

All prior actions were relevant, geared towards the achievement of the PDOs, and deepened the reforms initiated by previous DPOs. The DPO program was designed to consistently align with the Government's reform priorities, thereby accelerating the transition to a market-driven economy. All prior actions complemented the reforms outlined in Uzbekistan's Development Strategy for 2017-21. The prior actions deepened the reforms initiated under the initial three DPOs in agriculture liberalization, SOE reform, fiscal transparency, labor market reform, and social protection. The DPO program thus laid a robust foundation for the next phase of reforms supported by subsequent DPOs.

Results sought by the program were largely achieved, with only a minor exception where the target was partly achieved. The targets for all results indicators were achieved, and no slippages were noted, with the exception of the number of independent Directors appointed in SOE Boards (RI2), where the target was partly achieved. However, the selection process is in progress and the target likely be surpassed in the near term. The results indicators were robust, often also emphasizing climate-change related objectives. However, some key development outcomes sought by the program would merit a stronger focus — such as the adoption of IFRS by SOEs; the narrowing of the gender wage gap; the lifting of core obstacles to the social and economic inclusion of persons with disabilities. All RIs were linked to the PAs, with the exception of the alignment of consolidated government spending to climate change and environment priorities (RI4), which was remotely linked to the PA of consolidating all public spending into the budget. Based on the ratings for relevance and achievement of results the overall outcome of the DPO is rated Satisfactory.

III. OTHER OUTCOMES AND IMPACTS

A. Poverty, Gender and Social Impacts

The abolition of the wheat state-controlled prices has boosted farmer incomes but may adversely impact poverty through higher prices of bread. Alignment of prices paid by the state for wheat procurement with market prices has increased the incomes of about 40,000 farmers and an estimated 150,000 agricultural workers, reducing poverty and inequality. The poverty rate was reduced to an estimated 13.4 percent in 2023, from 17.3 percent in 2022, although this outcome cannot be traced to this particular reform but reflects the overall strong rebound of growth.³⁰ Higher wheat prices paid by the state were, however, expected to result in higher bread prices in the short term, as the subsidized wheat sales to state flourmills were discontinued. The price of bread increased by 36 percent in 2022 and 35 percent in 2023 (Table 5). The price of wheat flour increased by 32 and 19 percent respectively. These price increases significantly exceeded the average annual inflation of food products. The surge in prices in 2022 mostly reflected the consequences of Russia's invasion of Ukraine in February 2022, which destabilized world grain markets and drove wheat prices up. These short-term price increases have the potential to adversely impact the poorest decile of households, for which bread and flour products represent an estimated 20 percent of expenditure.³¹ The reform focuses, however, on raising productivity of wheat farmers and, if productivity rises, real costs may actually fall. The short-term

³⁰ According to the 6.85\$/day in 2017 PPP poverty line (World Bank Macro Poverty Outlook, March 2024)

³¹ Program Document p. 42.



negative impacts may thus be mitigated, or even offset, by lower production costs in the long term. To mitigate these negative short-term impacts, the Government provided one-off social transfers to the poorest households, similar to those used to mitigate liberalization of consumer prices in 2017-20. Moreover, the Ministry of Finance uses sales of strategic wheat reserves (about 2.5 million tons between 2022 and 2024) to soften the impact of large short-term price spikes.

Table 5: Prices of wheat flour and wheat bread (annual average; 2021-23)

	2021	2022	2023 ¹
Price of first grade wheat flour (per kg in UZS)	4248	5612	6695
<i>Change in %</i>		32.1	19.3
Price of wheat bread from 1st grade flour (per kg in UZS)	3162	4296	5810
<i>Change in %</i>		35.9	35.2
<i>Memo: Annual inflation rate of food products (in %)</i>	14.3	15.1	8.1

¹ First 10 months of the year

Source: Uzbekistan Statistics Agency <https://stat.uz/en/official-statistics/prices-and-indexes>

The other DPO reforms are expected to generate net poverty reduction and positive inclusion impacts. The implementation of the new labor code (PA5) is expected to generate net poverty reduction and progressive distributional impacts while improving labor relations and the inclusiveness of employment. The new code will also end practices of gender wage discrimination, contributing to higher incomes for women for work equal to that of men, improved incentives for employment, and as a result, less wage inequality and poverty risks. The implementation of the new poverty line, supported by PA6, and its use as an anchor for social programs on the needs of the poor is expected to have direct poverty reducing impacts. The implementation of the CRPD, supported by PA7, is expected to have direct poverty reducing impacts and progressive distributional impacts through improved employment opportunities for people living with disabilities, with additional impacts in improved access to essential services including healthcare and transportation.

