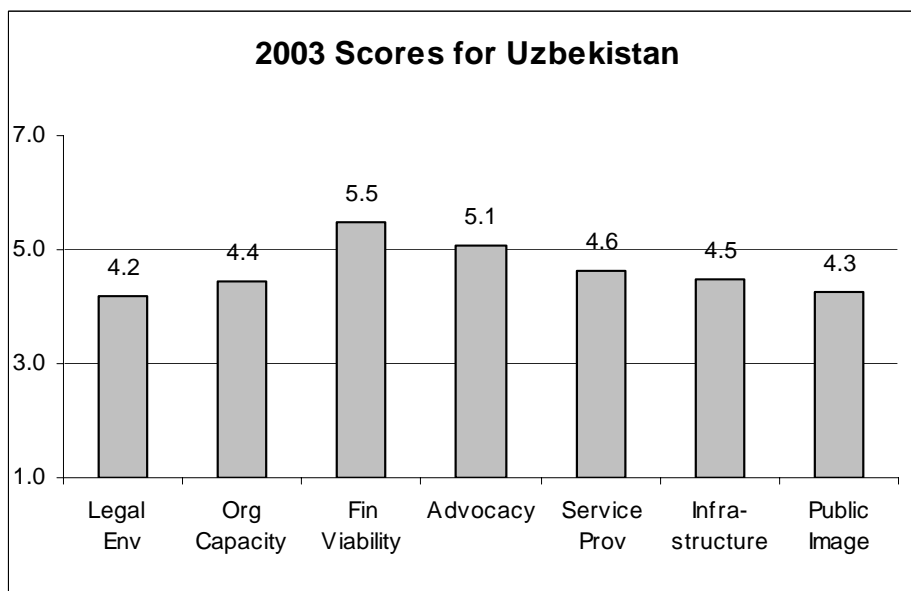


UZBEKISTAN



Capital:
Tashkent

Polity:
Presidential
(dominant party)

Population:
25,400,000

**GDP per capita
(PPP):** \$2,441

NGO SUSTAINABILITY: 4.7

NGO SUSTAINABILITY	
2003	4.7
2002	4.7
2001	4.6
2000	5.1
1999	5.3
1998	4.7

The overall rating remained static in 2003. There were some improvements in the legal environment but relationships with the government were undermined by the deterioration in the

economic situation and frustrations with the slow pace of democratic reforms.

According to Ministry of Justice data there are about 3,000 registered NGOs in Uzbekistan. They are quite active in developing partnerships and delivering services in cooperation with local governments. The Government of Uzbekistan (GOU), media, and the general population now pay more attention to the third sector, mostly due to the transfer of some state social functions to local governing bodies.

The past year has witnessed a stable growth in NGO activity in regions outside of Tashkent. While the NGO community is diverse, organizations supporting women's rights, health care, and environmental issues have been able to excel in their fields, largely because their themes echo those supported by the government and donors. Most NGOs are weak in constituency-building, and are often led by a few dynamic personalities. NGOs tend to be small, dependent upon foreign donors for financial sustainability, and not transparent in either their governance or their finances.

Geographically, the majority of NGOs are located in Tashkent, Nukus, Samarkand, Ferghana Valley, and Bukhara; the remote southern regions of Kashkadaryo, Surkhandaryo and the Khorezm region witnessed stable growth in the NGO sector. On the other hand, the Syrdarya region has almost no NGO activity. NGOs and other grassroots initiative groups are also

beginning to emerge in truly rural areas. In Karakalpakstan, the NGO community continues to be very active, and the Karakalpakstan government is supportive of NGO activities.

NGOs outside of the capital continue to be freer of government control and have more developed constituencies. Organizations which are active in politically sensitive issues, such as human rights, continue to face harassment.

In the past, some elements within the GOU viewed foreign support for NGOs with suspicion. Now they see such grants as something they should have a role in “coordinating” or controlling. Transparency of some NGOs remains questionable, such as Public Foundations established with government support refuse to publish their financial reports.

