



ACN

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**ISTANBUL ANTI-CORRUPTION ACTION PLAN
13th Monitoring Meeting, 16-18 April 2014**

UZBEKISTAN

PROGRESS UPDATE

This is the progress update on the implementation of the recommendations from the Joint First and Second Monitoring Rounds report for Uzbekistan, adopted at the 11th ACN Istanbul Anti-Corruption Action Plan Meeting on 22-24 February 2012 at the OECD in Paris.

SUMMARY

The joint first and second rounds monitoring report on Uzbekistan was adopted by the Istanbul Action Plan monitoring meeting in February 2012. This progress report on implementation of the recommendations was submitted by Mr Evgeniy Kolenko, Deputy Director, Department for the Fight against Economic Crime and Corruption, General Prosecutor's Office of Uzbekistan and Uzbekistan's National Coordinator at the ACN.

The report was reviewed by: **Mr Goran Klemencic**, Slovenia; **Mrs. Olga Zudova**, UNODC; **Ms Inese Gaika**, OECD; and **Ms. Anna Margaryan**, Armenia.

The progress update was discussed and adopted by the Istanbul Action Plan monitoring meeting on 16-18 April 2014.

The monitoring meeting congratulated Uzbekistan on progress recorded in the implementation of 4 out of 6 recommendations covered in this progress update and noted that no progress was recorded regarding 2 recommendations. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

<i>Recommendation*</i>	<i>Progress in implementation</i>
<i>Recommendation 1.3.:</i> corruption research	Progress
<i>Recommendation 2.7.:</i> international co-operation and mutual legal assistance	Progress
<i>Recommendation 2.9.:</i> law enforcement capacity and approach to investigate corruption	Progress
<i>Recommendation 3.2.:</i> integrity in public service	Lack of progress
<i>Recommendation 3.7.:</i> political corruption	Progress
<i>Recommendation 3.9.:</i> business integrity	Progress

* The template for Uzbekistan's progress update included 6 recommendations from its review report, which were updated during the first and second joint rounds of monitoring. 14 other recommendations from the review of Uzbekistan, which were not updated, remain valid too. In the next progress updates and during the third round of monitoring of Uzbekistan all 20 recommendations will be examined.

PART I: PROGRESS IN IMPLEMENTING RECOMMENDATIONS

Pillar 1. Anti-Corruption Policy

Recommendation 1.3

Encourage further research into corruption by government, non-governmental and independent institutions. Ensure regular, specific and evidence-based studies and surveys of public opinion on the extent and patterns of corruption, experience with corruption and attitude towards government anti-corruption efforts. Use statistical data on corruption crimes to ensure that anti-corruption surveys are reliable and evidence-based. Ensure that results of research studies are used in development of anti-corruption policy and identification of corruption risk areas. Ensure wide dissemination and publication of the results of surveys.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Uzbekistan continues performing activities on corruption research.

The Centre for Public Opinion Surveys “Izhtimoy Fikr” (“Public Opinion”) regularly conducts specialized sociological researches of corruption perception by population, which include analysis of public opinion about the scale and nature of corruption in the country, the experience of dealing with corruption and the people's attitude towards the anticorruption efforts taken by the state.

In particular, in April 2013 there was held a large-scale sociological research “Fight with Corruption Through the Lens of Public Opinion”, in the course of which there was studied the people's attitude towards the phenomenon of corruption and the fight with corruption in the country.

In 2014 the Centre for Public Opinion Surveys “Izhtimoy Fikr” plans to continue specialized sociological researches of corruption perception by population – it is planned to conduct the all-republican sociological research “Public Opinion on the Fight with Corruption in Uzbekistan” in March-April 2014. Besides that, the Centre for Public Opinion Surveys “Izhtimoy Fikr” plans to analyse the issues of corruption perception in the course of other topical researches.

Also the General Prosecutor's Office in cooperation with other state Authorities regularly conducts systematic analysis of the current status of the fight with corruption in all spheres, upon the results of which the respective measures would be developed.

Analysis of outcomes of the sociological researches as well as dynamics and tendencies of corruption-related crimes conducted through review of materials of the investigated cases, statistics and other information sources allows to identify in due time the spheres which are mostly exposed to corruption.

Based on the information obtained through the conducted monitoring the periodic work plans for 2013 were updated with thorough analysis of causes and conditions facilitating corruption in the field of higher and secondary education, in the field of gas and electric power consumption as well as in the banking field.

Based on the results of analysis of the situation in the mentioned spheres, there were

prepared comprehensive analytical materials identifying the particular reasons of corruption acts and ways of their settlement, following which the respective authorities and agencies received instructions on elimination of reasons and conditions which had been contributing to commission of offences. Such instructions were considered during videoconferences by enlarged boards of the relevant authorities and agencies with participation of heads of all relevant subordinated establishments of the Republic as well as officers of the anticorruption department of the General Prosecutor's Office.

Upon consideration of the instructions permanent sectoral working groups were established, approval and implementation of the comprehensive sectoral anticorruption plans were ensured, measures for further tracking of the results of implementation of the said anticorruption plans were taken.

