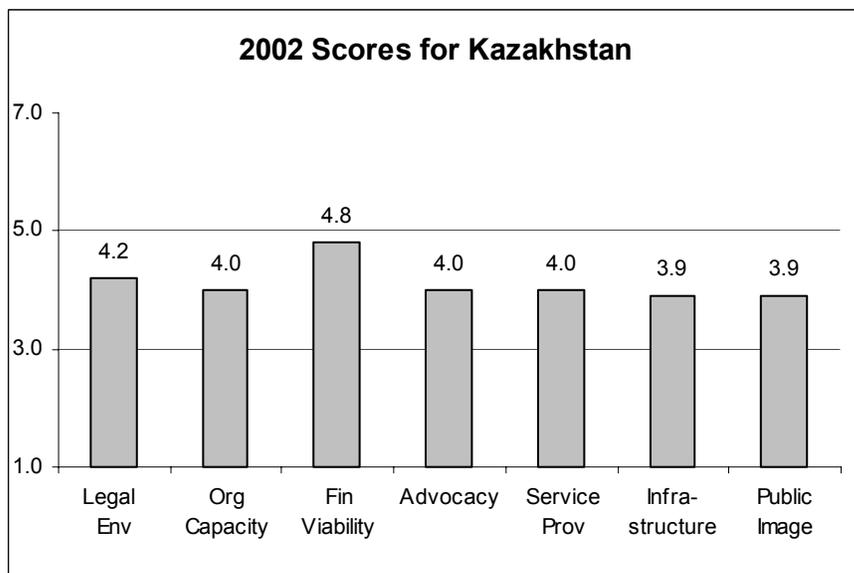


KAZAKHSTAN



Capital: Astana

Polity:
Presidential
(dominant party)

Population:
16,741,519

**GDP per capita
(PPP):** \$5,900

NGO SUSTAINABILITY: 4.1

Quantitatively, the Kazakhstani NGO sector remains relatively static, with official sources

NGO SUSTAINABILITY	
2002	4.1
2001	4.3
2000	4.7
1999	4.8
1998	4.4

claiming approximately 6,000 organizations on paper. Of these, only a thousand or so can be considered actually functioning, with the vast majority either dormant, temporary, quasi-governmental, or otherwise non-existent. While registration of new NGOs has dropped off (with five separate provinces registering no new NGOs in 2001), this in some part was explained by a “wait and see” attitude on the part of local NGOs, as the government prepared key new pieces of legislation, most important among them being the new tax code.

Despite its quantitative stagnation, the NGO sector in Kazakhstan has grown stronger in

several qualitative aspects over the past year. Improvements in the legal environment, infrastructure and advocacy capabilities of Kazakhstani NGOs anchor an overall positive trend in third sector growth. While the vast majority of Kazakhstan’s NGOs continue to be characterized by a project-driven orientation, weak institutional capacity, strong leaders, and short life spans, a number of more mature organizations have begun to emerge. These tend to be NGOs with a more stable funding base, which allows for greater concentration on developing the internal structure and staff development. These organizations are also, as a result, more likely to stay focused on their original charter and mission, independent of international donor priorities – something that many smaller, grant-driven NGOs are not able to do. The “first generation” of strong Kazakhstani NGOs that rode to prominence on a wave of civic activism following the collapse of the USSR have largely deflated, as both the nationalism and civic activism that drove

many of these organizations dissipated in the economic collapse of the 1990s. If the current trend of new organizations (organized in the latter half of the 1990s) gaining strength continues, then it may be indicative of a new trend in the Kazakhstani NGO sector, namely the beginnings of a “second generation” of post-Soviet Kazakhstani NGOs – organizations that, rather than organizing around themes and issues focused around the legacy of the Soviet system and dissolution (such as nuclear cleanup, inter-

ethnic tensions, etc.), are focused on issues purely topical to the conditions of life in Kazakhstan in the *post-post* Soviet period, such as youth issues, protecting business and consumer rights, etc. It remains to be seen whether this trend in the growth of new organizations with missions and programs “pulled forward” by the conditions and needs of current-day Kazakhstan, rather than “pushed forward” by the legacies of the Soviet past, will continue.

LEGAL ENVIRONMENT: 4.2

While the legal environment in Kazakhstan has changed little in terms of formal legislation over the past year, progress in this regard has nevertheless been noted.