LEGAL ENVIRONMENT: 4.2

The legal environment improved during 2003. The Oliy Majlis (Parliament) adopted

LEGAL ENVIRONMENT	
2003	4.2
2002	4.3
2001	4.4
2000	5.4
1999	6.0
1998	5.6

the Law on Public Foundations in August. This law provides solid ground for the establishment and operations of non-membership based foundations. Among other improvements, the new law establishes a registration period for foundations of one month (compared to two months currently required to register a public association), allows one person, either an individual or legal entity, to establish a foundation, and allows establishing a foundation pursuant to a will.

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Groups of NGOs are now involved with Parliament in the discussions and development of three new laws for NGOs: a new Law on Guarantees and Support to NGOs, a new Law on Charity, and a new version of the Law on Public Associations. These legislative acts would provide a better basis for the development of civil society and local philanthropy in Uzbekistan.

Tax incentives for NGOs do exist for all NGOs not engaged in commercial activity. Recent decrees and resolutions of the Cabinet of Ministers introduced several privileges for Associations of House owners. Micro-credit organizations received several privileges after an advocacy campaign of interested parties, such as local NGOs and international donors.

ORGANIZATIONAL CAPACITY: 4.4

Few organizationally sophisticated NGOs exist in Uzbekistan. Too often the missions

ORGANIZATIONAL CAPACITY

2003	4.4
2002	4.5
2001	4.8
2000	5.3
1999	5.5
1998	4.2

and goals of local organizations are based on the objectives and missions of the international donor community, but some improvement has been noted in this area.

Most NGOs lack adequate strategic planning and base most of their activity on the whims of donors. Strategic decisions are made by NGOs with the assistance of donors.

Board of directors and broad-based volunteerism are developing slowly. Too often charismatic and dynamic personalities dominate NGO leadership, who sometimes can be inflexible and resistant to

transparency and sharing control of the organization with a board. Accountability and governance are the main challenges to constituency building.

A handful of NGOs retain permanent paid staff; most staff is dependent on the availability of donor assistance. When no donor funds are available, most NGOs work without staff.

This past year more rural NGOs emerged. These NGOs are more dependent on constituency support, thus they better reflect the needs of the community. Their development is encouraging, as a majority of Uzbekistan's population lives in rural areas. Volunteers are abundant and eager.

FINANCIAL VIABILITY: 5.5

The overall decline in the economic situa-

FINANCIAL VIABILITY

2003	5.5
2002	5.5
2001	5.1
2000	5.5
1999	5.5
1998	4.4

tion clearly impacted on NGO financial viability. Local donors are rare, but their number has increased during the past year as NGOs become more prominent in society and the media.

However, because of the economic situation, too often this support is in-kind rather than cash.

The lack of currency convertibility and poor laws related to taxation strain the financial viability of NGOs in Uzbekistan. The problems with currency convertibility limit financial transparency of organizations, many of which receive grants in dol-

lars (technically illegally) from foreign donors.

The government, in a few instances, has given NGOs grants for specific projects. Currently, it is possible for NGOs to generate income through fees-for-services, and some more mature NGOs have become financially independent as a result. However, too many organizations are hesitant to develop this sector. With a few notable exceptions, NGOs in Uzbekistan are entirely dependent on international donor assistance.

In addition, there are more new NGOs competing for donor assistance. This, coupled with the deterioration in the economy, means that for most NGOs financial viability is more difficult even though a few mature NGOs are more stable.

ADVOCACY: 5.1

Despite continuing problems with pressure on human rights organizations and individual activists, Uzbek NGOs were involved in advocacy campaigns affecting unemployment, low standard of living, particularly in the rural regions, and the development of small-

ADVOCACY	
2003	5.1
2002	4.9
2001	5.1
2000	5.2
1999	5.5
1998	4.6

and medium-size businesses.

