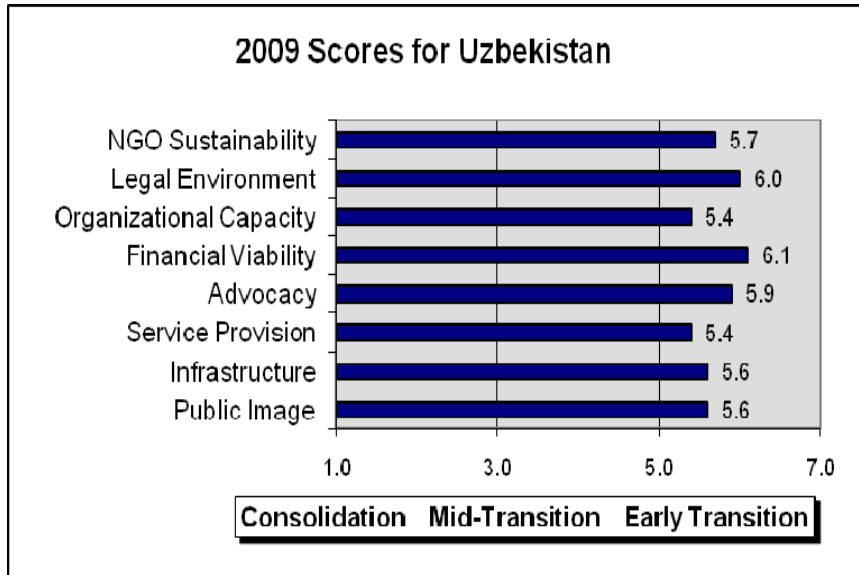


UZBEKISTAN



Capital: Tashkent

Polity:
Republic

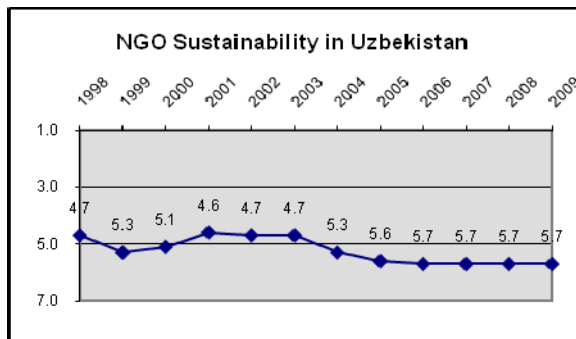
Population:
27,865,738 (July 2010 est.)

GDP per capita (PPP):
\$2,800 (2009 est.)

NGO SUSTAINABILITY: 5.7

In 2009, the status of NGOs in Uzbekistan underwent little change. NGOs operate in a challenging environment, even though government officials emphasize the progress achieved in civil society development and point to its necessity.

resource centers in the regions and political and financial support in the center and in the provinces. The purpose of this policy is to make GONGOs the basis for the NGO movement. The government discourages and restricts GONGOs' independence, initiative and self-sufficiency in decision making.



The world financial crisis reduced remittances from Uzbek migrant workers living in Russia and other countries. Rising unemployment contributed to social discontent and protests. The government saw GONGOs as a stabilizing factor in society in these difficult conditions.

NGOs are becoming increasingly government-dominated. Large NGOs established by the government such as the Institute for Studies of Civil Society (ISCS) and National Association of NGOs (NANNOUZ) became stronger financially and organizationally, although NANNOUZ became the subject of a government inspection in November and virtually ceased its activities. All GONGOs have branches and

The official figure of 5,000 NGOs in Uzbekistan does not reflect the real situation, and the origin of the figure is not clear. There are no reliable statistics on NGO registration and activities. In each of the country's fourteen regions there are ninety to 110 NGOs, including branches of governmental NGOs, which make up 20 percent of all NGOs. A more realistic figure of the number of NGOs is 1,200–1,300, but about 40 percent of these NGOs are not active due to lack of funding and their own lack of capacity.

LEGAL ENVIRONMENT: 6.0

The basic laws on nongovernmental, noncommercial organizations, on NGO activities, and on charity are of a declarative nature, either because implementing regulations are absent or because the rules for funding and accountability of NGOs are specified in bylaws. During the year several aspects of the legal environment became more restrictive.