B. Environmental, Forests, and Natural Resource Aspects

The environmental impacts of the DPO are expected to be mostly positive or neutral, but require monitoring. The abolition of the wheat quotas and state-controlled prices (PA 1) is expected to help address climate related vulnerabilities and help the country strengthen climate resilience of the agriculture sector. The liberalization is likely to lead to crop diversification and will also strengthen incentives towards new land and irrigation system investments that address and are better adapted to climate-related challenges, such as water shortage, extreme climate events and declining soil productivity. Overall, it is expected to lead to a decrease in air, soil and water pollution and provide opportunities for sustainable water usage and facilitate a shift towards climate-adapted agriculture. Some negative effects, requiring monitoring, could, however, possibly arise from agricultural reforms leading to expansion of intensive orchards and/or vineyards; construction and operation of new greenhouses; construction and/or rehabilitation of irrigation schemes; construction and operation of new agricultural processing enterprises. The environmental impact of reforms supported by the other PAs is likely to be neutral. The new State Asset Management Law, supported by PA2, may have a potentially positive longer-term impact reflecting the environmental stewardship principles introduced that must be followed in implementation. Moreover, positive environmental impacts would be expected from the implementation of a methodology for the classification and scoring of public expenditures against environmental and climate change priorities, as targeted by RI4 associated to PA3.



C. Institutional Change/Strengthening

Some of the prior actions of the DPO included measures that strengthened Government institutions and improved the way policy is conducted:

- The new State Asset Management Law, supported by PA2, required SOEs to appoint independent directors to their Boards, which is expected to positively impact management practices and strategic planning by SOEs.
- The new State Debt law, supported by PA4, clarified institutional roles and responsibilities—including of Parliament, the Chamber of Accounts, and the Debt Management Office—which are expected to improve accountability and strengthen debt management.
- The adoption of a new poverty line methodology consistent with international good practice, supported by PA6, which will be used in the determination of need and the level of social benefit payments to individuals, is expected to strengthen the efficacy of social protection.

D. Other Unintended Outcomes and Impacts

Not Applicable

IV. BANK PERFORMANCE

Rating: Satisfactory

Design/Preparation

The operation was underpinned by extensive and relevant analytical work, and collaboration with development partners. The team deployed a comprehensive array of analytical work, policy dialogue, and technical assistance. These included in particular:³²

- The World Bank Growth Diagnostic Study (2018); Country Economic Memorandum (2021); and the policy priorities outlined in the Second Systematic Country Diagnostic Report (2022), which was under preparation in parallel with the DPO.
- World Bank analytical support on the development of an agricultural modernization strategy (2019), and agri-food diagnostic study (2020).
- World Bank Public Expenditure Review (2019), Public Expenditure and Financial Accountability report (2019); Debt Technical Assistance jointly with the IMF.
- World Bank TA on social safety net reform (2017-2020); on the development of the new labor code (2021), as part of the UK EGED Trust Funded Project; on the modernization of the Household Budget Survey, revision of the poverty methodology, and development of a poverty strategy (2019-2021).

A strength of the preparation of analytical and TA work was the close, intense, and open dialogue with the authorities and the role of a trusted partner played by the Bank team.

The DPO documentation provided a candid analysis of major risks, as well as of social and environmental impacts, but the design of some RIs could have been stronger. The substantial nature of risks on the institutional capacity for implementation and sustainability were noted. The political and governance risk was appropriately stated as moderate in view of the Government's strong track record in implementing its

³² See detailed presentation of analytical underpinnings in Program Document, p.38-39



economic transition strategy. The documentation also included a thorough assessment of social risks and impacts on poverty, with a focus on the impacts of wheat market liberalization and the consequences for the price of flour and bread. However, some RIs could have been designed with stronger focus on key outcomes sought by the program, such as the narrowing of the gender wage gap or the lifting of core obstacles to the social and economic inclusion of persons with disabilities. Moreover, the focus on climate-change related RIs came, in a few cases, at the expense of their linkages to the PAs of the program.

Implementation

The World Bank continued to provide technical assistance and closely supervised the implementation of the reform program. The Bank continued to extend TA through analytical work or preparation of follow-up operations in several reform areas supported by the DPO. Prominent among them were: review of the Government's Strategy of Agricultural Development; support to management, oversight, and privatization of SOEs through the Institutional Capacity Building Project; TO for the update of the MTDMS; TA to revise the formula of means-tested programs of social assistance; TA for the implementation of the UN Convention on the Rights of Persons with Disabilities. The Bank closely cooperated with other development partners for the implementation of selected reforms — especially in green budget tagging (UNDP, AFD); the update of the MTDS (IMF); and the elaboration of climate and environmental debt reporting (UNDP). A minor shortcoming was the slippage in the appointment of independent Directors in SOE Boards (RI2), where the delays in the enactment of the State asset management law and the selection of international consultants could have been detected more timely.

