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The following document is being circulated in accordance with paragraph 1 (i) of resolution 4/6 of the Conference of the States Parties to the United Nations Convention against Corruption and rule 17, paragraph 3 (b), of the rules of procedure for the Conference.

* The present document is processed in the form in which it was received.



Uzbekistan: Civil Society Report by Transparency International Russia and the Uzbek Forum for Human Rights

An input to the UNCAC Implementation Review Mechanism:
Fifth year of review of UNCAC Chapters II and V

14 November 2023

This is the executive summary of a civil society parallel report from March 2022 that reviews Uzbekistan’s implementation and enforcement of selected articles in 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.¹

Uzbekistan has enacted significant reforms in recent years to enhance its legislative framework with regard to implementing Chapter II of the 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,² 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	
Was civil society consulted in the preparation of the self-assessment checklist?	No	According to the ACA, consultations were held with organizations which are directly or indirectly controlled by the government.

¹ The report was published on the UNCAC Coalition website in March 2022:
<https://uncaccoalition.org/csoreportuzbekistan/>.

² <https://www.uzbekforum.org/call-for-transparency-and-inclusion-in-the-return-of-gulnara-karimovas-ill-gotten-assets-to-uzbekistan-by-the-swiss-government/>.

Was the self-assessment checklist published online or made available to civil society?	No	
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.
Was a country visit undertaken?	No	Due to Covid-19 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

The ACA is the main anti-corruption institution responsible for coordinating all public bodies' efforts in this area. Besides developing anti-corruption policies and monitoring their implementation, the ACA 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 power to enforce its warnings. Moreover, the fact that the Director of the ACA is directly appointed by the Office of the President highlights the political influence that the Executive yields over the agency. Thus, while the ACA is a duly established public authority without signs of inherent corruption, it lacks necessary enforcement powers and 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 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 rather than merit. Furthermore, no detailed code of conduct for civil servants exists, apart from general rules to exercise their powers in good faith and to resist undue influence.

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, although a 2021 Presidential Decree decided that such a system must be established in 2022. Worryingly, the President and MPs would not be subject to the proposed system since they are not considered to be public servants.

R: Ensure that all public service vacancies are published online in a timely manner. Grant the ACA the power to oversee ethics in public life, including scrutinizing public officials' adherence to ethical standards and conflicts of interest compliance.

Political Financing

The Uzbek Election Code of 2019 forbids private funding for campaigning, both for parties and independent candidates. Political candidates are wholly dependent on government funding and cannot rely on supporters' funding, severely undermining genuine political competition. Political parties must submit annual financial reports on 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 majority of parties do not publish financial reports, hindering 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 more detailed and published.

Public Procurement

In recent years, Uzbekistan has initiated significant reforms in the area of public procurement, emphasizing the importance of transparency and civil society oversight, prohibiting conflicts of interest, requiring public contract bids to be published online and for bidders to disclose their beneficiaries. In practice, however, these rules are often circumvented or not enforced. It 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. The Ministry of Justice (MoJ) has rejected applications of civil society groups as many as 20 times, mostly on spurious grounds. Moreover, any foreign grant exceeding USD 2,000 requires the MoJ's approval which constitutes a serious restriction on NGOs' funding opportunities.

Nevertheless, 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 repression.

R: *Lift all restrictions on foreign funding to registered independent NGOs and actively involve such NGOs in policy-making processes. Lift restrictions on all media outlets that are not disseminating extremist or terrorist propaganda. Enable the ACA or the MoJ to establish freedom of information policies and monitor freedom of information enforcement, with the power to impose punishments on officials who unlawfully reject information requests.*

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: *Enrol in and actively engage with international mechanisms and organizations, including the Open Government Partnership (OGP), the Extractive Industries Transparency Initiative (EITI), the Financial Action Task Force (FATF), and the Group of States against Corruption (GRECO). Develop a centralized Beneficial Ownership Register requiring adequate and structured data on the ultimate ownership of all legal entities in Uzbekistan to be compiled and publicized on a free, searchable online database in open data. Ensure that the FIU actively monitors suspicious transactions and imposes meaningful sanctions on banks and non-financial intermediaries for non-reporting and non-compliance with FATF recommendations.*

Asset Recovery

Uzbekistan is in the process of recovering the ill-gotten assets of the former president's daughter, Gulnara Karimova, from Switzerland and other Western jurisdictions. Although an initial Memorandum of Understanding between Switzerland and Uzbekistan³ pledged to conduct the return process in a transparent and civil society-inclusive manner, the negotiations and return process have since been shrouded in secrecy.⁴ Given the poor enforcement of anti-corruption laws in Uzbekistan, the return process and the management of the repatriated assets must be subject to transparent oversight with the active participation of civil society. Furthermore, Uzbekistan must urgently reform its legal framework to allow foreign governments to request the confiscation and return of stolen assets and designate an institution that will be responsible for handling such requests.

R: *Ensure that an assets declaration system will be made public. Provide detailed*

³ <https://uncaccoalition.org/asset-recovery-switzerland-and-uzbekistan-sign-agreement-on-return-of-usd-131-million-statement-by-uzbek-civil-society-activists/>.

⁴ <https://uncaccoalition.org/uzbek-civil-society-activists-call-for-transparency-and-inclusion-in-the-return-of-gulnara-karimovas-ill-gotten-assets-to-uzbekistan-by-the-swiss-government/>.

regulations on the recovery of stolen assets, including precise rules on how to process MLA requests, which body is responsible for these requests, and provide specific general procedures for the recovery process, including its full transparency.