For 2014 the General Prosecutor's Office plans to continue implementing measures on system analysis of the current status of the fight with corruption in all spheres and ensuring development and implementation of the sectoral anticorruption plans. On the basis of the monitoring results the Plans of Work for the first six months of the current year were updated by covering analysis of the reasons and conditions contributing to corruption acts in activities of the public companies "Uzkhlopkoprom" and "Uzzernoproduct", upon the results of which it was planned to ensure development and implementation of the sectoral anticorruption plans.

The Ministry of Justice also performs researches of corruption and identification of reasons contributing to corruption acts.

In 2013 there were performed 9 researches and monitoring actions to ensure legality, elimination of conditions for corruption in legislative and law enforcement activities of the state authorities, including the following:

- analysis of the legislative acts and bylaws with respect to existence of reference rules which are not supported by implementation mechanisms;
- legislative monitoring with respect to existence of contradictions, gaps and other defects through collection and analysis of proposals from more than 670 state authorities and organizations;
- analysis of practice and legal fundamentals in the field of public-private partnership;
- analysis of statutory compliance of the documents of certain state authorities on consideration of cases on administrative offences by filing inquiries.

Also other interested ministries and agencies perform intradepartmental corruption researches.

For example, in order to prevent corruption in all higher educational institutions and in students' dormitories the Ministry of Higher and Secondary Education of the Republic of Uzbekistan decided to put boxes for collecting proposals and comments (including anonymous ones), the contents of which were regularly analysed and summarized by the members of the Working Group, who included officials of the internal inspection unit of the Ministry and representatives of the Youth Movement "Kamolot". Also in January 2014 there was performed a sociological survey among the teachers and students on 15 issues related to corruption perception.

Civil society institutions actively cooperate with the state authorities in the field of corruption researches.

In particular, since 2011 one of the national non-governmental non-commercial

organizations – Independent Institute for Monitoring of Formation of the Civil Society (NIMFOGO) regularly organizes comprehensive sociological researches in this sphere. In 2013 in all regions of the republic there was conducted a sociological research aimed at identification of the level of corruption expansion in the field of entrepreneurial activities.

Careful attention is also paid to changes in scientific approaches to corruption research and other legal issues.

For the purposes of further improvement of scientific potential in the sphere of law and meeting the modern international standards, on 28 June 2013 the President approved the Resolution No. PP-1990 “On Measures for Further Improvement of the System of Training of Legal Personnel”. The reform resulted in reorganization of the key higher legal school – the State Legal University of Tashkent; its main tasks included performance of fundamental and applied researches in the field of improvement and development of the legal fundamentals of further democratization of the state power and management, formation of the civil society, development of the judicial system, expansion of the legislative and law enforcement activities in the country. As the result of the conducted reform performance of fundamental and applied researches of corruption issues was identified as one of the key areas.

Currently scientific researches of corruption are continued in the State Legal University of Tashkent, Academy of the Ministry of Internal Affairs and other educational and scientific and research institutions.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

PROGRESS

A number of developments reported by Uzbekistan show progress in addressing this recommendation. In 2013 sociological survey on corruption was carried out by the governmental research centre “Public Opinion”. A similar survey by “Public Opinion” is envisaged in 2014. In 2013, state bodies have conducted a series of nine analyses of various aspects of corruption. On the basis of the analysis conducted, priorities are identified and sectoral anti-corruption action plans are being developed. This information is also used in prioritizing anti-corruption efforts by the law enforcement bodies. During the meeting among such priority sectors were mentioned: Ministry of Higher Education; Ministry of Interior; and cotton and grain production sectors. Moreover, the Tashkent State Institute of Law in 2013 conducted academic work on corruption.

How dissemination and publication of the results of surveys on corruption is ensured should be closer monitored in next reports.

Pillar 2. Criminalisation of Corruption

New Recommendation 2.7.

Consider adopting provisions that allow taking testimony of a witness or expert by video conference in accordance with Article 19 of the UNCAC.

Consider becoming a party to the CIS Chisinau Convention on mutual legal assistance

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

In pursuance of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On Measures for Introducing Modern Information and Communication Technologies into the Courts’ Activities” No. 346 of 10 December 2012 there was developed and approved the Program of Introduction of Modern Information and Communication Technologies into the Courts’ Activities, which was planned to be implemented during 2013-2014.

The Program envisaged realization of proposal on organization of the electronic proceedings, including video filming and audio recording of the judicial trials, new types of stenography of judicial trials, use of videoconferencing, etc.

In 2014 within the framework of implementation of the Program the Legislative Chamber of the Parliament adopted the Law amending the legislation in part of setting the right of person to participate in judicial trials through videoconference. This draft law sets procedural specifics of the judicial trials when videoconference is used. Currently the draft law is being considered by the Senate. At this stage it is planned to test this new option in the course of entrepreneurial (economic) judicial proceedings with further consideration of introducing such option into criminal and civil proceedings.

