

KYRGYZ REPUBLIC

Capital: Bishkek
 GDP per capita (PPP): \$2,700 (2000 est.)
 Population: 4,753,003 (July 2001 est.)

Foreign Direct Investment: \$40,700,000
 Inflation: 18.7% (2000 est.)
 Unemployment: 6% (1998 est.)

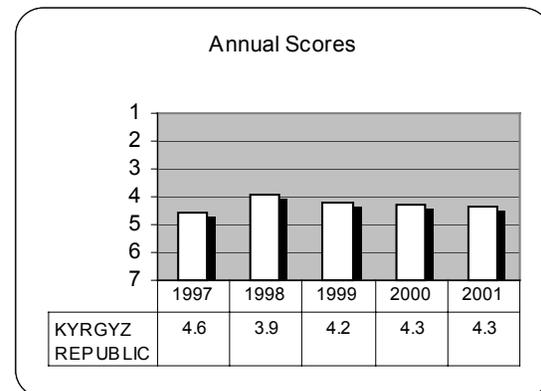
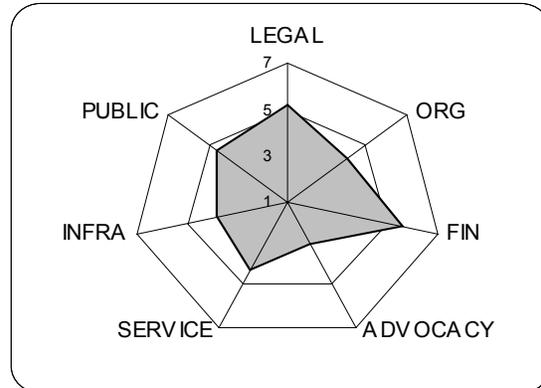
OVERALL RATING: 4.3

The Kyrgyz Republic has over 2,500 officially registered NGOs. In Bishkek alone, there are over 1,000 NGOs registered. Only 500 NGOs are considered to be active by most observers of the sector. The balance are either no longer active or are government organized quasi-NGOs (GONGOs), created by various government ministries and agencies. The NGO community remains relatively diverse, but capacity is unevenly distributed, with those engaged in non-political and charitable activities (health, education, ecology, children's rights and consumer protection) generally stronger than those engaged in policy advocacy activities.

The increased involvement of NGOs in the political arena following the flawed parliamentary and presidential elections in 2000, has created a more highly contested sector that is politicized internally and under constant pressure from the government. This post-election environment has, to some extent, led to greater maturity on the part of NGO leaders. One lasting result of the election has been a politically-driven fragmentation of the sector with NGOs divided into two camps – one independent and one government-controlled.

Nevertheless, the Kyrgyz NGO sector remains the most advanced in Central Asia. Several NGOs, such as the Coalition for Democracy and Civil Society, Interbilim, Counterpart Consortium, and Transparency International, have regional offices that conduct activities that include advocacy, voter education, agricultural and business development, health care, women's support and conflict resolution programming.

Unfortunately, many NGOs are defined by the strong personalities of their leaders instead of the depth of their membership. These strong-willed leaders also tend to be micro-managers of organizations' day-to-day operations and finances. While this leadership ensures short-term coherence and effectiveness in implementing programming and activities, it prevents the organizational development crucial to long-term sustainability.



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LEGAL ENVIRONMENT: 5.2

Despite the passage of a new NGO law in October 1999, the legal environment in the country continues to degrade appreciably. In the wake of parliamentary and presidential elections, which were marked by the suppression of opposition candidates and political parties, the operational environment has worsened for those NGOs that are active in political advocacy or electoral issues such as election monitoring and voter education. The government continues to harass NGOs with political agendas that appear to be in opposition to the government.

The politicization of the legal environment has affected many non-political NGOs as well. This is a byproduct of the government's support for a pro-governmental Association of NGOs, and its continued cooling towards the inde-

pendent NGO sector.

Implementation of the NGO and charity laws remain challenging, with the more visible NGOs encountering impediments in both the registration and re-registration processes. In general, however, most NGOs have been able to complete their re-registration with the Ministry of Justice.

A lack of qualified lawyers with specific NGO knowledge continues to be a major problem, and though there are no restrictions on income generation for NGOs, taxation also remains a problem, as the State Tax Inspectorate (STI) does not distinguish between not-for-profit, charity, non-commercial and commercial organizations and companies.

ORGANIZATIONAL CAPACITY: 4.0

Many NGOs have moved beyond grant-to-grant thinking, and are demonstrating an understanding of the need for strategic planning, organizational development and sustainability. While most of the larger and more successful organizations participate in some form of a coalition or network, many smaller organizations are not able to participate in such structures because of the lack of training and finances.

The concept of "volunteers" remains underdeveloped and underused. The development of NGO membership and

constituent-oriented services is also slow. Many small NGOs tend not to have defined missions and goals. Meanwhile, larger, more prominent NGOs often overstep their mandate.

Governance problems continue to hinder the growth and activities of the NGO sector. In particular, the different roles of the Board of Directors, staff and management remain poorly defined. Furthermore, instances of nepotism continue to be a problem in some NGOs, hampering both their growth and the effectiveness of their management.

