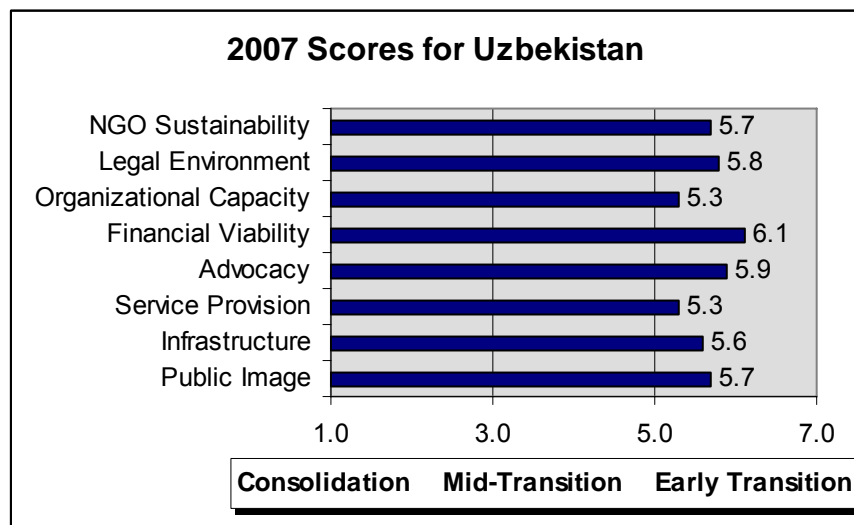


## UZBEKISTAN \*



**Capital:** Tashkent

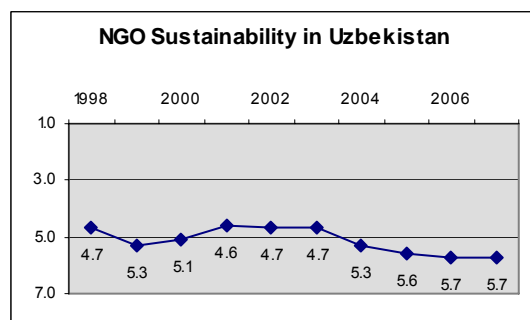
**Polity:**  
Republic-Authoritarian  
Presidential

**Population:**  
28,268,440 (July 2008 est.)

**GDP per capita (PPP):**  
\$2,200 (2007 est.)

### NGO SUSTAINABILITY: 5.7

NGOs in Uzbekistan continue to operate under difficult conditions. Local experts estimate that approximately 3,000 organizations either formally closed or ceased their activities in the last few years as a result of government pressure. The government also continued to force international NGOs to close, although fewer were closed this year than last. The government requires all international NGOs to re-register as representative offices, in which case they become de facto local organizations.



NGOs are informally pressured to join the government-sponsored National Association of Non-Governmental Non-Commercial Organizations (NANNOUZ). An additional incentive to join is the eligibility for government funding that comes with membership; however, NGOs report that grants provided by NANNOUZ are quite small and barely cover travel expenses and salaries. NANNOUZ currently has approximately 300 members, representing a mix of governmentally-affiliated organizations and independent NGOs.

Despite these challenges, organizations and individuals that have long been part of the NGO community continue to operate. Reliable statistics on NGO registration and operation are not available. An informal survey of approximately 780 NGOs that were active between 2001 and 2005 found that 65 percent (505 organizations) were still operating in spring 2007.

\* The 2007 Uzbekistan report was prepared by the USAID mission for the Central Asian Republics. No focus group was convened on account of the difficult conditions prevailing for NGOs in the country.

The survey, conducted by the Eurasia Foundation by phone and email, confirmed that approximately 140 of the 780 organizations (18 percent) had formally closed down; an additional 130 organizations (17 percent) could not be contacted and were presumed to be non-operational. Of the 505 organizations that were active, 105 were considered to be GONGOs. Organizations that worked with youth or addressed gender issues or social, educational, or cultural themes were more likely to be closed, with approximately half of these organizations ceasing to operate. Meanwhile, over 75 percent of organizations working on less politically

sensitive issues, such as health, business or the disabled, continued to operate.