For 2014 it is planned to study experience of the EU countries in collection of evidences by taking testimony of witnesses and experts through videoconference within the framework of the Working Plan of Implementation of the EU Project «Assistance in Reform of the Judicial System in Uzbekistan”.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

PROGRESS

Uzbekistan reports that it has considered the possibility to take testimony of a witness or expert by video conference. It is planned to use this tool in economic court proceedings. In the future, it is planned to consider introducing it also in civil and criminal court proceedings. The plenary agreed that the adoption of the programme on introducing modern technologies in courts in 2013 – 2014 elaborated as required by the Cabinet of Ministers Decree on 10 December 2012 attests progress in this area.

No progress was reported on becoming a party to the CIS Chisinau Convention on mutual legal assistance.

New recommendation 2.9.

Strengthen capacities and training in use of modern approaches and techniques of law enforcement bodies in charge of detection, investigation and prosecution of corruption crimes.

Consider adopting a more pro-active and targeted approach to investigating corruption, looking into main risk areas and conducting risk analysis.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The state bodies performing interrogation and preliminary investigation on corruption cases regularly hold events (trainings, seminars, sessions, etc.) on strengthening potential and advancing professional training of personnel in part of applying modern approaches and methods of work.

For example, the General Prosecutor's Office within the framework of advanced training for personnel of the General Prosecutor's Office conducts regular trainings on issues of detection of corruption acts – in October and December 2013 as well as in January and February 2014 there were conducted trainings "The Specifics of Detection and Investigation of Economic and Corruption Crimes". Within the framework of additional training for the executive staff of the prosecutor's offices there are conducted 30-hour training sessions on the module "Fight with Corruption". In 2013, at the advanced training courses for the personnel of the prosecutor's offices there were held more than 30 training sessions on anti-corruption issues, and during the first quarter of 2014 there were held nine different events on the mentioned topic on both courses.

During 2013-2014 the Higher Educational Courses developed several teaching aids on fight with corruption ("Methods of Investigation of Corruption-Related Crimes in the Sphere of Capital Construction" and others) and published a tutorial "Specifics of Investigation of Corruption-Related Crimes".

For the purpose of communicating the fundamental anticorruption requirements to the students the Centre for Advanced Training of Lawyers at the Ministry of Justice of the Republic of Uzbekistan introduced into the educational programs for judges a training course "Judicial Ethics", special course "International Legal Fundamentals of the Fight with Corruption", topics "Corruption-Related Crimes in the Field of Economy and Activities of Business Entities", "Ethical Standards in the Course of Execution of Justice", "Corruption-Related Crimes Committed by Officials" and "Certain Issues of the Court Practice of Consideration of Cases Connected with Legalization of Criminally Received Proceeds".

In 2014 the educational programs of the Centre for Advanced Training of Lawyers at the Ministry of Justice of the Republic of Uzbekistan were updated with special topics "International Legal Fundamentals of the Fight with Corruption" and "Anticorruption Norms in the Criminal Legislation of the Republic of Uzbekistan". Training sessions on these topics are conducted in groups of judges, candidates for judges (4 academic hours), advocates, judicial personnel, legal advisors (2 academic hours).

The similar events on strengthening potential and advancing professional training of personnel are also conducted in the bodies of internal affairs, national security as well as customs and tax bodies.

International events aimed at strengthening potential and advancing professional training of personnel in part of applying modern approaches and methods of work of the law

enforcement bodies dealing with detection, investigation and criminal prosecution of the corruption-related crimes continue running on.

For example, on 12-14 November 2013 in Tashkent there was held an international seminar “Exchange of Experience in the Field of International Cooperation with the Purpose to Fight with Legalization (Laundering) of Corruption Proceeds, Their Detection, Arrest, Confiscation and Recover/Division” together with the regional representative office of UN Office on Drugs and Crime. The target audience of that seminar included law enforcement officers. Experts from China, Russian, UK, Czech Republic, Israel, Switzerland, Latvia, the USA as well as from the international organizations such as the World Bank, Interpol, Karin, and other participated in that seminar.

For the purposes of introducing information technologies into the educational and training process for the personnel of the PFR of the Republic – Department for the Fight with Tax and Currency Crimes and Legalization of Criminally Received Proceeds in July 2013 the user part of the videoconferencing system of the Eurasian group on Combating Money Laundering and Financing of Terrorism (EAG) being the regional organization of FATF type was put into operation.

In the second half-year of 2013 there were held 16 educational events on various topics on combatting money laundering and financing of terrorism, including 9 roundtables, 3 seminars and 4 discussions. Representatives of Uzbekistan participate in EAG events via videoconference since August 2013.

Representatives of the Ministries and agencies dealing with combatting legalization of the criminally received proceeds regularly participate in EAG events.

During 10-12 September 2013 there was held a videoconference seminar on training of specialists in educational activities in the field of combatting money laundering and financing of terrorism organized by the International Training and Methodical Centre of Financial Monitoring, Federal Financial Monitoring Service and the Ministry of Education and Science of the Russian Federation.

There were invited representatives of the National Security Service, Academy of the Ministry of Internal Affairs, Higher Military Customs Institute, Tax Academy and Higher Training Courses of the General Prosecutor’s Office of the Republic of Uzbekistan to participate in the seminar.

