

Uzbekistan

FY24 Progress

Component: Revenue and Spending

Module: RM I Tax Policy; RM II Revenue Administration
SM I Spending Policy; SM II PFM

Project Manager: RM II - Vincent de Paul Koukpaizan; SM I - Ignatius de Bidegain

Key Progress in FY24:

RM I / RM II: A short mission was delivered in continuation of the CD support provided to Uzbekistan under the RMTF. It provided guidance to (1) finalize the draft Tax Committee's 2024-30 strategic plan that will be submitted to the Cabinet of Ministers in June 2024; (2) tighten the VAT refund system following the authorities' concern regarding recent surge in VAT refunds; and (3) refocus the large taxpayer office on the largest taxpayers. The mission's recommendations will be implemented alongside others during the course of the GPFP project.

SM I / SM II: A one-week mission on Health Expenditure was conducted between Apr 22nd and 26th. This short mission was designed to meet the Deputy Minister's request for practical advice on how to sequence and implement findings from a 2022 World Bank Expenditure Review, which contained rigorous analysis, but only high-level policy recommendations. The concluding workshop discussed expenditure policy actions, as well as the PFM deficiencies that create barriers to the Ministry of Economy and Finance (MOEF)'s ability to influence Health Expenditure Policy and incentivize the Ministry of Health (MOH) to promote structural reform and boost efficiency. This is an important first step in helping the MOEF move from a post-Soviet compliance and accounting role towards a modern strategic role in promoting trade-offs and efficiency in public spending. For this purpose, a functional budget process is key, and EP and M1 are collaborating closely on CD.

Cross-cutting Priority Activity:

N/A

Coordination/Cooperation:

RM I / RM II: The joint tax policy and tax administration mission was planned in coordination with the Country team for Uzbekistan and the Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC) which funded the tax policy component. The mission team's findings and recommendations fed into the IMF Article IV Consultation discussions (April 23 – May 7, 2024).

SM I / SM II: A PFM LTX joined the expenditure policy mission, anchoring expenditure policy advice to the work on rebuilding a functional budget process. The mission also held a virtual meeting with the World Bank team that conducted the Health Expenditure Review, to align messages and plans for future work.