LEGAL ENVIRONMENT	
2002	4.2
2001	4.5
2000	4.5
1999	5.0
1998	4.9

This is due not to legislation per se, but rather to the increasing ability of Kazakhstani NGOs to operate in the current legal environment. The new

tax code and law “On Non-commercial Organizations” in 2001 introduced new regulations and legal obligations on NGOs in Kazakhstan, while providing for certain benefits (see 2001 Sustainability Index). Over the past year, seminars and trainings held both by local NGOs and international organizations such as the International Center for Not-for-profit Law (ICNL) have helped Kazakhstani NGOs better understand and adapt to the new legal environment, thus improving the sustainability of the sector. This process is further aided by the increasing professionalism of leading Kazakhstani NGOs who often maintain a legal capacity in their organizations (in the form of staff or contract lawyers) and who are thus capable of negotiating implementation of new legislation with government bodies.

The registration of NGOs in Kazakhstan has become easier, as government bodies responsible for registration climb a gradual

learning curve in terms of implementing legislation and regulations and NGOs themselves become more professional and skilled in the preparation and submission of documents for registration. A growing local legal capacity in NGO law helped this, spurred primarily by increased interest in international organizations in supporting these sorts of activities.

Harassment by state agencies continues to be a problem for NGOs, although the type and degree of harassment varies drastically. For the most part, Kazakhstani NGOs and community-based organizations (CBOs) are subject to low-level harassment by corrupt and/or ignorant officials, primarily in the tax police, whose greed or ignorance of the law leads to unwarranted searches, fines and tax harassment. Other NGOs, however, particularly those engaged in potentially sensitive areas such as human rights protection, media work (freedom of speech), or anti-corruption, have been subjected to a hurricane of abuse from agents of the state. In conjunction with a wider crackdown on political pluralism in the country, this backlash has used judicial, financial, and at times violent extralegal means to intimidate, suppress, bankrupt or imprison these NGOs and their members.

While Kazakhstani law currently limits the ability of NGOs to earn income to “socially-oriented” NGOs some positive steps were taken in 2002 in this direction. For the first

time, the government has approved a concept on "State Support to NGOs." In the wake of this, Kazakhstani NGOs, with the cooperation of the Ministry of Information, Culture and Public Accord, have empanelled

a working group to draft a law "On State Social Orders." If adopted, this law will establish a legal channel for NGOs to compete in state tenders and orders for social sector services.

ORGANIZATIONAL CAPACITY: 4.0

The organizational capacity of the third sector in Kazakhstan has clearly improved over the past year. To some extent, this reflects payoff of the investment over time by international donor agencies and others in training and professional development for NGO experts. Furthermore, with the number of new NGOs registering each year declining, the sector as a whole has begun to mature, with natural selection and competition simultaneously thinning and strengthening the ranks of the third sector. Unlike previously,

ORGANIZATIONAL CAPACITY	
2002	4.0
2001	4.2
2000	5.0
1999	4.5
1998	4.0

when NGO work was associated as a niche for disenfranchised intellectuals, under- or unemployed specialists and ethnic minorities, it is now understood to

be a profession in and of itself. NGO specialists are now being widely recognized as experts in their fields. This process has been aided by the increasing specialization within NGOs, as stronger organizations move from ad hoc "grant-chasing" – a condition that

encourages generalization in an attempt to be all things to all donors – to more structured strategic planning. The result are NGOs – at least leading NGOs – that are more defined and better managed. While evolutionary strengthening of indigenous NGOs is clearly one factor, another cause for this trend has been the shift in donor strategies. Donor agencies have put increasing emphasis in recent years on organizational development and institutional strengthening of their local NGO partners, with fewer funds available for covering organizational costs. Some donors do not provide salaries for NGO employees, thus forcing organizations to engage in more serious strategic planning in choosing projects to apply for and implement. The increasing professionalism of Kazakhstani NGOs has also led to increased expectations on the part of their clients – both local constituents and international donor agencies. Unfortunately, the vast majority of NGOs remain focused on the latter group, as local sources of financing for Kazakhstani NGOs remains anemic at best.

FINANCIAL VIABILITY: 4.8

Financial sustainability remains the weakest dimension of NGO sustainability in Kazakhstan, yet there has been some progress over the past year. While obtaining full financial

FINANCIAL VIABILITY	
2002	4.8
2001	5.0
2000	5.5
1999	5.5
1998	4.4

allows for up to a two percent corporate income tax deduction for charitable donations to NGOs, the small size of this deduction, along with the extremely complicated procedures and provisions required to realize it, have deterred Kazakhstani businesses from utilizing it. At the local level, financial support to smaller, grass-roots NGOs remains rare, although in-kind support for community-based organizations is on the rise as the

strength of local sources alone is still impossible, advanced NGOs have begun to demonstrate an increasing ability to fundraise among local business elites.