Also representatives of Russia, Belarus, Kazakhstan, Tajikistan and Kyrgyzstan participated in the seminar.

In 2014 it is planned to hold several training events with use of videoconferencing including events on the fight with corruption and laundering of corruption proceeds.

Besides that the General Prosecutor’s Office in cooperation with other state authorities perform regular system analysis of the current status of the fight with corruption in all spheres, which results in development of the respective measures (*please see comment to Recommendation 1.3*).

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

PROGRESS

Uzbekistan reports a number of seminars and special training on investigation and prosecution of corruption crimes in 2013-2014, including by General Prosecutor's Office. A positive development is also that methodological materials were developed. It should be further monitored what results did the training bring and how the methodological materials are disseminated and used in practice.

Pillar 3. Prevention of Corruption

Recommendation 3.2.

Adopt legislation, which will introduce a system of transparent, merit-based competitive recruitment, appointment and promotion in the civil service. Provide definitions of professional and political officials.

Introduce a transparent salaries scheme in public service and rules and criteria for the allocation of variable component of salaries.

Introduce regulation on prevention of conflict of interests and ensure it is properly enforced in practice.

Put in place a system for public officials to submit asset declarations; regulate the procedure of declaring personal assets of public officials and consider checking these declarations and making them public. Provide general guidelines for codes of conduct of public institutions. Establish a rule that it is mandatory to adopt a code of conduct. Determine sanctions that can be imposed for failure to implement ethical rules.

Introduce regulations on accepting gifts by public officials and consider the possibility to set restrictions on post-office employment for public servants.

Adopt regulations on the protection of "whistleblowers".

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

In the past Uzbekistan took certain measures for improvement of the institution of the public service.

The republican ministries and agencies universally implement sectoral measures for improvement of the mechanisms of competitive selection of employees at the public service as well as their appointment and promotion.

For example, the Ministry of Finance for the purpose of ensuring transparency of holding vacant positions in the central staff of the Ministry created a section "Working with staff" on the web-site of the Ministry of Finance, where it regularly places information on available vacancies in the Ministry. At the same time, the Uniform Portal of Interactive State Services publishes information on available vacancies in the Ministry.

The HR Department together with the heads of structural subdivisions of the Ministry perform careful selection of the qualified specialists from the sectoral ministries and agencies as well as graduates of higher educational institutions specializing in economics to hold positions

in the central staff of the Ministry and territorial controlling and auditorial departments as well as positions included in the List of Positions Appointed and Dismissed by the Minister of Finance of the Republic of Uzbekistan.

In order to promote the ministerial personnel to higher managerial positions the Ministry introduced the procedure whereby the HR Department together with direct chiefs of the personnel evaluate their performance, advanced training and taking into account their practical experience make respective proposals about their appointment and submit them to the management of the Ministry.

In order to increase the motivational role of salaries, motivation of high-productive labour, ensuring of interest of public servants in advanced vocational training, the Ministry sets rates (salaries) of personnel according to the approved salary grades under the Uniform Agreed Wages based on the initial (zero) grade of the Uniform Agreed Wages approved by the Decree of the President of the Republic of Uzbekistan.

When a new employee is being hired HR officer informs the employee about his/her official salary according to the staff schedule, payment of bonuses in case of quality and timely performance of his/her duties and other types of remunerations and payments.

For the purposes of material incentives of personnel of the central staff of the Ministry there were approved the Regulations on the Procedure for Setting and Paying Individual Monthly Increases to the Official Salaries of Personnel of the Central Staff of the Ministry of Finance of the Republic of Uzbekistan and Chiefs of Budgetary Organizations Within the Ministry for Proactive and Scrupulous Performance of the Official Duties.

The Ministry of Finance of the Republic of Uzbekistan when establishing the Treasury developed the Handbook for Treasury Personnel, where one of the sections included the Code of Ethics of Treasury Personnel.

Other ministries and agencies also ensured implementation of measures for introduction of transparent system of competitive selection of personnel as well as of their appointment and merit-based promotion.

A material contribution to further strengthening of guarantees for judges and fight with corruption in the judicial sphere was made by the Decree of the President of the Republic of Uzbekistan of 2 August 2012 No. 4459 "On Measures for Radical Improvement of Social Protection of Judicial Personnel", in accordance with which the salaries of judges were increased 2-2.5 times, while the relevant resolution of the Government approved the procedure envisaging provision of long-term mortgage to judges for acquisition of housing on favourable terms and also payment of compensation for rent of living premises.

The next step which followed that Decree was adoption on 13 November 2013 of the Resolution of the President of the Republic of Uzbekistan No. 2065 "On Measures for Increasing Material Reward and Social Protection of Personnel of the Prosecutor's Offices of the Republic of Uzbekistan".

According to that document the salaries of personnel of the prosecutor's offices were increased 2-2.5 times, there was developed the procedure envisaging provision of long-term mortgage to personnel of the prosecutor's offices for acquisition of housing on favourable terms and also payment of compensation for rent of living premises.