Government officials publicly declare their support of NGO activities. Numerous officials in ministries and local government understand the importance of NGOs and collaborate with

them on specific projects. The government, however, tends to limit its formal cooperation to GONGOs and members of NANNOUZ. Public perception of NGOs varies between negative and indifferent. Sporadic attempts by NGOs to publicize their activities in the local media have had little influence on public opinion.

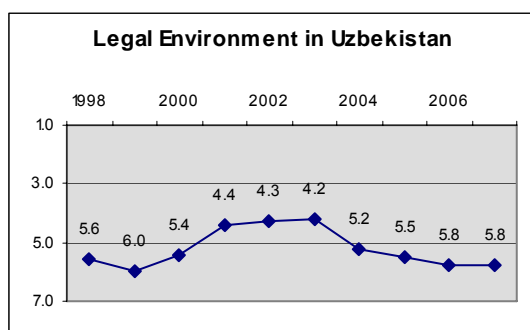
### LEGAL ENVIRONMENT: 5.8

The legal environment governing NGOs remains restrictive. Although two new laws – the Law on State Guarantees to NGOs and the Law on Charitable Activities – were adopted in 2007, they are primarily declarative in nature, requiring the development of implementing regulations or supplemental legislative amendments before local organizations will feel any change in the operating environment. The Law on Charitable Activities establishes the groundwork for beneficial tax changes which are expected to be incorporated into revisions to the tax code. The Law on State Guarantees creates a basis for the Government to provide financial support to NGOs and enter into contracts for social services. Although the law requires the Cabinet of Ministers to adopt rules and regulations for the allocation of state subsidies and grants, the law formally guarantees the right of NGOs to exist and recognizes their critical role in building civil society.

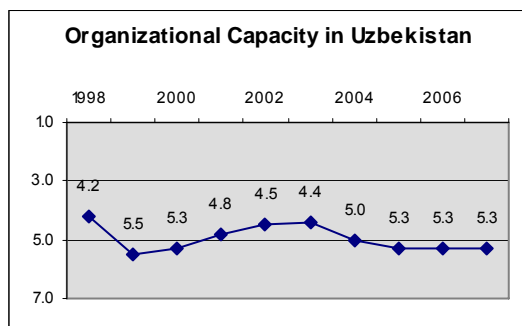
The legal framework provides tax exemptions to NGOs that are not engaged in entrepreneurial activities. However, all legal entities, including NGOs, are obligated to pay Unified Social Payments of 24 percent. On January 1, 2008, a new Tax Code that left the taxation of NGOs largely unchanged came into effect. Some organizations do not include salaries in their financial reports to reduce their tax liabilities, though they run the risk of being caught and closed down by law enforcement agencies.

The Government forced several local NGOs to close over the past year, although exact numbers cannot be determined due to the repressive working environment and the lack of public information. In addition, the Government forced three international organizations, including a USAID-funded partner, to close following court hearings. Another international organization chose to close its operations due to increased governmental harassment, including inspections, audits and fines.

As a result of the difficult environment, no new local organizations are known to have tried to register this year. At least one international organization has been pursuing registration unsuccessfully for three years. While its registration is never denied, it is also not approved.



## ORGANIZATIONAL CAPACITY: 5.3



The decrease in international funding and ongoing government harassment has forced many organizations to close or lose their paid, permanent staff. Organizations increasingly rely on volunteers, although the culture of volunteerism is underdeveloped. A few experts report that government officials discouraged volunteers from supporting certain NGOs.

## FINANCIAL VIABILITY: 6.1

A few international donors, including USAID, OSCE, the German foundations and UNDP, still operate in Uzbekistan and provide some capacity building support. However, the Government's closure of many other international organizations that provided funding or support for local capacity development has had negative repercussions on the financial viability of local NGOs. In order to operate, most local organizations rely on private financing from their leadership, including personal savings or income from second jobs.