FINANCIAL VIABILITY: 5.5

Financial viability remains a dilemma for NGOs. The sector has been unable to

develop reliable accounting and budgeting mechanisms, and many smaller

NGOs are unable to obtain sufficient funding to sustain their activities beyond their initial program periods, further hampering their growth. The absence of this basic stability prevents organizations from taking the time and effort to diversify their funding, or to secure financial and in-kind aid from public or private sources. This not only restricts an organization's ability to use the funds at its disposal effectively, but also is an impediment to broader engagement with the international donor community.

The Kyrgyz economy continues to restrict the number of businesses willing to contribute to the NGO sector. While the local business community has shown a willingness to invest in social activities and to provide a certain amount of funding to local NGOs, these contributions remain small and infrequent. One large multi-national corporation, Kumtor, has contributed heavily to the develop-

ment of NGOs on the southern shore of Issy-kul Lake, but this is an exception, not the rule. Improvements in the tax code and NGO legislation are required. For example, the current tax code only allows private companies to contribute up to five percent of income to NGOs tax-free. This effectively limits private-sector contributions to five percent of income by penalizing larger contributions.

Adding to this burden is Kyrgyzstan's small economic base. There are a relatively small number of multinational corporations and very few strong local businesses capable of or interested in funding NGOs. Consequently, donors and grantees remain limited and overwhelmingly international. Another factor is the lack of financial management and administrative training available to NGOs to develop necessary fundraising skills.

ADVOCACY: 3.0

Many NGOs working on specific social issues such as health, the environment, and women's rights have begun to form coalitions and networks in order to play a more active role in public policy. During the last election cycle, these coalitions were instrumental in mounting domestic monitoring efforts throughout the country. Numerous Kyrgyz NGOs have demonstrated progress in developing their capacity and willingness to engage in advocacy work and in particular to promote policy advocacy initiatives. Most recently, a coalition of NGOs worked to repeal a set of government-proposed amendments aimed at restricting the movement and growth of the NGO sector.

Government acceptance of NGO advocacy remains mixed. Outright political lobbying by independent NGOs, and in

particular by those viewed as hostile to the current government, has prompted a concerted and negative government response. This has included administrative pressure as well as attempts to influence the NGO sector through GONGOs. While these attempts to co-opt the NGO sector are ominous, they also show that top policymakers understand the importance and role of NGOs in civil society.

The government has not actively undermined the advocacy and lobbying efforts of NGOs that it considers to be non-political. Organizations such as the Association of Journalists play an active role in advocating for the rights of their members and constituencies. They also achieve results. In one episode, a journalist based in Jala Abad was released after a public advocacy campaign led by

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the Association.

SERVICE PROVISION: 4.3

A number of social NGOs are starting to fill the widening gap left by the government's inability to deliver many needed social services. Today, many NGOs provide these services free of charge, with international donor support. As these programs gradually spread across the country, the understanding of local communities and individual citizens about NGO-implemented projects has become more positive.

Cost recovery by NGOs continues to be

limited for several reasons. Many NGOs lack the experience and understanding of market realities to engage in serious cost recovery and income-generation efforts. Without marketing efforts, broader outreach to both local communities and international donors is unlikely. Also, fee-for-service programs offered by NGOs are rarely able to compete with "bad but cheap [or free]" government services in the Kyrgyz Republic's deteriorating economic climate.

INFRASTRUCTURE: 3.8

Kyrgyz NGOs continue to benefit from some of the most highly developed support infrastructure in Central Asia. This support network consists of ISOs funded by various agencies (including UNHCR, Soros, and the European Union), and is centered on the eleven Counterpart Consortium Civil Society Support Centers operating in all seven regions of the country. These resource centers provide access to basic office equipment and space, and to communications technology, such as the Internet. Furthermore, these centers act as nodes for the administration of small community grants

and for the distribution of community information. Some local ISOs and NGO resource centers serve as clearing-houses for local contract trainers who provide NGO management, public relations and membership training.

NGOs have also formed the Coalition for Democracy and Civil Society, which has over 150 NGO members and six regional offices, although it has encountered difficulty in moving beyond mere information sharing and into broader nationwide coordination efforts.

PUBLIC IMAGE: 4.5

NGOs that focus on issues of social importance, including health, education, and youth, usually receive positive coverage in the media. However, in most cases the media does not cover NGOs that it considers weak and ineffective. Some individual NGOs understand the importance of educating the public and search for opportunities to publicize their

programs and activities. Nevertheless, most NGOs are unable get much publicity for their work, in part because of a lack of access to printing presses and supplies in local communities, and in part due to the lack of marketing skills and training.

While quite a few citizens have a gen

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eral understanding of the role of NGOs, there is often a disconnect when it comes to understanding the concept of policy advocacy and the constituency development efforts of NGOs. Very few NGOs have adopted codes of conduct, and generally only the largest NGOs publish annual reports that allow the public to review and become familiar with their work.

Public perceptions of and confidence in NGOs is heavily sector-dependent. Organizations involved in direct service provision, for example in the health or education sectors, enjoy the most positive public image. In contrast, NGOs attempting to affect public policy are more likely to be viewed unfavorably.