The government tightened tax legislation with respect to NGOs. NGOs are now forbidden to pay a single 7 percent tax with a simplified reporting system. Those NGOs that used to pay a single tax were required to recalculate for the last five years and return VAT and other taxes to the state, which led to the closing of about 20 percent of NGOs. Commercial organizations which employ less than twenty-five people still enjoy the right to pay a single tax.

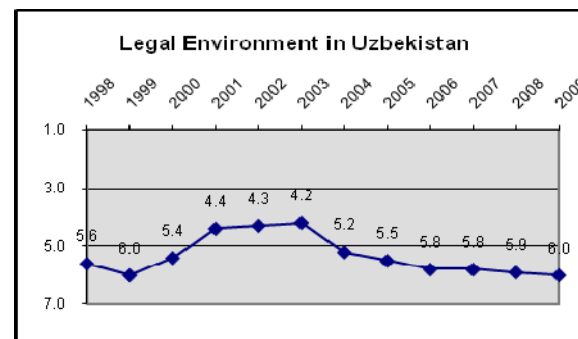
The allocation of state funding to NGOs was transferred from the National NGO Association to the parliamentary commission and its social fund. Eighty percent of this funding goes to government-dominated NGOs.

On May 30, 2009, the Ministry of Finance approved the rules requiring recipients of humanitarian aid and technical assistance to submit bank statements and information to the treasury of the Ministry of Finance. Within one day of receiving a grant, recipients are required to complete the reporting forms and to provide proof of the bank transfer. Banks, however, provide information on account operations only within three days. The Ministry of Finance disqualifies the grantee from using the grant funds if the bank statements are delivered late.

ORGANIZATIONAL CAPACITY: 5.4

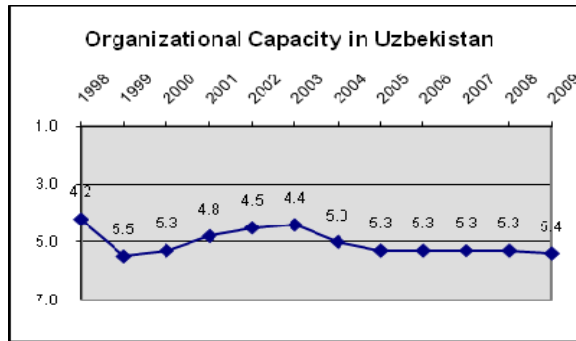
The requirement that NGOs pay social fund payments and other taxes for permanent staff makes it difficult for independent NGOs to increase the number of permanent staff. Independent NGOs have one or two full-time employees, compared to the twenty to fifty full-time employees of governmental NGOs. It is

mainly volunteers who work in independent NGOs; their work is usually unpaid because they are not employed regularly. The limited number of permanent employees limits NGOs' strategic planning capacity and forces them to limit their activities to one or two priority areas.



On January 1, 2010, the judicial authorities introduced new quarterly and annual reporting forms for NGOs. The forms contain fifty-eight different questions that NGOs must address. The financial and statistical reporting requirements for NGOs are similar to that of commercial organizations.

NGO officials are fined between \$2,000–2,500 for late reporting, non-reporting, or carrying out activities without permission from the judicial authorities. This is twenty times more than the fine imposed on commercial organizations for similar violations. Even for some criminal offenses, the fine is half of the penalty for late NGO reporting.



State-supported NGOs are very active and conduct their activities without any problems. Their activities tend to be nonthreatening, such as presentations at conferences and roundtables that echo government views and do not address real problems. International organizations actively cooperate with governmental NGOs, because working with independent NGOs is

always fraught with complications. The Ministry for Foreign Affairs and judicial authorities typically deny permits for carrying out activities with independent NGOs, such as conferences, seminars, and roundtables.

Some NGOs have boards of directors, but their work is formal and is limited to official functions.

Due to a lack of finances, independent NGOs have difficulties acquiring office equipment and use outdated equipment purchased with personal resources. Almost all NGOs have access to the Internet, but the government practices censorship and all critical independent sites are blocked.

