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**Uzbekistan: Civil Society Report**  
**by Uzbek Forum for Human Rights and Transparency International Russia**  
**An input to the UNCAC Implementation Review Mechanism:**  
**Fifth year of review of UNCAC Chapters II and V**

*-Executive Summary-*

This is the executive summary of a civil society shadow report from March 2022 that reviews Uzbekistan’s implementation and enforcement of selected articles of UN Convention against Corruption (UNCAC) Chapters II (Preventive Measures) and V (Asset Recovery). The report was supported by the UNCAC Coalition and is intended as a contribution to the UNCAC peer review process of Uzbekistan covering those two chapters. The full report is available on the UNCAC Coalition’s website.<sup>1</sup>

Uzbekistan has enacted significant reforms to enhance its legislative framework with regard to implementing Chapter II (Preventive Measures) of the UN Convention Against Corruption (UNCAC). However, widespread nepotism, political interference in key institutions, and impunity for crimes of corruption obstruct the implementation of these reforms in practice. Moreover, greater transparency and civil society involvement in the asset recovery process (UNCAC Chapter V) – including in the ongoing return proceedings of Gulnara Karimova’s ill-gotten assets – are urgently needed.

**Assessment of the review process**

Has the government disclosed information about the country focal point?	Yes	The Anti-Corruption Agency (ACA) states that it is the country focal point, without specifying a specific person.
Was the review schedule published somewhere?	No	The process was not made public.
Was civil society consulted in the preparation of the self-assessment checklist?	No	According to ACA, consultations were held with the Chamber of Commerce and several organizations that are "GONGOs", i.e., organizations that are directly or indirectly controlled by the government.
Was the self-assessment checklist published online or made available to civil society?	No	N/A
Did the government agree to a visit to the country?	N/A	The ACA responded that a country visit would only be permitted if the COVID-19 situation improved, otherwise a virtual visit would take place.

<sup>1</sup> <https://uncaccoalition.org/csoreportuzbekistan/>

Was a country visit undertaken?	No	Due to Covid restrictions.
Was civil society invited to provide input to the official reviewers?	N/A	N/A
Was the private sector invited to provide input to official examiners?	N/A	N/A
Has the government committed to publishing the full country report?	N/A	The ACA responded that no decision has yet been made on whether to publish the full country report.

## Main findings and Recommendations (R)

### Anti-corruption bodies

Besides developing anti-corruption policies and monitoring their implementation, the ACA also processes citizens' complaints on corruption and has the power to issue warrants and warnings to government bodies to prevent corrupt conduct. However, the Agency lacks the coercive power to enforce its warnings. Thus, while the ACA is a duly established public authority without any signs of inherent corruption, it lacks urgently needed enforcement powers, as well as genuine political independence.

*R: Establish the ACA's status and competence in law, and safeguard its independence.*

### Public sector employment, conflicts of interest and asset declarations

Although Uzbekistan's civil service employment has made significant progress with respect to its transparency, accessibility, and funding, nepotism remains widespread. While some Ministries and government agencies have started to publish vacancy notices for low-level positions on their website, promotions to senior positions often seem to be based on political loyalty. Furthermore, no detailed code of conduct for civil servants exists.

Under a 2021 Presidential Decree, the ACA can issue warrants for the suspension of activities that may constitute a conflict of interest. However, several high-profile cases suggest that the enforcement of conflicts of interest rules remains ineffective. Furthermore, there is no asset declaration system for public officials in Uzbekistan, although a 2021 Presidential Decree decided that such a system must be established in 2022. Worryingly, however, the President and MPs would not be subject to the proposed system since they are not considered to be public servants.