On 30 December 2013 the Order of the General Prosecutor of the Republic of Uzbekistan No. 104 became effective, which approved the Code of Ethics (Professional Ethics) of Personnel

of the Prosecutor's Offices as well as the Department for Fight with Tax and Currency Crimes and Legalization of Criminally Received Proceeds at the General Prosecutor's Office of the Republic of Uzbekistan". According to the new version of the Professional Ethics besides rigid observance of the Constitution, laws and other legal acts, one of the main calls of duty of personnel of the prosecutor's offices is implacable attitude to corruption-related crimes; it also regulates the issues of conflicts of interests, etc. The Professional Ethics' provisions apply to personnel of the prosecutor's offices not only in the course of discharge of their official duties during the working hours but also during time they are not working.

There were also taken measures for implementation of recommendation in part of adoption of legislative provisions on protection of 'whistle-blowers' informing about corruption-related crimes.

In particular, the Plan of Development of Draft Laws on Further Improvement of the National System of Protection of Human Rights and Liberties provide for development of the Law "On the State Protection of Victims, Witnesses and Other Participants of Criminal Procedures" as well as draft Law "On Amending Certain Legal Acts of the Republic of Uzbekistan in Connection with Adoption of the Law of the Republic of Uzbekistan "On the State Protection of Victims, Witnesses and Other Participants of Criminal Procedures".

These draft laws provide for ensuring effective protection of whistle-blowers informing about crimes (including those which are related to corruption), witnesses informing about crimes and their relatives from possible repercussions or intimidation.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

LACK OF PROGRESS

There are steps taken in the area of reform of public service and integrity in public service, such as improvement of salaries and working conditions for prosecutors and judges or new ethics code for prosecutors.

Nonetheless, specific requirements under this recommendation have not been addressed.

New Recommendation 3.7

Further strengthen transparency of political party's financing and financing of electoral campaigns, ensuring this information is widely disseminated and easily available.

Ensure that responsibility and effective sanctions are provided for violations of party financing and financing of electoral campaigns rules, as well as for failure to make the financial reports of the political parties public.

Further elaborate principles and rules aimed at prevention of corruption and conflict of interests for political officials and effectively implement them.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

Starting 2012, during the period from March to April every year, political parties in Uzbekistan publish their annual financial reports in the parties' printed media and discuss them with their governing bodies as well as with the regional party structures in light of implementing recommendation on publication of financial reporting of political parties.

For example, according to Art. 15 of the Law of the Republic of Uzbekistan "On Political Parties" and Art. 17 of the Law of the Republic of Uzbekistan "On Financing of Political Parties" the Democratic Party of Uzbekistan "Milliy Tiklanish" reported on its expenses for 2012 and on the amount allocated from the state budget and other sources of income for 2013 in its printed media – newspaper "Milliy Tiklanish" (No. 266 of 13 March) and web-site "mt.uz" (22 April 2013). Financial and economic activities of the party for 2012 were discussed at the 9th Plenum of the Central Council of the Democratic Party of Uzbekistan "Milliy Tiklanish" on 6 March 2013, where the expenses budget for 2013 was approved.

Also the parties' reports on financing sources are considered at meetings of the Legislative Chamber with participation of representatives of mass media and interested ministries, organizations and agencies.

Upon the results of hearings on the reports of the parties' chairpersons on using financial assets the Legislative Chamber of Oliy Mazhlis of the Republic of Uzbekistan takes the respective decision which is broadly covered in mass media.

Besides that, the Central Control and Audit Commission and its structural subdivisions perform regular monitoring of financial receipts and expenses of regional divisions of parties. On the whole, this concerns the Central Staff and 14 regional subjects which have their own accounts (district divisions do not have their own accounts). This ensures full coverage and effective control over all financial flows on party's accounts.

There is a procedure for making the final analysis of activities of the Central Control and Audit Commission and regional control and audit commissions of parties aimed at strengthening of control over measures and financial and business activities of the parties envisaged in their Statutes in relation to use of the annual budget of parties. The goal of the control and audit commission is to check observance of the requirements of the party's statute and principles of budgetary discipline in party organizations, payment of membership fees, effective, rational and targeted use of the received budgetary and extra-budgetary funds.

For the purposes of prevention corruption and conflicts of interests among members of political parties and ensuring their effective implementation, the Regulations of groups in the Legislative Chamber of Oliy Mazhlis of the Republic of Uzbekistan provide for establishment of temporary commissions for consideration and analysis of the facts of power abuse by deputies – members of groups.

Alongside with that control and audit commissions of regional Kengashis of parties conduct quarterly examinations of financial and business activities of regional organizations, upon the results of which they submit a note to the Central Control and Audit Commission of the party.

For the purposes of advanced training of specialists involved in settlement of financial matters and non-admission of the revealed disadvantages in 2103 and 2014 on the basis of

conducted examinations the Central Control and Audit Commission organized and conducted trainings of the heads and chief accountants of the structural divisions and experts of the party's administration with involvement of experts from the Auditing Chamber, Ministry of Finance, Ministry of Justice, State Tax Committee and other agencies.