Summing up, the impressive array of TA deployed by the World Bank Team at the preparatory stage, and the continuation of TA efforts in several of the policy areas during implementation, corroborate a rate of Satisfactory for Bank performance, despite some shortcomings in the M&E framework noted in the efficacy section.

V. RISK TO SUSTAINABILITY OF DEVELOPMENT OUTCOMES

Macroeconomic risk. The economy grew at an estimated 6 percent in 2023, while growth is projected to remain robust in the medium term. Risks to outlook are, however, tilted to the downside. External risks include possible deterioration of growth in key trading partners, notably China and Russia, and further tightening of external financial conditions. High inflation is also weakening household demand, while tighter global financial market and investment conditions could raise challenges over the medium-term, especially with regard to the Government's medium-term debt management strategy supported by the DPO program. The fiscal deficit is expected to widen to 5.8 percent of GDP in 2023. Fiscal consolidation has proceeded at a slower pace than planned as a result of pressures from energy tariffs, higher expenditure on education, public sector wages, pension and allowances, and lower revenue collections. However, planned budget consolidation is projected to reduce the budget deficit to 3.6 percent in 2025. Although adequate, targeted social protection spending is needed, some other spending may need to be reduced. In 2024 and 2025, public expenditure is expected to subside as energy subsidies are cut, together with lower public investment, due to rapidly expanding public-private partnerships in energy, other infrastructure, and education, lower policy lending and returning health spending to pre-pandemic levels. Broadening the tax base, by eliminating exemptions and improving compliance, would contribute to fiscal consolidation, which could also benefit from faster privatization of SOEs' assets. The Government is expected to adhere to its debt limits, with public debt peaking at 36.5 percent of



GDP in 2024.³³ Despite progress in poverty reduction, slower growth in remittances and private consumption could pose risks to rapid progress on the economic and social inclusion objectives under Pillar 3 of the DPO program. Upside risks to the outlook include higher global gold, natural gas, and copper prices, while there is some likelihood of stronger productivity growth due to ongoing structural reforms. Medium-term economic uncertainties require careful management of fiscal and social risks, and the maintenance of macroeconomic discipline. Uzbekistan's effective economic management and existing buffers strengthen the country's resilience to these risks. Measures to strengthen management of fiscal risks are also supported by the ongoing programmatic DPO series, through the adoption of a framework to monitor, evaluate and report all major fiscal risks and contingent liabilities, including those from the debt of SOEs.

Institutional capacity for implementation risk. Implementation and sustainability risks are substantial due to the fast pace of reforms and the formative stage of many critical government institutions. Institutions remain under significant pressure to maintain a strong pace of reforms. Many of the new institutions created, also under the PAs of this and the previous DPOs, will require time to identify and recruit expert talent in sectors that have long been managed through vertically integrated SOEs. It will also take time for these new institutions to develop clear sector strategies and policies, and to enforce strong governance over the sector. The risk is mitigated by the Government's high awareness of these challenges. The authorities are also working closely with the World Bank and other development partners to receive expert assistance and policy advice.

Governance risk. Governance continues to be critical in determining the overall success of the reform strategy. The period covered by this DPO and follow up operations has seen growing devolution of powers to legislative bodies and growing accountability of the Government to public opinion. In the new development strategy 2022-2026 enhancing state and public institutions, securing the rule of law, and reforming the judicial system are set as key objectives. However, more progress is needed in fleshing out a reform vision in these areas, while governance has attracted little diagnostic and knowledge work from the Bank. Experience from transition economies points to the critical importance of strengthening the rule of law and judicial neutrality for stimulating private sector development to achieve sustained growth.

VI. LESSONS AND NEXT PHASE

A. Lessons Learned

Standalone DPOs provided needed operational agility to support a dynamically evolving reform agenda while exhibiting *de facto* a programmatic character. The pace and implementation sequence of major reforms occurring across Uzbekistan's economy and society have tended to vary across different areas. Administrative capacity, availability of expertise, and political support were major reform drivers. Uzbekistan's transition is also vulnerable to external events beyond its control, further warranting operational flexibility. Despite the use of standalone DPOs, the Bank's policy engagements continued to be anchored on a consistent program of sequenced reforms, exhibiting a quasi-programmatic character. This is evidenced through the linkages of reforms supported by this DPO, preceding DPOs, and subsequent DPOs.³⁴

The growing maturity of the reform agenda, supported by the standalone DPOs, and the stability of the reform environment, contributed to a shift to programmatic DPO series. The sequence of the standalone

³³ World Bank, Uzbekistan Macro Poverty Outlook March 2024.