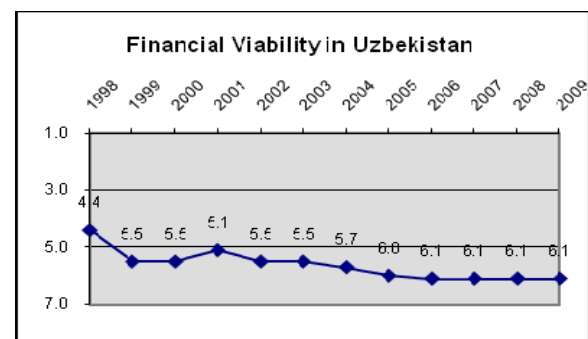
FINANCIAL VIABILITY: 6.1

Financial viability is an urgent concern of NGOs in Uzbekistan. The world financial crisis resulted in a threefold decrease in the amount of remittances from migrant workers. Hundreds of workers returned to Uzbekistan from Russia as the demand for their labor fell. NGOs have experienced more difficulties generating income and obtaining support from local businesses.

At a time when business does not support NGOs, and the government finances exclusively governmental NGOs, the funding of independent NGOs is becoming a matter of survival and depends on the potential for income-generating activities, or on the grant support of a few international organizations working in Uzbekistan. For example, UNICEF supports NGOs working on protection of children's rights and juvenile justice, UNDP works with NGOs in the areas of HIV/AIDS prevention, women's rights, and migration, OSCE supports NGO activities related to environmental and economic security, human rights, and agriculture, and GTZ works in the areas of migration, vocational education, and judicial reform.

A small number of NGOs charge membership fees, but these are too small to constitute a major source of funding.

It is extremely difficult for NGOs to receive grants from international organizations because the state has created a system of verification and control of incoming funds through bodies such as the Central Bank grant committee, the Ministry of Finance, and the Ministry for Foreign Affairs. The control process is not transparent. Typically international organizations provide support through commercial agreements for services, but these are subject to full taxation which can reduce the grant amount by as much as 50 percent.



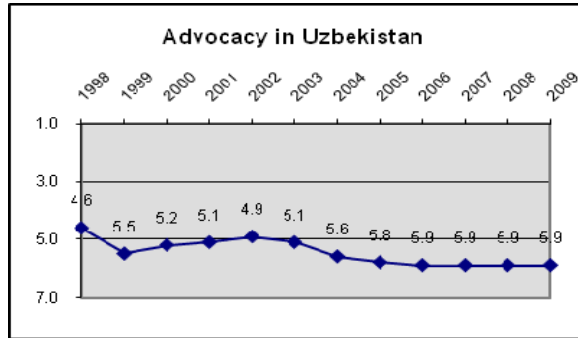
NGOs attempt to earn income by providing paid services such as consultations, provision of expert advice on commercial disputes, and preparation of documents. Self-financing does

not provide sufficient funds for NGOs' activities, however.

The activity of the parliament's public fund is not transparent. In theory the fund supports NGOs and other civil society institutions, but it distributes \$2.5 million from the state budget

among the seven or eight governmental NGOs for their activities and full-time employees. About 10 percent of the funds are distributed among small NGOs through contests and tenders for grants in the amount of \$2,000. This of course does not resolve NGOs' financial problems.

ADVOCACY: 5.9



Some NGOs specializing in the development of the legal framework participate in working groups at the Ministry of Justice, Ministry of Agriculture and other bodies, but they do not have significant influence on government officials or decision-making processes. The

small circle of NGOs that participate in such bodies includes the Legal Problems Research Center, NANNOUZ, the Ecological Forum, and the Bar Association. These organizations are involved in legislative issues such as amendments to the Civil Code and Tax Code, and the development of the Law on Juvenile Justice. The Legal Problems Research Center has developed the draft Law on International Commercial Arbitration, which is under consideration by the ministries.

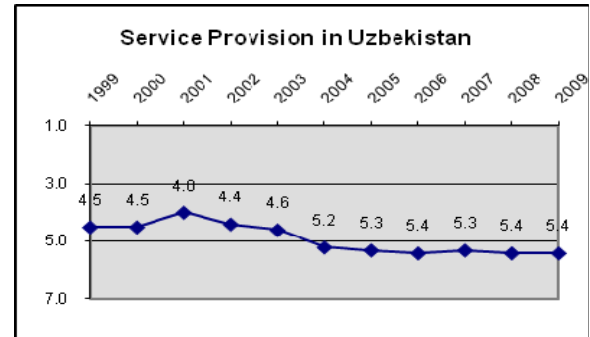
Newspapers have discontinued the practice of publishing draft laws, limiting possibilities for NGOs to discuss draft legislation and provide recommendations to parliament.

