

**Rule of Law Programme – Central Asia:
Promoting Transparency and Action against economic crime (CA TAEC)**

Project Summary: Uzbekistan (CA TAEC UZ)

Project title	Promoting Transparency and Action against economic crime
Project area	Uzbekistan
Implemented by	Economic Crime and Cooperation Division, Action against Crime Department, Directorate General Human Rights and Rule of Law, Council of Europe
Duration	48 months (starting from January 2020)

SUMMARY

The Joint Programme Agreement for the “Central Asia Rule of Law Programme” was signed in November 2019 between the Council of Europe and the European Union Delegation to the Republic of Kazakhstan. The Programme aims at reinforcing the human rights, rule of law and democracy in the countries of Central Asia in accordance with European and other applicable international standards.

The Programme started in January 2020 with a duration of 48 months. It will cover all five countries of the region – Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan – and will be in line with the Council of Europe Policy for Neighbourhood Regions.

The project on “Promoting transparency and action against economic crime” (CA TAEC) will focus on strengthening authorities’ capacities in the region to fight and prevent economic crime and corruption, based on regional priorities, as well as priority areas of the countries concerned. These will be addressed through a **regional component** and **five country-specific components**.

COUNTRY: UZBEKISTAN

BACKGROUND AND JUSTIFICATION

The project looks to achieve its overall objective stated above by enhancing:

- a) Business integrity and compliance in the private sector; and
- b) Anti-corruption, AML and asset recovery systems in Uzbekistan.

Area 1: Business integrity and compliance in the private sector

Uzbekistan has recently made important institutional changes in the field of protection of entrepreneurs’ rights, by creating the position of a specialised Ombudsman, who has been actively engaged with the business community to identify key issues, including those related to corruption risks. This is a new institution for Uzbekistan and has clear needs to obtain good practices and exchange experience with similar institutions elsewhere, in order to design effective procedures (e.g. for the processing of entrepreneurs’ complaints, and interagency co-ordination with law enforcement).

While initiatives have been undertaken by the Chamber of Commerce in this area, overarching co

ordination of efforts is needed. Further efforts are also needed to fully build compliance practices in the business sector which are at the moment in their infancy. Specific support is also needed to improve anti-corruption compliance in the banking sector, which the authorities and the Association of Banks in Uzbekistan consider a major priority.

Area 2: Anti-corruption, AML/CFT and asset recovery

Uzbekistan has developed and adopted a number of strategic documents related to fight against economic crime. That said, several areas have been identified where capacities of authorities need to be enhanced, including corruption proofing of legislation, training for law enforcement (including training of trainers) on detection, investigation (including parallel financial investigations) and prosecution of corruption and the recovery of criminal proceeds. Bilateral and multilateral networking activities, including those with relevant Council of Europe bodies and mechanisms are considered a priority.

In the anti-money laundering field authorities have carried out a National Risk Assessment (NRA), but support is required to transpose the findings and measures on the level of reporting entities. One of the most difficult areas remains the identification of beneficial ownership of legal entities. Supervisors also lack capacities and methodologies for conducting effective risk-based supervision and sectorial risk assessments. This is very visible in the banking sector where shortcomings have a slipover effect on supervisory effectiveness.

PROJECT OUTCOMES

<p>Intermediate outcomes</p>	<ol style="list-style-type: none"> 1. To enhance business integrity and compliance in the private sector, reducing administrative barriers and ensuring the protection of rights of entrepreneurs in countries of Central Asia. 2. To enhance the effectiveness of anti-corruption, anti-money laundering and asset recovery systems in the countries of Central Asia.
<p>Immediate outcomes</p>	<ol style="list-style-type: none"> 1: Business integrity and transparency is strengthened, administrative barriers and abuses of entrepreneurs' rights are reduced. 2: Mechanisms and capacities of authorities to prevent corruption are improved. 3: Capacities of law enforcement authorities to tackle corruption, money laundering and economic crime are enhanced. 4: National systems to combat money laundering and terrorism financing are strengthened.

IMPLEMENTATION ARRANGEMENTS

The Council of Europe and more specifically the Economic Crime and Cooperation Division (ECCD) of the Action against Crime Department will be responsible for the implementation of the Project through a delegation agreement under indirect management by the European Union Office in Nur-Sultan, Kazakhstan.

The Council of Europe project team will be based in Strasbourg and Nur-Sultan. For the purpose of implementing activities under this project, international and national consultants of appropriate expertise and background will be engaged pursuant to Council of Europe procurement rules.

Project activities will include assessments, provision of expert advice/opinions, conferences, roundtables and seminars, workshops, training courses and researches. Information on the activities and project outputs will be made available through the project website.

CONTACTS

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