³⁴ See annex 4 for more details



DPOs deployed by the Bank, including this operation, contributed to the growing stability of the reform environment. The standalone DPOs have been effective in focusing Government's efforts, while the technical assistance provided by the Bank and other development partners strengthened reform implementation capacity. These developments bolstered the Government's willingness to pre-commit, despite the growing complexity of reforms. The recent shift to a formal programmatic approach, with pre-specified triggers for the deployment of operations, was a welcome outcome to which the standalone DPOs contributed. Programmatic series are more effective when Government has a strongly articulated multi-year reform agenda (reflected in successive Development Strategies), and also in more complex reform areas that need sustained support (such as improving institutions and SOE reforms). Further enhancing analytical underpinnings of policy-based operations would be a key for the success of the programmatic DPOs, especially in the area of governance that has attracted little diagnostic and knowledge work from the Bank.

Successful collaboration with other development partners was essential in the implementation of this DPO.

Close cooperation with UN agencies, especially in green budget tagging (UNDP, AFD), the update of the MTDS (IMF), the elaboration of climate and environmental debt reporting (UNDP), enhanced the Government's technical capacity to achieve the PDOs. The WBG should continue building on improved internal coordination and cooperation with other development partners by leveraging lending and technical expertise to attain high-yield impacts.

Ensuring that the results indicators are focused on key development outcomes sought by the program would enhance the M&E framework of DPOs.

Most of the RIs of the DPO were closely linked to the PAs, relevant for assessing progress towards the PDOs, while several were designed with focus on climate-change related policy objectives. However, the focus of RIs on climate-change related objectives was in some cases remotely linked to the PAs (RI4, RI9). It might have also been appropriate to design RIs with stronger focus on key outcomes sought by the program, such as the narrowing of the gender wage gap or the lifting of core obstacles to the social and economic inclusion of persons with disabilities.

B. Next Phase

The new World Bank CPF for Uzbekistan, covering the period 2022-26, approved in May 2022, continued anchoring the Bank's reform engagement through the use of broad structural DPOs, focusing on sustaining market reforms and greater inclusion. This standalone DPO was followed by another standalone operation that extended the sequence of reforms started under this operation (DPO-5, approved in December 2022). A First Inclusive and Resilient Market Economy DPO was approved in December 2023 (DPO-6), as part of a two-operation programmatic series. The programmatic DPO series supports reforms across three areas: (i) creating markets, (ii) improving fiscal risk management and public procurement, and (iii) supporting social inclusion and green resilience. The shift to a programmatic DPO series reflected the growing maturity of the government policy and planning process. The second operation in the series is currently under preparation.



ANNEX 1. RESULTS FRAMEWORK

RESULTS INDICATORS

Pillar: Pillar 1: Stronger market institutions and better management of state-owned enterprises

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI1: Convergence of prices paid by government for wheat with domestic market prices.	Text	Price set annually by regulatory decree 31-Jan-2021	Price paid per ton of wheat by the government for public grain reserves is within a 5% range of the market price determined in the Commodity Exchange 31-Dec-2023	The Government procured wheat for public grain reserves at prices corresponding to the average price at the Uzbek Commodity Exchange 31-Dec-2023

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI2: Improved supervisory oversight of SOEs, as measured by the number of top 30 state-owned enterprises, classified by size of balance sheet assets, for which the State Asset Management Agency has se	Number	0.00 31-Jan-2021	20.00 31-Dec-2023	16.00 29-Feb-2024



Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI3: Improvement in the climate change and environmental governance of state-owned enterprises.	Text	No specific legal requirements for SOE governance to account for environmental and climate change issues 31-Jan-2021	Approved implementation roadmap in place for the transition of SOE operations to more sustainable and climate-friendly business practices, consistent with requirements under the new Asset Management Law 31-Dec-2023	Approved roadmap in place in the industrial sector, where most SOEs operate. (i) Presidential Decree (PP-436) “On the transition to a green economy and ensuring green growth”, issued on December 2, 2022, with focus on “transition to a green economy and ensuring energy saving in industries” (Decree Appendix No2) (ii) Decision of the Cabinet of Ministers No 474, issued on August 25, 2022, “On measures to determine environmental requirements and standards of environmental protection in the field of mining and metallurgy industry based on international standards”. 31-Dec-2023

Comments (achievements against targets):