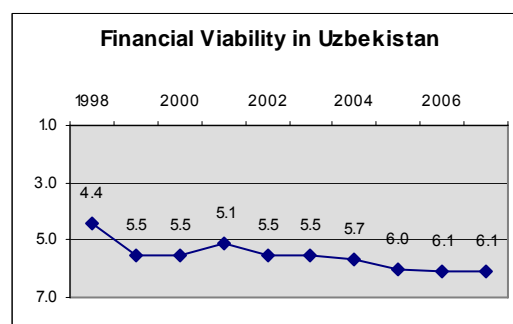
The government sometimes pressures businesses to donate to GONGOs. In the last year, an organization working with the disabled formed a joint venture with a group of Tashkent-based business leaders that will provide the organization with a secure source of revenue in the future. The business leaders will provide marketing and management assistance to the organization's members, who manage small revenue-producing enterprises.

NANNOUZ continued to operate the National Fund for NGO Support during 2007. As in previous years, however, grants were awarded in

Employees of organizations that closed down were forced to find other ways to continue their work, either as individuals or group initiatives, or by re-registering as commercial entities.

NGOs that continue to exist maintain a low profile to avoid attention from law enforcement or regulatory agencies; this prohibits them from building local constituencies. Organizations that have existed for many years and continue to operate adhere to their missions as defined in their organizational documents; failure to do so would provide government officials a reason to close them down. Few organizations have boards of directors, and those that exist are underdeveloped. Most NGOs continue to use equipment purchased under past grants. As organizations no longer receive grants, their equipment will soon be outdated. Internet cafes provide Internet access around the country.

a non-transparent manner. Some organizations, especially professional associations, collect membership dues, although these are generally small and insufficient to sustain activities. Others receive cash donations, though the local culture of philanthropy is generally weak.



A 2004 regulation issued by the Cabinet of Ministers to prevent money laundering increased governmental scrutiny of funding transfers to NGOs through local banks. In most cases, funds are frozen until organizations receive permission to access them from a governmental committee composed of representatives of government bodies and the justice system. Reportedly, the committees evaluate whether planned NGO

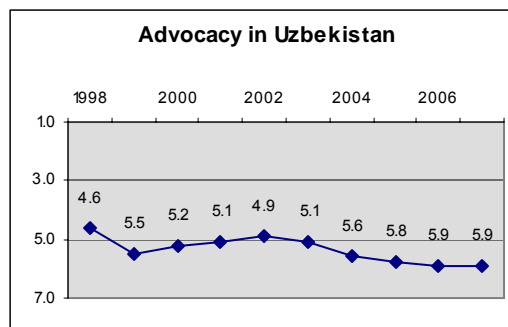
activities would be beneficial to Uzbekistan and whether they duplicate efforts of the Government or government-affiliated organizations. The evaluation process can take several months, and no explanation is provided if there is a negative determination. There is anecdotal evidence that even NANNOUZ had problems transferring funds to its members.

NGOs tend to keep any international or private donations they receive confidential so as not to attract attention from law enforcement agencies. The Government requires NGOs to submit quarterly financial reports to the Ministry of Justice. Civil society organizations, including GONGOS, do not publish financial reports.

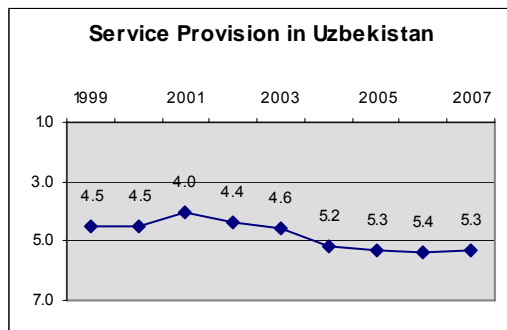
**ADVOCACY: 5.9**

NGOs are able to lobby government officials. However, NGO advocacy campaigns are sporadic and tend to focus on non-political issues, although there were cases in the last year where more sensitive issues were raised. For example, local organizations successfully engaged with the government to promote beneficial changes in the newly adopted Law on State Guarantees to NGOs and Law on Charitable Activities. These organizations commented on the draft legislation and met with government officials to discuss the laws before they were formally adopted. Human rights organizations also began to have greater success in engaging with the government. For example,

a long-term NGO campaign is credited with contributing to the government’s adoption of a law to eliminate capital punishment that went into effect in January 2008.



