Improving the key performance indicator system for officials responsible for investment at regional and sectoral levels

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Abstract. *The thesis analyses the practice of evaluating deputy khokims for investment and deputy heads of ministries responsible for investment in Uzbekistan and proposes a cascaded key performance indicator (KPI) system. Current evaluation relies on investment volume, plan fulfilment and sanctions, and the indicators of different tiers are not linked. The proposed system combines individual indicators with shared indicators common to territorial, sectoral and external officials, and includes safeguards against gaming.*

Keywords: *key performance indicators; deputy khokim; sectoral ministries; investment governance; performance management; cascading.*

Annotatsiya. *Tezisda O'zbekistonda hokimlarning investitsiyalar bo'yicha o'rinbosarlari va vazirliklarning investitsiyaga mas'ul rahbar o'rinbosarlari faoliyatini baholash amaliyoti tahlil qilingan hamda pog'onali samaradorlik ko'rsatkichlari (KPI) tizimi taklif etilgan. Taklif etilayotgan tizim shaxsiy ko'rsatkichlarni hududiy, tarmoq va xorijiy bo'g'inlar uchun umumiy bo'lgan ko'rsatkichlar bilan uyg'unlashtiradi.*

Аннотация. *В тезисе анализируется практика оценки заместителей хокимов по инвестициям и заместителей руководителей министерств, ответственных за инвестиции, и предлагается каскадная система ключевых показателей эффективности, сочетающая индивидуальные показатели с общими для территориального, отраслевого и зарубежного уровней.*

INTRODUCTION

In Uzbekistan, investment results are monitored at the highest level and officials are held personally accountable for them. In 2019 a system was introduced under which governors and sectoral heads are rewarded or fined 50 percent of salary depending on investment results [1]. In January 2025 sixteen district and city khokims were reprimanded for neglecting investment and exports and a regional governor was dismissed [2]. In July 2026 it was decided to strengthen the responsibility of leaders who fail to meet monthly, quarterly and annual plans [3]. Decree UP-111 of 2023 introduced KPIs for investment managers of the Ministry of Investment, Industry and Trade and for project implementation groups [4].

Strong accountability has helped mobilise the administrative system, but the Head of State has also pointed to low efficiency of investment in some sectors and regions and to new enterprises that do not export [2; 3]. This indicates that the current indicators capture effort and volume better than results. The purpose of this thesis is to propose a KPI system that links the evaluation of officials across tiers and rewards realised results.

METHODS

The study analyses legal acts and official records of presidential meetings on investment for 2019–2026 [1–4] and applies concepts from public performance management, including the distinction between measures for control, motivation and learning [5], the balanced scorecard [6] and the evidence on gaming under target regimes [7]. Positions were grouped by tier: deputy khokims of regions and districts (territorial), deputy heads of ministries and project offices (sectoral), and trade and economic counsellors (external).

RESULTS

Table 1 summarises the main evaluation instruments introduced since 2019.

Table 1

Instruments for evaluating officials responsible for investment in Uzbekistan

Year	Instrument	Who is assessed	Type
2019	Reward or a fine of 50 percent of salary depending on investment results [1]	Governors, sectoral heads	Sanction and reward
2023	KPIs for investment managers and incentives based on results achieved [4]	Investment managers of MIIT	Individual KPI
2023	KPIs for project implementation groups: timely project and tender documents, tenders and deliveries [4]	Project implementation groups	Process KPI
2025	Reprimands to 16 district and city khokims; dismissal of a regional governor [2]	Khokims	Sanction
2026	Stronger responsibility for failing monthly, quarterly and annual plans; review of khokims without results [3]	Khokims, sectoral heads	Sanction

Source: compiled by the author from [1–4].

The analysis identified four features of current practice. First, **volume dominates**: plans are set in terms of investment utilised and projects launched. Second, **sanctions dominate incentives**: reprimands, salary penalties and dismissals are used more visibly than rewards. Third, **indicators are tier-specific**: there are KPIs for investment managers and project implementation groups [4], but no indicator is shared by a deputy khokim, a sectoral deputy and a counsellor working on the same project. Fourth, **conversion is not measured**: an official is credited when investment is utilised, regardless of whether the capacity reaches production and exports; in 2026, 208 of 509 recently launched export-oriented capacities had not yet exported [3].

To address these features a cascaded KPI system is proposed (Table 2). National targets are broken down into targets for each tier, and 30 percent of each official's score is based on shared indicators that can only be achieved jointly.

Table 2

Proposed cascaded KPI system for officials responsible for investment

Position	Individual indicators (70%)	Shared indicators (30%)
Deputy khokim of a region or district	Foreign investment in fixed capital per capita relative to own three-year average; share of projects launched on schedule; share of launched capacities exporting within 24 months; investor issues resolved	Realisation of projects from country roadmaps located in the territory; completeness of data in the monitoring system

Position	Individual indicators (70%)	Shared indicators (30%)
	within the deadline	
Deputy head of a ministry; head of project office	Value of prepared projects in the pipeline; share of projects reaching financing and construction; reports on negotiations submitted on time	Realisation of sectoral projects from country roadmaps; share of sectoral projects placed in lagging regions
Trade and economic counsellor	Qualified investor leads entered in the project database; share of leads converted into agreements; export contracts facilitated	Realisation of agreements with investors from the host country; projects placed in the regions attached to the mission

Source: developed by the author. Weights are indicative.

Four safeguards against gaming are proposed. Results are measured as **three-year moving averages** to discourage shifting utilisation between periods. Data are taken only from the **single monitoring system**, where entry is already mandatory for state bodies and local authorities [4]. A sample of reported projects is **verified on site** each year. **Positive incentives** are added, such as bonuses and recognition for teams that achieve shared indicators.

DISCUSSION

The proposal follows the principle that measures should match their purpose [5]: volume targets are useful for control, but motivation and learning require indicators that officials can influence and that reflect results. The shared component addresses a weakness of multi-level systems in which each tier is rewarded for its own stage of the project, while the outcome depends on all of them. Experience from China shows that strong individual incentives for local leaders can raise investment but also encourage competition among territories [8]; shared indicators reduce this risk. The evidence on gaming under target regimes [7] explains why moving averages, a single data source and verification are necessary.

The score of each official can be calculated as the weighted sum of indicator values normalised to target, with a cap of 120 percent per indicator so that over-performance on one measure does not compensate for failure on others. For example, a deputy khokim who achieves 110 percent of the per capita investment target but whose launched capacities export at only half the expected rate would receive a lower total score than under the current volume-based approach, which signals the need to work with enterprises after launch.

Implementation can begin with a pilot in two or three regions and in ministries with project offices, followed by calibration of weights on historical data.

CONCLUSION

Current evaluation of officials responsible for investment in Uzbekistan is based on volume and sanctions and is not linked across tiers. A cascaded KPI system with individual and shared indicators, conversion measures, a single data source and safeguards against gaming would align the efforts of deputy khokims, sectoral deputies and counsellors and shift the focus from attracting investment to delivering production and exports.

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