Pillar: Pillar 2: Improved fiscal transparency and accountability

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI4: Improved alignment of consolidated government spending to government priorities relating to climate change and environment	Text	No methodology exists for the classification and scoring of public expenditures against government environmental and climate change priorities. 31-Jan-2021	Approved methodology in place and being piloted for the classification and scoring of public expenditures against government environmental and climate change priorities. 31-Dec-2023	A Methodology and Roadmap for Green Budget Tagging was published and applied to state budget expenditures for 2022 31-Dec-2023

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI5: Increased parliamentary oversight of the government's medium-term debt strategy	Text	No Medium-Term Debt Strategy in place. 31-Jan-2021	A Medium-Term Debt Strategy has been approved by the government and at least one annual debt report has been submitted to Parliament 31-Dec-2023	A Medium-Term Debt Management Strategy for 2023-25 was approved in June 2022 and an annual debt report was submitted to the Parliament. The updated Medium-Term Debt Management Strategy for 2025-27 is in the process of Cabinet approval. 31-Dec-2023



Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI6: Improvement in climate and environmental related debt reporting.	Text	No regulatory requirements exist for the government to report on purpose-specific impact bonds. 31-Jan-2021	Secondary regulations have been approved to require government to produce allocation impact reports for purpose-specific impact bonds, and at least one allocation impact report which includes climate-specific objectives has been published. 31-Dec-2023	Secondary regulations were approved and an allocation and impact report for Uzbekistan’s first SDG Bond (issued in June 2021 and linked to climate objectives) was published on November 15, 2022. 31-Dec-2023

Comments (achievements against targets):

Pillar: Pillar 3: Increased economic and social inclusion, especially of women and persons with disabilities

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI7: Increased enterprise compliance with new labor regulations prohibiting gender and other forms of	Text	Regulations did not exist.	At least 60 percent of all labor code compliance audits and investigations conducted by the	All labor code compliance audits conducted at the discretion of the Ministry of Labor and Employment



discrimination, and requiring equal pay for men and women.		31-Jan-2021	Ministry of Labor and Employment Relations include checks of new labor code regulations. 31-Dec-2023	Relations include checks of new labor code regulations. 31-Dec-2023
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Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI8: Increased usage of the new poverty line in social assistance programs, as measured by the share of total public expenditure on regular (non-emergency) social assistance programs that are based on	Percentage	0.00 31-Jan-2021	80.00 31-Dec-2023	95.30 31-Dec-2023

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Target	Actual Achieved at Completion
RI9: Strengthened institutional frameworks that supported greater inclusion of persons with disabilities, and their protection from future	Text	Uzbekistan's accession to UN CRPD not ratified.	A national implementation plan, which includes strategies to reduce the impact of climate	A national implementation plan, which includes strategies to reduce the impact of climate change risks on persons with disabilities, has been



vulnerabilities, as measured by the presence of a national im		31-Jan-2021	change risks on persons with disabilities, has been approved and is under implementation. 31-Dec-2023	approved and is under implementation. 31-Dec-2023
Comments (achievements against targets):				



ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION PROCESSES

A. TASK TEAM MEMBERS

Name	Role
Preparation	
Vinayakraj Nagaraj	Task Team Leader(s)
Elbek Yusupov	Financial Management Specialist
John Bryant Collier	Environmental Specialist
Ivailo V. Izvorski	Team Member
Eskender Trushin	Team Member
Ruxandra Costache	Counsel
Andreja Marusic	Team Member
Michael Prachar	Team Member
Sergiy Zorya	Team Member
Rakhymzhan Assangaziyev	Team Member
Maddalena Honorati	Team Member
Audrey Sacks	Social Specialist
Natalia Manuilova	Team Member
Dilip Kumar Prusty Chinari	Team Member
Ferhat Esen	Team Member
Mariana Iooty De Paiva Dias	Team Member
Davit Babasyan	Team Member
Marina Novikova	Team Member
Adeliya Zhunussova	Team Member



William Hutchins Seitz	Team Member
Maksudjon Safarov	Team Member
Nodira Akhmedkhodjaeva	Environmental Specialist
Davor Smiciklas	Team Member
Supervision/ICR	
Azamat Agaidarov	Task Team Leader(s)
Aristomene Varoudakis	Team Member
Eskender Trushin	Team Member
Pinar Yasar	Team Member
David Knight	Team Member
Shoista Zakirova	Team Member

B. STAFF TIME AND COST

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
Preparation		
FY21	1.788	16,752.30
FY22	44.635	336,966.38
Total	46.42	353,718.68
Supervision/ICR		
FY22	.050	275.28
FY23	0	79.47
FY24	12.000	68,780.34
Total	12.05	69,135.09

ANNEX 3. BORROWER, CO-FINANCIERS, AND OTHER DEVELOPMENT PARTNERS'/STAKEHOLDERS' COMMENTS



The team circulated the draft ICR to the Deputy Prime Minister and Minister of Economy and Finance, Mr. Djamshid Kuchkarov, for Government feedback. Their valuable comments were incorporated into the final version of the document.