SERVICE PROVISION: 5.4

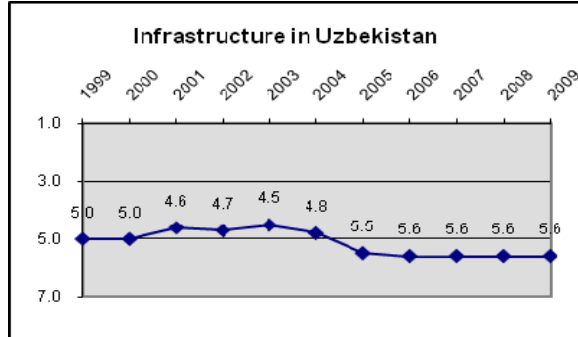
While the overall level of services provided by NGOs slightly increased in 2009, the proportion of NGOs in the service market is insignificant due to the general inefficiency of the NGO sector and a lack of effective government support for NGO service provision activities.

conduct educational activities, but judicial authorities do not register NGOs as agencies. The definition of educational services includes activities such as seminars, trainings, and training-of-trainers, which make up a significant part of NGO activities.

NGOs provided more services in the health care sector, in environmental protection, and in legal assistance, but educational services declined due to the introduction of compulsory licensing for educational activities. The procedure for obtaining a license for educational activities is very complicated. NGOs have virtually no chance of obtaining a license because of gaps and contradictions in the legislation, which specifies that agencies can be licensed to



INFRASTRUCTURE: 5.6



NANNOUZ brings together about 350 NGOs, representing approximately 30 percent of operating NGOs. NANNOUZ has its own resource centers in the regions, but these are weak because of a lack of funding from the central office and modest local support. Other government-dominated NGOs, including the Institute for Studies of Civil Society, Ecological Movement, Camelot Youth Movement, and the Women's Committee also have developed networks of resource centers. These large governmental NGOs and their affiliates and resource centers in the regions represent 200–220 NGOs, which make up about 20 percent of

all NGOs. These NGOs along with NANNOUZ receive about 90 percent of direct state funding, nearly \$2.5 million, which enables them to organize and conduct their own trainings and maintain regional networks.

About 700–800 NGOs are independent, but they are also financially weak and vulnerable to interference from the authorities. These NGOs interact with only a few other NGOs and are not part of the coalition of government-supported NGOs.

All the major NGOs have their own websites, which offer general information about their activities.

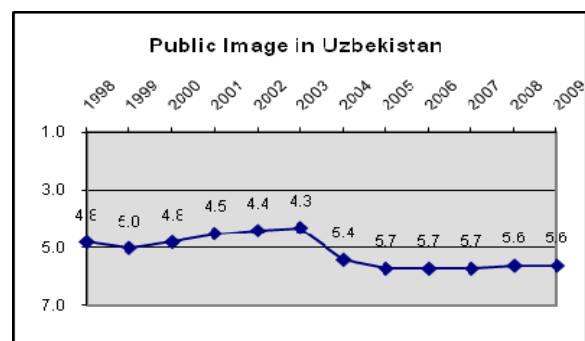
In some cases, large or well-known NGOs are included in state programs as partners with ministries or departments and participate in activities such as those focused on the development of the youth movement, protection of human rights, or legislative development.

PUBLIC IMAGE: 5.6

No data is available on NGOs' image in society, but informal surveys show that citizens' attitudes toward NGOs took a turn for the worse. This development was related to the vigorous activity of government-dominated NGOs and their full support of all government actions, which aroused public distrust in NGOs and their objectivity. The public does not make a distinction between independent NGOs and government-dominated NGOs, so this negative impression extends to independent NGOs as well.

The government subjects key organizations such as the Association of Businesswomen (ABU) to constant inspections. ABU activities involving more than 2,000 people are usually suspended due to this scrutiny. In November the government began an intensive inspection of

NANNOUZ, which has almost stopped its activities.



Occasionally the mass media covers the successful work of some governmental NGOs related to civil society development. The Internet is becoming more popular and enables users to obtain reliable information about NGO activity.