Turning Restitution into Development Results: Lessons From the Uzbekistan Vision 2030 Fund, Also Known as the Ishonch Fund

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Beyond Official Development Assistance (ODA)

The United Nations development system is currently confronting widening financing gaps, constrained aid budgets and increasing demands for accountability. Against this backdrop, growing attention is being paid to non-traditional sources of development finance. Among these, restituted assets — resources recovered through corruption cases and used for the benefit of affected populations — represent a significant, yet underutilised, opportunity.

Switzerland has been at the forefront of global efforts to ensure that restituted assets are used to advance sustainable development, drawing on international legal frameworks such as the UN Convention against Corruption and the Global Forum on Asset Recovery Principles. At the same time, the Republic of Uzbekistan has embarked on an ambitious reform agenda aimed at ensuring that its population receives tangible benefits from recovered assets, aligned with national development priorities. As part of this agenda, the government is seeking to strengthen anti-corruption efforts across all sectors.

Both countries are also strongly committed to multilateral solutions to global challenges. This commitment is reflected in their robust championing of the 2018 UN development system reforms, which have led to a strengthened Resident Coordinator system and a more coherent and integrated UN offer aligned with national development priorities.

In August 2022, a restitution agreement between Switzerland and Uzbekistan brought these complementary visions together in concrete action. The agreement provides for all illegally acquired assets confiscated in criminal proceedings against Gulnara Karimova[1] – amounting to hundreds of millions of Swiss francs — to be returned to the people of Uzbekistan through a UN Multi-Partner Trust Fund.

The resulting Uzbekistan Vision 2030 Fund, also known as the Ishonch Fund, illustrates both the promise and complexity of translating restitution into development outcomes. The origin of the fund's assets means that it is fundamentally different from traditional pooled funds, offering timely lessons for the future of UN financing and reform, including the role of pooled funds.

The Ishonch Fund: A Distinct Financing Instrument

The Ishonch Fund was created to implement large-scale restitution linked to ongoing criminal proceedings in Switzerland. To date, US$ 313 million has been formally committed through bilateral agreements, with US$ 87 million of this disbursed for health and education programmes via the Ishonch Fund. Further disbursements are expected as and when further funds are definitively ruled forfeit. In other words, the arrangement allows some seized funds to be released before all criminal proceedings have been completed.

Unlike official development assistance, these resources are returned assets rather than discretionary donor contributions. As a result, they have attracted heightened public, legal, and political scrutiny in both Switzerland and Uzbekistan. This in turn has shaped expectations concerning transparency, efficiency, cost structures, and results. For Switzerland and Uzbekistan, the central test of success is whether Uzbekistan's population perceives the resources as having been genuinely returned to them through improved access to essential services, supported by stronger anti-corruption safeguards.

The Ishonch Fund is currently prioritising health and education, sectors in which benefits are direct, tangible and widely felt. Implementation is being organised through large-scale joint programmes involving five UN entities (UNICEF, UNESCO, UNFPA, UNDP and WHO), with a separate dedicated window for the World Bank.

Governance Designed for Legitimacy and Trust

From its inception, the Ishonch Fund has placed strong emphasis on governance and high standards of fiduciary management. The fund is financially administered by the UN Multi-Partner Trust Fund Office, a dedicated system-wide mechanism for administering pooled funds, while its governance framework is aligned with the pooled fund guidelines established by the UN Sustainable Development Group. The trilateral Fund Management Committee, which meets monthly, is co-chaired by representatives of the

Governments of Switzerland and Uzbekistan, and by the UN Resident Coordinator in Uzbekistan, with decisions taken by consensus. A bilateral High-Level Strategic Committee provides political oversight and strategic direction.

This governance architecture reflects a shared understanding: restitution is as much a political and social process as a technical one. Trust — between governments, within the UN system, and with the public of both countries — is essential but fragile. Accordingly, the level of scrutiny and accountability applied to the Ishonch Fund exceeds that of standard pooled fund arrangements. For this reason, a Civil Society Advisory Committee is in place to provide independent civil society advice and oversight to the Fund Management Committee.

Reporting to the UN Resident Coordinator, the Fund Secretariat has been kept deliberately lean. This reflects a conscious choice by all parties to signal restraint, credibility, and respect for the exceptional nature of restitution resources. Even so, the Fund Secretariat has proven to be a decisive factor in the fund's success. This is largely due to its adaptability, a prime example being the creation of a dedicated Risk Manager position within the team. Ultimately, the success of the restitution process hinges on maintaining a well-structured arrangement capable of ensuring robust risk management, quality assurance and effective project implementation.

Delivering as One UN: Ambition Meets Reality

The scale, visibility, and political sensitivity of the Ishonch Fund mean that it is, in effect, a stress test for the UN's commitment to joint programming and 'Delivering as One'. In many respects, it has demonstrated what is possible: large, integrated programmes aligned with national priorities, and overseen through common governance structures.

Early results show that restituted assets are already delivering tangible benefits for the people of Uzbekistan. In the health sector, the Ishonch Fund's maternal and perinatal care programme has had measurable impact. According to the Ministry of Health, survival rates for newborns with low birthweight have improved markedly: from 80% in 2022 (among infants weighing 1,500–2,000 grams) to 94% in 2025. The share of preventable maternal deaths has also declined. More than 11,000 healthcare workers have been trained in maternal and neonatal care, while a nationwide awareness campaign on maternal and newborn health has reached more than 10 million people. Across Uzbekistan, 230 perinatal facilities have been equipped with modern life-saving equipment, while strengthened systems for data collection, monitoring and accountability are fostering long-term improvements in healthcare delivery.