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Mr. Marco Mantovanelli
World Bank Country Manager for Uzbekistan

Subject: Response to the Letter No. 0309o/24 dated May 30, 2024

The Ministry of Economy and Finance of the Republic of Uzbekistan would like to express its gratitude for your continuous cooperation and support.

In response to your letter No. 0309o/24 dated May 30, 2024, we are pleased to provide the following information.

The Implementation Completion and Results Report (ICR) for the Development Policy Operation (DPO-4) - Accelerating Uzbekistan's Transition has been thoroughly reviewed. The relevant proposals and recommendations formulated based on this review are enclosed in the annexes.

Should you have any further questions or require additional information, please do not hesitate to contact us.

Sincerely,



Jasur Karshibaev

Deputy Minister of Economy and Finance
of the Republic of Uzbekistan



ANNEX 4. OVERVIEW OF REFORMS SUPPORTED ACROSS ALL DPOs SINCE 2018

(Reforms supported by this DPO are underlined in bold)

Sector	Reforms supported in previous DPO engagements	Results to date (2023) and expected over longer-term
SOE reform and privatization	<ul style="list-style-type: none"> • Creation of SOE reform agencies • Unbundling of vertically integrated national airline SOE • Increased financial transparency of energy SOEs • SOE reform framework to improve the performance of the largest SOEs • Identification of at least 15 percent of all SOEs to be fully privatized via a competitive process • <u>New unified corporate governance legislation</u> • New privatization law • Privatization of mobile telecommunications operator • Stricter regulations to enforce SOE's core business focus • Harder budget constraints on financially weaker SOEs 	<ul style="list-style-type: none"> • Identification and transfer of all SOE shares to new agency and initiation of privatization process. • Forthcoming PPPs of domestic airports • Close to 500 small SOEs have been privatized or liquidated since the start of the process. • Corporate governance and financial transparency reforms for the largest SOEs remain on-track. <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Removal of all SOE dominance and monopoly protections • Hard budget constraints in force for SOEs • Competitive neutrality • Increased private sector entry and FDI into SOE dominant sectors • Fewer large SOEs
Fiscal transparency	<ul style="list-style-type: none"> • Full disclosure of budget information to public • Preparation of citizen budgets to explain public spending. • Fiscal consolidation to close and consolidate off-budget accounts • New community-level budgets where citizens can determine how spending occurs • Integration of UFRD revenue/expenditure into State budget (4% of GDP of off-budget spending now on-budget) • Transfer of budget approval and accountability from Cabinet/President to Parliament and regional parliaments • <u>Expanded composition of the Consolidated Budget to include off-budget funds of all budgetary organizations.</u> • <u>New public debt law enshrining debt ceiling and measures to enhance fiscal discipline when public debt nears the ceiling</u> • Enhanced financial reporting and transparency requirements to improve fiscal risk monitoring 	<ul style="list-style-type: none"> • The full 2021 Budget will be publicly consulted before submission to Parliament, the first time in Uzbekistan's history • Substantial reduction in off-budget spending, from over 6 percent of GDP to less than 1 percent of GDP projected in 2022 • The 2022 Budget will be the first in Uzbekistan's history to fully consolidate all public spending into the approved parliamentary budget law. In 2018, more money was being spent outside the consolidated budget.