For the purposes of ensuring transparency of political parties and public information the political parties in cooperation with the Legislative Chamber of the Parliament and the Auditing Chamber conduct regular seminars and roundtables. In particular, during 2013 and past period of 2014 there were organized 6 events on the topics related to financing of parties, this event was broadly covered in the central and regional mass media, including electronic ones and the materials were regularly published in the parties' printed media and parties' web-sites.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

PROGRESS

Some progress can be noted in striving to disseminate information about political party's financing in Uzbekistan.

According to the information provided by Uzbekistan, since 2012 political parties publish their annual reports in their internal party bulletins (although, this practice already existed before, as noted in the monitoring report on Uzbekistan in 2012). The annual reports seem to be more widely discussed: internally, at the Parliament and during press conference, which would then lead to articles in mass media. Moreover, state bodies conduct regular monitoring of expenses by regional offices of political parties.

Nonetheless, information is not provided on other aspects of this recommendation, namely transparency in financing of electoral campaigns and introducing liability and sanctions.

Regarding Members of Parliament, Uzbekistan informs about creation of temporary commissions to look into misuse of position by deputies, however, it is difficult to assess to what extent it can contribute to the recommendation, which asks to elaborate principles and rules aimed at prevention of corruption and conflict of interests for political officials and to effectively implement them.

Recommendation 3.9

Encourage private sector entities to adopt adequate internal control systems, including codes of business conduct and other anti-corruption compliance measures.

Involve private enterprises and the business sector at large in dialogue about necessary simplification of regulation and other measures to improve business climate and prevent corruption.

Measures taken to implement this recommendation:

(brief summary of measures taken to implement recommendations provided by the National Coordinator)

The Chamber of Commerce and Industry of Uzbekistan (CCI) in cooperation with business entities takes measures for ensuring organization of proper mechanisms of internal control of

non-state enterprises.

In particular in February-March 2014 the CCI Working Group drafted a framework Code of Business Ethics. This Code sets the standards of behaviour, which should be observed by persons engaged in entrepreneurial activities, provides practical recommendations on settlement of potential ethical and legal problems. Currently the draft code was sent to the business entities for consideration and preparation of proposals and comments.

Also CCI implements measures for engaging private enterprises and business community on the whole into a dialogue with the State on simplification of regulations of entrepreneurial activities and adoption of other measures aimed at improvement of business climate and prevention of corruption in the country.

For the purposes of increasing the level of legal knowledge of business entities and prevention of corruption acts CCI prepared guidelines and handbooks “Examinations: from A to Z”, “What do you have to know about examinations of business entities?” and “Conducting examinations by the controlling bodies: right and obligations of entrepreneurs”, which contain information on inadmissibility of corruption in the course of business.

Besides CCI developed certain software for provision of interactive and informational services for entrepreneurs, “UzSAT”, business portal www.businessinfo.uz.

Information system UzSAT for mobiles allows user to quickly get information on their mobiles regarding such issues as “Examinations of business entities”, “Registration of business”, etc.

The Uniform Information and Reference Portal of Entrepreneurs www.businessinfo.uz contains reference information on organizing and doing business (registration of business, licensing procedures, examination procedures, rights and obligations of controllers and examined entities, etc.).

The above software should strengthen the dialogue between the state authorities and entrepreneurs advance the level of legal culture and knowledge of business entities, thus facilitating corruption prevention in the field of entrepreneurship.

In order to introduce contactless electronic forms of mutual relations between the state controlling bodies and business entities there was adopted the Resolution of the Cabinet of Ministers No. 312 of 25 November 2013 “On Measures for Introducing Mechanism of the State Registration of Business Entities via Internet”, which excludes possibility of physical contact of persons with the registration officials in the course of the state registration of business entities, which facilitates decrease of risks of committing corruption-related crimes.

Within the framework of interaction of the state and business in 2013 CCI together with the General Prosecutor’s Office conducted anonymous survey of 10,000 entrepreneurs regarding identification of the key factors impeding performance of business activities, existing bureaucratic barriers and impediments, including the extent of corruption spread in the field of entrepreneurship. Conducting of the similar survey is planned for the current year.

Other institutions of the civil society also actively cooperate with the state authorities in the field of corruption prevention.

Within the framework of this cooperation as well as in accordance with the memorandum concluded between the Independent Institute for Monitoring of Formation of the Civil Society (NIMFOGO) and the General Prosecutor’s Office of the Republic of Uzbekistan during 18-21 June 2013 there were organized several trainings/seminars devoted to “Legal Fundamentals of

Protection of Small Businesses and Private Entrepreneurship". It should be noted that such trainings/seminars have been being organized yearly during the last three years. The purpose of such trainings/seminars is to discuss issues of further strengthening of mechanisms of comprehensive ensuring of rights and lawful interests of entrepreneurs, their relationships with the controlling authorities and advancing of their legal culture.