**SERVICE PROVISION: 5.3**



There was a slight increase in the level of services provided by NGOs over the past year. NGOs continue to provide basic services in

areas such as healthcare, education, and HIV/AIDS. In addition, women’s organizations, disabled rights groups and environmental organizations continue to serve their constituencies. Local NGOs also provide services to victims of trafficking in persons.

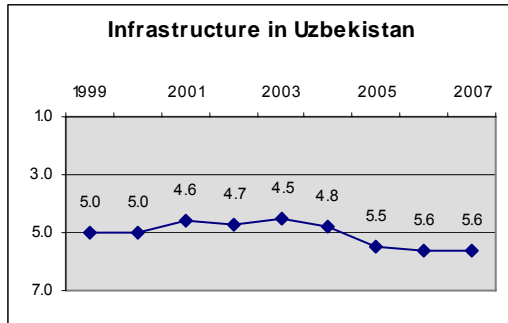
NGOs are unable to claim a large stake in the service market due to the weak economy, restrictive banking regulations, limited clientele, and the common belief that NGO services should be provided free-of-charge. NGOs do not generally conduct market research, in part because remaining organizations try to maintain a low profile.

**INFRASTRUCTURE: 5.6**

Over the last year, USAID supported the development of an informal network to provide more than 150 organizations with regular updates on NGO-related legislation. In addition, organizations have access to a dedicated website

providing information on the relationship between NGOs and the government; receiving and using grants and charitable aid; and incorporating citizens into NGO activities. USAID also supports free legal assistance,

providing consultations on such topics as registration/re-registration of legal entities, taxation, labor, and other aspects of NGO formation and operation.



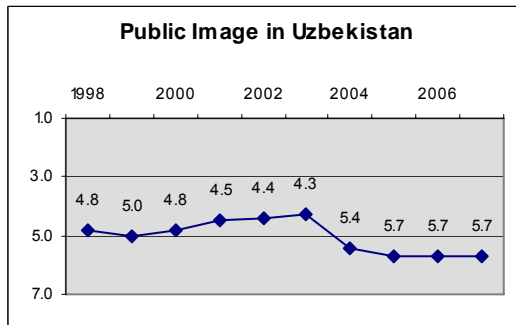
NGOs are increasingly developing informal and formal networks to share information, such as the Network of Women’s NGOs, which works on human trafficking. A cadre of local NGO trainers exists and training courses on specific topics such as HIV/AIDS are available, although

general training for NGO management, project development, and fundraising are no longer provided free-of-charge.

Access to a website with information about NGOs operating in Uzbekistan ([www.uzngo.info](http://www.uzngo.info)) has been blocked within the country since the beginning of 2008. The government alleges that this site is among those news sources that provide “destructive information” and threatens information security.

NGOs and government agencies have formed partnerships on a few occasions. The National Assembly is collaborating with government efforts to increase the exchange of information related to NGO activities and regulations. The Ministry of Internal Affairs has expressed interest in working with local organizations to address human trafficking issues, although there have been no concrete results yet.

**PUBLIC IMAGE: 5.7**



While no data is available, it is likely that the public perception of civil society in Uzbekistan did not improve in 2007. Most citizens fail to understand the concept of “not-for-profit” or “non-governmental” and they are often indifferent towards both NGOs and politics. The government’s closure of NGOs is generally accompanied by negative campaigns in the local press accusing them of violating the law. Several

NGOs maintain working relationships with the local media and journalists, which result in sporadic articles in newspapers and coverage on local television programs. Such opportunities are uncommon and often available only to GONGOs.

Due to the politically sensitive environment, NGO representatives were unable to conduct a survey of the public’s attitudes towards NGOs or membership levels in NGOs in 2007. The most recent survey from 2005 found that only 23.8 percent of those surveyed were aware of the third sector, and 3.4 percent were members of an NGO. As the number of NGOs declined over the past year, NGO representatives speculate that these numbers are even lower now. NGOs generally prefer to avoid transparency due to the restrictive political environment.