*R: Ensure that the assets declaration system is made public; mandating the ACA with the right to scrutinize the adherence of public officials to ethical standards, including conflict of interest compliance.*

### Political financing

The Uzbek Election Code of 2019 forbids any private funding for campaigning. Political candidates are wholly dependent on government funding and cannot rely on their supporters' funding. Political parties must submit annual financial reports on their income and spending while government funding must be declared separately. These reports are subject to audit by the Accounting Chamber of Uzbekistan and should be published on the respective party's website. However, the vast majority of

parties do not publish their financial reports, which hinders any transparent overview of who donated to a particular party and for which purposes the money was spent.

*R: Allow for private financing of electoral campaigns under strict transparency rules; ensure that all financial statements of political parties are published and are more detailed.*

### **Public procurement**

In recent years, Uzbekistan has initiated significant reforms in the area of public procurement, which emphasize the importance of transparency and civil society oversight, prohibit conflicts of interest and require all bids for public contracts to be published online and for bidders to disclose their beneficiaries. In practice, however, these rules are often circumvented or simply not enforced. For example, one of the largest private investors in Uzbekistan has received a significant number of unpublished contracts with the National Railways and has a nearly exclusive investment relationship with a state-owned investment company. It further appears that the designated oversight bodies lack political support to suspend suspicious procurements.

*R: Abolish direct contracting of all public procurements except small and routine ones (e.g., serving daily public body activities like office stationery).*

### **Civil society participation**

The Uzbek authorities do not engage with independent civil society organizations on anti-corruption issues and instead use so-called GONGOs to mimic genuine civil society participation. A further obstacle to the participation of civil society is the highly bureaucratic and burdensome registration process for NGOs. Moreover, any foreign grant exceeding USD 2,000 requires the MoJ's approval which constitutes a serious restriction on NGOs' funding opportunities.

Citizens have formed several informal groups that work to combat illegal construction and land seizure, while a nascent scene of independent journalists, media outlets and bloggers have repeatedly reported on cases of corruption. While the government has taken action on some corruption cases disclosed by journalists and citizen initiatives, there is no structured cooperation with these groups and activists. At times, independent media reporting is also met with severe government reprisal.

*R: Encourage Uzbek citizens to establish CSOs independent from the government to work on anti-corruption and open government initiatives and remove all administrative or other barriers to the registration of NGOs. Actively involve such CSOs in the policymaking process and remove restrictions on funding from international donors.*

### **Anti-money laundering**

Uzbekistan's legal framework to combat money laundering establishes a Financial Intelligence Unit (FIU) and limits the use of cash in commercial trade to USD 25,300 per contract. However, the law fails to define clear risk criteria for suspicious transactions and lacks a definition of 'public official', so that – contrary to FATF recommendations – the latter's transactions do not come under special scrutiny. Research further suggests that intermediaries as well as the FIU are not persistent in implementing anti-money laundering regulations.

*R: Ensure that the FIU actively monitors suspicious transactions and imposes meaningful sanctions on banks and non-financial intermediaries for non-reporting on such transactions and for non-compliance with FATF recommendations.*

### **Asset recovery**

Uzbekistan is currently in the process of recovering the ill-gotten assets of the former president's daughter, Gulnara Karimova, – worth an estimated USD 1,3bn – from Switzerland and other Western jurisdictions. An initial Memorandum of Understanding between Switzerland and Uzbekistan pledged

to conduct the return process in a transparent and civil society-inclusive manner. So far, only some information on the negotiations and return process has been made public.<sup>2</sup>

Furthermore, although Uzbekistan has mainly been an 'origin' rather than a 'destination' country when it comes to asset recovery, recent reports suggest that members of a South African family have been laundering assets through Uzbekistan.

***R:** Provide for detailed regulation on the recovery of stolen assets, including precise rules on how to process MLA requests, which body is responsible for these requests, and provide for specific general procedures for the recovery process, including its full transparency and participation of civil society.*

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<sup>2</sup> See: Restitution of illicitly acquired assets: Progress of negotiations between Switzerland and Uzbekistan, <https://www.eda.admin.ch/eda/en/fdfa/fdfa/aktuell/newsuebersicht/2022/02/negotiations-switzerland-uzbekistan.html>