In 2013 NIMFOGO in cooperation with the Centre for Public Opinion Surveys "Izhtimoy Fikr", National Association of Non-State Non-Commercial Organizations of Uzbekistan, National Human Rights Centre of Uzbekistan and the General Prosecutor's Office organized several roundtables on the topic "Role of Institutions of the Civil Society in Fight with Corruption". In the course of those event the participants considered actual issues and perspectives of fight with corruption, interaction between institutions of the civil society and the state authorities in that field, as well as experience of foreign states.

For the purposes of eliminating bureaucratic barriers and impediments and corruption prevention on 11 September 2012 the Criminal Code of the Republic of Uzbekistan was amended with the new Article 206-1, which provides for liability for illegal interference into activities of business entities.

Also on 20 December 2012 there was adopted the Law of the Republic of Uzbekistan "On Licensing Procedures in the Field of Entrepreneurial Activities" which introduced the rule of issuing licenses and permits through so-called "single window".

In accordance with the Decree of the President of the Republic of Uzbekistan of 16 July 2012 No. UP-4453 "On Measures for Radical Decrease of Statistical, Tax, Financial Reporting, Licensed Activities and Licensing Procedures" there were abolished 80 permit procedures (or 26% from their total number) as well as 15 licensing procedures (20% from their total number) as of 1 August 2012 in our country.

On 18 July 2012 there was adopted the Decree of the President of the Republic of Uzbekistan No. UP-4455 "On Measure for Further Radical Improvement of the Business Environment and Provision of Greater Freedom for Entrepreneurship" which facilitated introduction of new anticorruption mechanisms in the trade and business sphere.

Assessment of Progress

(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)

PROGRESS

Progress can be noted in promoting some elements of internal control system, such as code of ethics, and generally promoting business integrity and dialogue with the business sector. In 2014, the Chamber of Commerce and Industry (CCI) developed a framework Code of Business Ethics. In 2013, the CCI and the GPO have conducted a survey among businesses, including on corruption. In 2013, roundtables were organised addressing the role of business in prevention of corruption and protection of rights of businesses.

PART II: OTHER MAJOR ANTI-CORRUPTION DEVELOPMENTS

(Description of other major anti-corruption developments, which were not covered by the recommendations, such as any new policy, legislative, administrative, or case law developments since the adoption of the report, to be provided by the National Coordinator)

Substantial steps were taken in part of implementing recommendation on improvement of legislation on free access to information.

There was developed a draft law “On Open Activities of the State Power and Management Bodies” specifying the procedures for informing public on activities of the state power and management bodies, ensuring broader access of population and public associations to information on the taken decisions, mainly those which affect civil rights, liberties and lawful interests.

In order to ensure further improvement of the Law, during 2013 the project was successfully validated in the course of the real-life legal experiment in the state power and management bodies in Bukharaskaya and Samarkandskaya regions.

The Law explicitly defines the procedures for informing the public about activities of the state power bodies.

Implementation of the Law would ensure transparency and openness of activities of the state executive bodies, external and internal policies of the State taking into account political pluralism, variety of opinions about the events taking place in the country and abroad.

On 11 March 2014 the Legislative Chamber of Oliy Mazhlis (Parliament) of the Republic of Uzbekistan adopted the Law “On Open Activities of the State Power and Management Bodies” and forwarded it to the Senate for further approval.

The principle of ensuring open activities of the state power and management bodies is the important methodological element of the uniform concept of “electronic government”, the necessity of elaboration and adoption of which has been noted by the President of the Republic of Uzbekistan I.A.Karimov in his report at the meeting of the Cabinet of Ministers devoted to priority trends of the economic program for 2013.

One of the most important legal acts aimed at establishment and broad implementation of the “electronic government” system and corruption prevention in our country was the Comprehensive Program of Development of the National Information and Communication System of the Republic of Uzbekistan for 2013-2020 approved by the Resolution of the President of the Republic of Uzbekistan “On Further Development of the National Information and Communication System of the Republic of Uzbekistan” of 27 June 2013. It includes settlement of such tasks as providing possibilities for population to interact with the state authorities electronically, introduction of “single window” function in the state management system. The Program also specifies measures for establishing complexes of information systems and databases of “electronic government” system.

Shifting the state services to online mode will not only make the citizens’ access thereto much easier but also would allow to strengthen their trust in the state authorities by ensuring transparency of their activities and decreasing corruption risks. From the administrative

standpoint “electronic government” will speed up the decision-making processes, increase effectiveness of operation of the state authorities and substantially decrease corruption risks.

Currently the state authorities provide more than 600 interactive state services using the web-sites and the Governmental Portal of the Republic of Uzbekistan (www.gov.uz). The next logical step in this direction was launch of the Uniform Portal of Interactive State Services as “single window” at my.gov.uz. It was established in accordance with the State Program approved by the Resolution of the President on 14 February 2013.

A special attention is paid at this Portal to inquiries of individuals and legal entities, which can apply (file complaints, comments or proposals) to the state and business management bodies and local authorities, including with respect to illegal actions of officials and corruption acts.