		<p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Fiscal consolidation • Greater alignment of fiscal footprint to government's development strategy • Increased transparency and accountability for public spending • Lower fiscal risks • Greater efficiency of SOE operations drives more environmental and climate sustainability.
<p>Social protection, labor markets, and social inclusion</p>	<ul style="list-style-type: none"> • Ending systematic forced and child labor by the state • Expansion in social assistance beneficiaries to support price liberalizations in 2017 (large price control removals), 2018 (bread and energy tariffs), 2019 (energy tariffs), 2020 (COVID) • Creation of a unified social registry • Improved seasonal contractual conditions and obligations. • Tax reforms to address disproportionate labor taxes discouraging formal employment • Decriminalization and abolishment of internal migration restrictions • 10% increase in low-income allowance beneficiaries for COVID • Countrywide rollout of a new unified social registry to consolidate and improve safety net coverage and amounts • New legal framework to prevent gender-based violence. • Legal guarantees of equal opportunities for women • <u>New poverty line based on international best practices</u> • <u>New labor code enshrining equal work for equal pay and other protections for workers</u> • <u>Ratification of UN Convention on the Rights of Persons with Disabilities</u> • New social protection strategy that enshrines the single registry as the primary delivery mechanism • Revision of maternity benefits regulations to remove barriers to greater private sector female employment 	<ul style="list-style-type: none"> • Record increases in registrations of income taxpayers (especially female taxpayers) • Largest social assistance beneficiary expansions since independence • Social assistance levels revised significantly upwards to meet new poverty line adopted by the government • Complete transformation of safety net system with single registry, with transparent data on applications and decisions • The single registry is now in operation across all regions of the country. The focus of policy reforms has shifted to streamlining types of assistance, expanding coverage, and increasing payments in line with new poverty measures. <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Lower poverty through more adequate and better targeted social safety nets • Lower fiscal administrative costs of safety net delivery • Increased economic participation of women, youth, and disabled persons



		(evidenced by self-employment, waged jobs)
Agriculture	<ul style="list-style-type: none"> • Large reduction in cotton/wheat growing areas • <u>Increase in wheat</u> and cotton <u>farm gate prices to equalize with international benchmarks</u> • Removal of almost all horticulture export barriers • Liberalization of bread prices • Ending mandatory cotton production targets for farmers, and all mandatory state cotton production surrender requirements • <u>Full liberalization of wheat market</u> 	<ul style="list-style-type: none"> • A revival of agriculture growth and record horticultural exports • Estimated 1.2 percent of GDP increase in rural incomes from higher farmgate prices for cotton and wheat production • End of systematic forced and child labor <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Increased agricultural productivity to accelerate the structural transformation process • Higher export earnings • Greater job creation in the economy from value-addition • Increased climate sustainability of agriculture
Energy	<ul style="list-style-type: none"> • New renewable energy legal and institutional framework • New energy tariff policy and methodology; establishment of a new tariff commission to improve independence of tariff-setting • Electricity and gas tariff reforms to strengthen cost-recovery • IFRS accounts and audits of main energy and gas SOEs • Ending all retail petroleum price controls (and subsidies) <p>Removing constraints to increased private sector investments in energy generation PPPs</p>	<ul style="list-style-type: none"> • Unbundling of vertical gas and electricity SOEs, separation of policy/regulation to new Ministry of Energy • First competitive and transparent private investments in power generation in Uzbekistan's history • Petroleum prices are freely determined in the market and have been allowed to adjust to recent spikes in oil prices without intervention. <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Full recurrent and capital cost recovery of all public utilities • Increased private sector investments in energy • More reliable and climate friendly energy supply
Financial Sector	<ul style="list-style-type: none"> • Strengthened prudential requirements to comply with Basel Core Principles, and stress testing requirements • Modernization of banking legislation • Ending UFRD on-lending via commercial banks • Ending almost all preferential lending by state banks • Strengthening independent governance of Bank boards 	<ul style="list-style-type: none"> • Substantial improvement in capital and liquidity buffers • Sharp slowdown in preferential lending and credit growth from state-directed lending



	<ul style="list-style-type: none"> • Expansion of financial sector markets through non-bank credit organizations legislative and regulatory overhaul. 	<ul style="list-style-type: none"> • Almost all bank lending now is being priced at rates above the reference rate <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • More efficient financial intermediation through greater competition and product innovation • Deeper domestic financial markets and greater financial inclusion • Improved financial sector stability
<p>Improving the business and trading environment</p>	<ul style="list-style-type: none"> • Unification of exchange rate through an unannounced 50 percent overnight devaluation of the som against the US dollar • The removal of all current account foreign exchange restrictions and export earnings surrender requirements • Removal of onerous domestic trading licensing regulations and firm-to-firm advance prepayment requirements • Price liberalization and removal of trading restrictions to allow market-based formation of prices • Reduction in average import tariffs • New competition law • New insolvency law 	<ul style="list-style-type: none"> • Average import tariffs fell from 13 to 8 percent • Foreign exchange access, once the biggest firm constraint, is no longer a problem • Record increases in 2019 and first three quarters of 2020 in domestic trading businesses • Average tariffs have fallen from 13 to 7.9 percent <p>Expected longer-term results:</p> <ul style="list-style-type: none"> • Increased private sector growth • Greater competition and product innovation • Increased private sector job creation



ANNEX 5. SUPPORTING DOCUMENTS

Ministry of Economy and Finance of the Republic of Uzbekistan and UNDP, 2022, Uzbekistan July 2021 SDG Bond Allocation and Impact Report, <https://www.undp.org/uzbekistan/publications/uzbekistans-first-sdg-bond-allocation-and-impact-report>