The Fund is also strengthening the education sector through investments in digital learning, teacher training, school infrastructure and climate-resilient water, sanitation and hygiene (WASH) facilities. Information and communications technology and digital learning initiatives have reached more than 3,000 teachers, and schools are being upgraded with modern technology, science laboratories and improved learning environments. In parallel, a US$ 20 million programme is supporting modern WASH and climate-resilient infrastructure in schools, with particular benefits for girls and rural children. Together, these investments are helping transform the restituted assets into visible, practical improvements in the people's daily lives and future opportunities.

These highly positive results are testament to the contribution that a trust fund of this nature can bring to restitution processes when grounded in strong national ownership, robust Resident Coordinator leadership, and close civil society oversight.

At the same time, the experience has highlighted several structural and behavioural challenges within the UN development system. Uneven understandings of joint programming principles have at times resulted in competition, inefficiencies, and parallel implementation approaches among UN entities. While these issues are not unique to Uzbekistan and have been flagged in successive evaluations of the UN system — most recently the independent System-Wide Evaluation on a New Generation of UN Country Teams[2] — the restitution context throws them into sharp relief.

From the perspective of the Governments of Switzerland and Uzbekistan, such practices risk undermining confidence in the UN as a credible restitution partner. This is not primarily a question of access to resources, but of institutional incentives and the ability to align behaviour with collectively agreed principles — an issue directly relevant to broader UN reform agendas, including UN80 and the Funding Compact.

Lingering Challenges

One of the most sensitive areas concerns indirect costs and financial reporting. In traditional UN development cooperation, standard cost-recovery policies are used to ensure that voluntary contributions cover core organisational support costs, thereby preventing regular core resources from subsidising projects. These policies promote financial sustainability, transparency, and efficiency. For pooled funds, UN entities have agreed on a harmonised 7 per cent rate.

The Ishonch Fund, however, differs fundamentally: it is not resourced from voluntary ODA; rather it is through the return of assets corruptly acquired at the expense of the population. Such assets can be seen as comparable to a host-country contribution. In a large-scale restitution context such as Uzbekistan, governments, parliaments and civil society in the countries involved scrutinise how restituted funds are used. In doing so, they demand maximum value and exceptional transparency, particularly regarding indirect costs and economies of scale.

In the case of the Ishonch Fund, these expectations have prompted ongoing dialogue on indirect cost rates; the management of earned interest, which under the agreement made between the two governments must also be restituted; the level of financial detail provided; and the accessibility of reporting platforms. While constructive solutions are being put in place to address reporting, and discussions with UN entities regarding indirect costs and transparency around interest earnings are progressing, the experience underlines a broader point: standard arrangements are not always fit for purpose when applied to restitution financing.

All parties recognise that if the UN system is to engage in future restitution partnerships, it must be more adaptable in its policies, systems and institutional mindset. To this end, Member States — through the governing bodies of the UN entities involved — must be willing to authorise such adaptations. Flexibility, clarity, and responsiveness are central to maintaining legitimacy in restitution financing.

From Pilot to Paradigm?

Additional restitution proceedings involving Ms Karimova are ongoing in several other jurisdictions, some of which have expressed interest in returning assets through the Ishonch Fund or exploring similar mechanisms.

If the UN development system is to seize this opportunity, it must build its institutional understanding of restitution as a distinct financing modality. This includes clearer guidance on governance options, cost structures, accountability standards, and the interface between political agreements and operational delivery. Beyond theoretical training, greater investment is also needed in practical capacity to address the real-world implementation challenges faced by UN country teams.

The lessons emerging from the Ishonch Fund speak directly to current debates on UN financing reform, underscoring the importance of:

- **Country-level pooled funds** that are genuinely strategic, nationally owned and results-driven;
- **Incentive structures** that reward collaboration and efficiency rather than fragmentation; and
- **Adaptive institutional frameworks** capable of accommodating diverse funding sources beyond ODA.

The governments of Switzerland and Uzbekistan view this restitution process as a catalyst for institutional learning. Managed well, it can reinforce trust in multilateralism, demonstrate accountability to citizens, and expand the resource base available for sustainable development.

In sum, the Ishonch Fund illustrates both the promise and complexity of using restituted assets to finance development through the UN system. On the one hand, it demonstrates that large-scale, politically sensitive resources can be channelled effectively when governance is robust, priorities are clear, and costs are controlled. At the same time, it highlights the need for continued reform, flexibility, and institutional learning.

Looking to the future, restitution should be viewed as an opportunity – not only to mobilise additional resources, but also to strengthen how the UN development system operates. In this respect, the lessons learned from Uzbekistan can help shape a more agile, credible, and responsive UN, better equipped to finance sustainable development in an increasingly complex world.

Endnotes

1 Gulnara Karimova is an Uzbek former businesswoman and the elder daughter of Islam Karimov, the president of Uzbekistan from 1991 to his death in 2016. She is currently serving a prison sentence in Uzbekistan for fraud, money-laundering and other serious financial crimes.

2 UN Sustainable Development Group System-Wide Evaluation Office, System-wide evaluation on progress towards a “new generation of United Nations country teams”, July 2025, SWEO/2025/001, https://www.un.org/system-wide-evaluation-office/en/system-wide-evaluation-progress-towards-new-generation-united-nations-country-teams