As an indicator of political will and permanent attention of the supreme management of the state to the issues of prevention of corruption acts in the state management system, as of January 2014 it became possible to send inquiries directly to the Prime-Minister of the Republic of Uzbekistan through the Uniform Portal.

As additional convenience for entrepreneurs they can send complaints and proposals to the Prime-Minister of the Republic of Uzbekistan by calling 8 (800) 200-1818 (a call is free of charge throughout the whole republic – a standard fee is levied for calls to landline).

This service is aimed at settlement of such problems as unreasonable delays of deadlines, violation of the procedure for granting credits or land plots, unreasonable examinations and other illegal interference into the financial and business activities, subjective factors and bureaucratic barriers for entrepreneurial activities.

Within the framework of implementation of the Concept of Further Expansion of Democratic Reforms and Formation of the Civil Society in the Country there was drafted a Law “On Public Control in the Republic of Uzbekistan” aimed at establishment of the system effective legal mechanism of exercising control by the public and civil institutions over implementation of legal acts by the state power and management authorities. The draft law envisages types, forms and subjects of public control, subject-matter of control, legal mechanisms of its implementation as well as liability of officials for failure to implement the effective legislation in this sphere.

Currently the draft law is duly submitted for consideration of the Cabinet of Minister of the Republic of Uzbekistan.

Also there is performed active work on development of draft law envisaging introduction of criminal liability of legal entities for commission of corruption-related crimes, criminalization of illegal use of insider information and market manipulation as well as certain other legislative changes.

Besides that, taking into account the current political and legal realities and in order to ensure development of the targeted comprehensive program of measures aimed at radical improvement of legal education in the country and propaganda of legal knowledge in the society there was developed draft National Program of Advancing Legal Culture of the Society.

Implementation of that program should ensure formation of the population’s respect of the human rights and liberties and citizens’ law-abiding behaviour.

Also the reforms of corruption criminalization were continued.

There is developed a draft law "On Amending the Criminal Code of the Republic of Uzbekistan" defining a bribery subject as officials of foreign states and international organization, for which purposes the Criminal Code provides for a broader definition of officials.

There were developed changes and amendments to the Criminal Code of the Republic of Uzbekistan providing for extended terms of punishment for active bribery and balancing of sanctions with receipt of bribes so that the population and officials should get the feeling of unavoidable liability and increased trust to the state authorities.

Moreover, the draft law provides for a particular term during which the bribe-giver should apply to the law enforcement bodies after commission of crime. In particular, the previous version provided for exemption from criminal liability of a bribe-giver, if upon committing criminal actions the offender voluntarily informed the law enforcement bodies about what had happened or there had been extortion with respect to that person. For the purposes of improving that provision and strengthening its anticorruption element the new law introduced 30-day limitation of term of the bribe-giver's application to the law enforcement bodies after committing a crime upon expiration of which such person would be subject to criminal liability.

Implementation of these proposals would facilitate the fact that population and officials should get the feeling of unavoidable liability and increased trust to the state authorities.

On 11 March 2014 that Law was adopted by the Legislative Chamber of Oliy Mazhlis (Parliament) of the Republic of Uzbekistan and forwarded to the Senate for approval.

For the purposes of elimination of reasons and conditions of violating legislation there was developed and adopted the Resolution of the President of the Republic of Uzbekistan of 15 July 2013 No. PP-2003 "On Approval of the Plans of Development of Legal and Other Acts Aimed at Implementation of Reference Rules of Laws". The Resolution provides for envisaging 136 reference rules in laws (from which 40 are in the field of entrepreneurship) by developing subordinate legislation aimed at filling of gaps and "blind spots" in the legal base which have been facilitating commission of corruption-related crimes.

In order to eliminate bureaucratic barriers, corruption acts in the activities of the state and business management bodies, on 25 January 2013 the Cabinet of Ministers of the Republic of Uzbekistan approved the Comprehensive Plan of Measures for Ensuring Effective Development of Activities of Business Entities.

In accordance with clause 4 of that document the General Prosecutor's Office and the Ministry of Justice were charged with duty to organize during 2013-2014 seminars and conferences for the personnel of the state and business management bodies as well as representatives of business community, in the course of which they had to provide far and wide explanations on the essence and content of the provisions of legal acts stipulating liability for corruption-related crimes and to extend the positive practice of preventing corruption in the business area.

The respective instruction of the General Prosecutor's was sent to the regional prosecutor's offices to ensure effective organization of these events.

In the course of execution of that instruction during the past period the prosecutor's offices of all regions together with the territorial judiciary departments conducted over 490 seminars and conferences for personnel of the state and business management bodies (local state power bodies, banks, cadastre services, statistics bodies, etc.).

The prosecutor's offices conducted 2,234 anticorruption events only during three months of 2014.

In all state authorities there are well-functioning hotlines and any person can call it and inform about a corruption act.

For example, for the purposes of raising awareness about the hotlines of the prosecutor's offices (number "007") opened in all regions there were created special telecasts, programs and sections on TV, radio and printed mass media.

During three months of 2014 there were broadcasted 119 specialized TV programs and 124 radio presentations and there were written 172 publications in newspapers and magazines.