Ministry of Economy and Finance of the Republic of Uzbekistan, "The State Debt of the Republic of Uzbekistan for 2022", https://api.mf.uz/media/document_files/State_debt_2022_ENG_bHBBgRd.pdf

Ministry of Economy and Finance of the Republic of Uzbekistan, UNDP, and Agence Francaise de Developpement, Green Climate Budget Tagging (GBT) in Uzbekistan: Methodology and Implementation Roadmap, May 2022, https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://erc.undp.org/api/download%3FfilePath%3D%252Fdocuments%252F13028%252Fmgmtresponse%252Fkeyaction%252Fdoc_5634281773208682076IntegratedCBT_methodologyandroadmap_OCT20221.pdf&ved=2ahUKEwi09Yeawv2EAXRS_EDHUK9B8gQFnoECBAQAQ&usg=AOvVaw07e40kRMGgXQVLLip_KwtO

Ministry of Economy and Finance of the Republic of Uzbekistan, Climate Public Expenditure and Institutional Review, August 2023, <https://openbudget.uz/portal/news/davlat-biudzheti-kharazhatlarining-ik-lim-uzgarishiga-bog-lik-ligi>

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World Bank, 2019a, Uzbekistan Public Expenditure Review, Washington DC

World Bank, 2019, Uzbekistan Institutional Capacity Building Project, P168180, Washington DC

World Bank, 2021, Accelerating Uzbekistan's Transition Development Policy Operation, (DPO-4), P176353, Washington DC

World Bank, 2021, Country Profile on Disability Inclusion in Uzbekistan, <https://documents1.worldbank.org/curated/en/099415012202114964/pdf/P156962000bace01d0acaf097d-2cee632d3.pdf>

World Bank, 2021, Listening to the Citizens of Uzbekistan, <https://www.worldbank.org/en/country/uzbekistan/brief/l2cu#1>

World Bank, 2022, Uzbekistan Public Expenditure Review, December 2022, <https://documents1.worldbank.org/curated/en/099143503032342898/pdf/P1731400b7033d022087b409217648dc35e.pdf>

World Bank, 2023, "Uzbekistan: Country Climate and Development Report", November 2023. <https://www.worldbank.org/en/country/uzbekistan/publication/ccdr>

World Bank, 2023, Technical Note on the Implementation of the Convention on the Rights of Persons with Disabilities in Uzbekistan, January, <https://documents1.worldbank.org/curated/en/099051823030041628/pdf/P1783520c7133306c082d50f566673af55c.pdf>

World Bank, 2024, Women, Business and the Law, Washington DC, <https://wbl.worldbank.org/en/wbl>



Information and data sources for result indicator measurement

- R1: Monthly prices of wheat available on the Uzbek Commodity Exchange website: <https://old.uzex.uz/files/uploads/бу-дой-р-тача-нархлари-якуний-русский.pdf>
- R2: Data submission by Ministry of Economy and Finance and State Asset Management Agency
- R3: Presidential Decree (PP-436) "On the transition to a green economy and ensuring green growth", issued on December 2, 2022; Decision of the Cabinet of Ministers No 474, issued on August 25, 2022, "On measures to determine environmental requirements and standards of environmental protection in the field of mining and metallurgy industry based on international standards".
- R4: Government publication on Methodology and Roadmap for Green Budget Tagging (GBT) in Uzbekistan and Climate Public Expenditure and Institutional Review, published in August 2023, <https://openbudget.uz/portal/news/davlat-biudzheti-kharazhatlarining-ik-lim-uzgarishiga-bog-lik-ligi>
- R5: Cabinet of Ministers Protocol No 144, dated June 15, 2022, on the approval of the Medium-Term Fiscal Strategy 2023-25 and the associated Medium-Term Debt Management Strategy; and Annual report "State Debt of the Republic of Uzbekistan 2022" published and submitted to the Parliament, https://api.mf.uz/media/document_files/State_debt_2022__ENG_bHBBgRd.pdf
- R6: Environmental related debt reporting published in the allocation and impact report for Uzbekistan's first SDG Bond issued on November 15, 2022. <https://www.undp.org/uzbekistan/publications/uzbekistans-first-sdg-bond-allocation-and-impact-report>
- R7: Data provided by the Inspectorate of the Ministry of Employment
- R8: Data provided by the National Agency of Social Protection
- R9: National Action Plan 2023-25 on the Realization of the Convention on the Rights of Persons with Disabilities in the Republic of Uzbekistan approved by the Legislative Chamber on December 19, 2022.