Although advocacy is still limited at the national level, three NGO coalitions launched ongoing advocacy campaigns on regional and/or national issues during the year on the Government's economic policies toward small entrepreneurs, the right to education for handicapped children, and handicapped-accessibility of new or renovated public buildings. Groups of NGOs also are now involved in the discussions and development of three new laws for NGOs within the Parliament. These laws are the Law on Law on Guarantees and Support to NGO, the Law on Charity, and a new version of the Law on Public Associations.

A particularly successful advocacy effort resulted in additional privileges for local

small and medium businesses in the Navoyi region. The Center for Social Partnership Tashabbus initiated community participation in seeking ways to promote the development of small and medium enterprise in their community. Members of the Navoyi Region Union of Businessmen formed a temporary coalition to develop proposals and advocate to the local government for providing favorable treatment for small and medium enterprises. As a result of the coalition's work over three months, the local governor issued a decree providing privileges to all the service-based businessmen, resulting in about two thousand legal entities getting a 50 percent discount for public utilities and a 50 percent break on property taxes. Another decree was issued that provides privileged credits and accommodation to the various services in the Navoyi region.

Only the most developed NGOs are involved in advocacy efforts. To support the campaigns and the coalitions carrying them out, two training and technical assistance manuals have been designed and published, an electronic library of advocacy materials was established, and a training and consulting team of nine Uzbek citizens was built.

SERVICE PROVISION: 4.6

Civic organizations continued to strengthen their ability to provide quality services to clients. As NGOs become more engaged in rural communities and mahallas (neighborhoods), they have become increasingly responsive to the needs of their communities, and learned to plan

their activities strategically to meet the needs of constituents.

Local government acceptance of NGOs as service providers has dramatically improved, but understanding of government by NGOs is still lacking. Local authorities have begun to realize that community based organizations ultimately strive to

SERVICE PROVISION

2000	4.6
2002	4.4
2001	4.0
2000	4.5
1999	4.5

improve the lives of citizens, and are increasingly listening to NGOs' analysis of community problems and proposals for community programs.

Access to training op-

portunities and responsiveness to community needs are factors augmenting the ability of NGOs to provide services to their communities. However, because of the overall economic situation, there are fewer opportunities to market these services for most NGOs, meaning most NGOs continue to be dependent on international donors.

INFRASTRUCTURE: 4.5

A network of NGO support centers now actively works in seven regional capitals. These Centers provide training seminars, technical support,

INFRASTRUCTURE

2003	4.5
2002	4.7
2001	4.6
2000	5.0
1999	5.0

information resources, networking opportunities, and professional services to NGOs and associations. The importance of these centers

cannot be minimized.

An active coalition of women NGOs was established in 2003. Women NGOs constitute the majority of registered NGOs in Uzbekistan.

The number and quality of trainers has improved in the past year. A new cadre of Uzbek-speaking trainers has emerged,

and NGO trainers seek to establish an Association of Trainers, which would be able to work not only in Uzbekistan but also in the neighboring countries. Training materials in the Karakalpak language are still lacking. Few NGOs implement activities to bolster their technical capacities; rather they perform services to attract donor attention and potential funding.

Coalitions and networks are emerging in some sectors in the NGO community. However, few NGOs desire partnerships with others in an atmosphere of scarce donor resources. Scarcity of grants has led to increased competition and suspicion between NGOs. Coalitions are not typical. Some efforts to create coalitions in certain sectors (i.e. gender, environment) have emerged during the past year.

PUBLIC IMAGE: 4.3

PUBLIC IMAGE

2003	4.3
2002	4.4
2001	4.5
2000	4.8
1999	5.0

Press coverage of NGOs increased during 2003, which had a positive influence on the public image of NGOs. However, the perception remains that many NGOs simply exist to attract

large donor grants.

Previously, NGOs had to pay bribes to journalists to attract publicity. This practice has now decreased and journalists, especially independent TV stations, regularly cover NGO events in the capital city and in the regions. As service provision and train-

ings increase, the public image of NGOs in the country only stands to improve.

Organizations are publishing more materials that are available to the public that in-

creases their public stature. Nonetheless, there continue to be too many misperceptions about each other by NGOs and government officials.