



Uzbekistan: Economic Management Improvement Program

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| Project Name | Economic Management Improvement Program | | |
| Project Number | 51350-002 | | |
| Country | Uzbekistan | | |
| Project Status | Approved | | |
| Project Type / Modality of Assistance | Technical Assistance | | |
| Source of Funding / Amount | TA: Economic Management Improvement Program | | |
| | Technical Assistance Special Fund | US\$ 1.00 million | |
| Strategic Agendas | Inclusive economic growth | | |
| Drivers of Change | Governance and capacity development Partnerships | | |
| Sector / Subsector | Public sector management - Public expenditure and fiscal management | | |
| Gender Equity and Mainstreaming | No gender elements | | |
| Description | The proposed economic management improvement program aims to strengthen economic management in Uzbekistan and thus support macroeconomic stability and sustained high growth. Macroeconomic stability, in turn, implies stronger resilience to adverse economic shocks. This is of critical importance in Uzbekistan as the country is pursuing regional integration and economic diversification. The program will introduce important fiscal reforms to ensure fiscal sustainability; improve governance in state-owned enterprises (SOEs) to make their operations financially viable; improve access to bank finance by strengthening bank supervision so as to facilitate competitive financing of private sector operations (especially small and medium enterprises); and strengthen economic data collection, analysis, management, and dissemination systems to bolster economic decision making. The programmatic approach and policy-based loan will finance two subprograms to be implemented during 2018 2019. Attached transaction technical assistance will assist in implementing the program. | | |
| Project Rationale and Linkage to Country/Regional Strategy | Uzbekistan's economic growth has been strong in the past decade and helped reduce poverty levels. Strong external demand and buoyant export performance of gas, gold, and copper, aided by high commodity prices, generated state budget revenues that financed large-scale public investment in infrastructure development and industrial modernization. The abundant remittances, mainly from Russian Federation, and consistent increases in public sector wages and pensions supported consumption growth. However, from 2013 onwards, declining global commodity prices, subdued growth in the People's Republic of China and, more recently economic downturn in the Russian Federation successively affected Uzbek exports, budget revenues and household incomes. In response, authorities implemented countercyclical fiscal and monetary policies to stimulate domestic demand. Consequently, gross domestic product (GDP) growth slowed only marginally from 8.1% in 2014 to 7.8% in 2016. However, growth is expected to have declined further in 2017, to 5.5%, as economy adjusts to adverse impacts of a significant devaluation of local currency. Rising inflationary pressures from devaluation subdued construction and service activities. | | |
| Impact | | | |
| Project Outcome | | | |
| Description of Outcome | | | |
| Progress Toward Outcome | | | |
| Implementation Progress | | | |
| Description of Project Outputs | | | |
| Status of Implementation Progress (Outputs, Activities, and Issues) | | | |
| Geographical Location | Nation-wide | | |
| Summary of Environmental and Social Aspects | | | |
| Environmental Aspects | | | |

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

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| Responsible ADB Officer | Mukhopadhyay, Hiranya |
| Responsible ADB Department | Central and West Asia Department |
| Responsible ADB Division | Public Management, Financial Sector and Trade Division, CWRD |
| Executing Agencies | <i>Ministry of Finance 5 Mustaqillik Square Tashkent 100008 Republic of Uzbekistan</i> |

Timetable

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|---------------------|-------------|
| Concept Clearance | - |
| Fact Finding | - |
| MRM | - |
| Approval | 03 Jan 2018 |
| Last Review Mission | - |
| Last PDS Update | 12 Mar 2018 |

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| Project Page | https://www.adb.org/projects/51350-002/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=51350-002 |
| Date Generated | 09 November 2018 |

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