While the tax code

latter engage in more projects at the grass-roots level, with concrete results.

Government support for NGOs also remains ambiguous. On the one hand, there appears to be an earnest attempt underfoot to open the way legally for Kazakhstani NGOs to receive direct financial support from the state via tenders for social sector services. On the other hand, however, the government's behavior on certain occasions has raised suspicions that it intends to use NGOs as a vehicle for channeling state funds into private causes close to government officials. The government's draft Law on Youth Policy, for example, contains provisions that would oblige youth NGOs to join a Komsomol-style umbrella organization in order to be eligible for recognition and support from the state. A new law on State Social Sector Orders – currently being drafted – may clarify the situation, provided it contains clearer guidelines and safeguards for implementation.

ADVOCACY: 4.0

As a whole, cooperation with local and central government bodies appears to have improved over the past year. This in large part can be credited to the effort – on the part of both NGOs and elements in the government

ADVOCACY	
2002	4.0
2001	4.3
2000	4.5
1999	4.5
1998	4.5

concept on support to NGOs. This concept has now officially been approved, and supporting legislation, such as a law on state social purchases, is in the process of being drafted. Kazakhstani NGOs and international experts' participation in the drafting of these laws has been welcome, and indeed, of the

– to push forward social partnership projects that build ties between NGOs, business and the state. The primary vehicle for this effort has been the development of a state

three draft laws under consideration, two were spearheaded by NGOs themselves, and even the third variant includes substantial input from NGOs. Furthermore, initial contacts have begun to be made between leading NGOs and prominent Kazakhstani businesses to explore ways of promoting legislative changes to encourage corporate philanthropy. As a whole, state-NGO cooperation has progressed farthest in regions where a handful of leading NGOs have carved out a successful niche for themselves, and have won a fairly good reputation among local political and business elites. Authorities in the capital city, Astana, tend to be less receptive to NGOs as a whole.

While new legislation will open, for the first time, the possibility of legal financing by the

2002 NGO Sustainability Index

state of Kazakhstani NGOs, recognition of NGOs as specialists in their fields by the government has already become fairly commonplace. This recognition is sometimes quite shallow, and intended purely for public relations purposes, but even in cases where the government demonstrates a true appreciation for the skills and talents of a local NGO, it almost never pays NGOs for their work. This to some extent reflects the mentality in the government that NGOs should consider themselves “lucky to be invited to the table” – a common stereotype in authoritarian post-Soviet societies. As a result, tangible results from these interactions are rare, and tend to be centered around the work of a few leading NGOs.

Over the past year, Kazakhstani NGOs have become more effective in formulating and advocating policy advocacy initiatives. Whereas in previous years NGOs rarely engaged in policy advocacy outside of those that impacted the sector directly (for example, on the NGO law, or tax code), this past year has seen large-scale policy initiatives initiated and advocated by NGOs on issues as diverse as the import of nuclear waste into the country, housing reform, and consumer rights protection. Generally, these

efforts are unsuccessful, as the central government, while paying generous lip service to civil society, clearly views the policy realm as its exclusive domain. Even more disturbing has been the government’s response to NGOs that have attempted to engage in political lobbying. Efforts to lobby for reforms to the country’s political system have been met with a violent backlash from the government. A nationwide effort by the NGO “Kazakhstan’s Democratic Choice,” for example, to prompt a referendum on the question of making governors popularly elected, rather than appointed, resulted in a crackdown on the organization, widespread harassment of its members, and the imprisonment of its leaders. After challenging the government’s draft law on youth, an independent youth NGO was subjected to withering attacks in the state press and anonymous threats. In sum, NGO advocacy is possible up to a certain degree, and may even enjoy the blessings of the government. But beyond this line – which generally is defined by the political interests of the country’s ruling elite – advocacy is impossible.

SERVICE PROVISION: 4.0

Kazakhstan’s NGOs continue to increase the range of goods and services they provide to their clientele. The majority of Kazakhstani NGOs are in the social service field, and thus provide basic services in the education, health, natural resources management and housing fields. However, since the clientele in this case is often made up of the most vulnerable segments of the Kazakhstani population – people who are almost universally incapable of paying even minimum fees for the services they receive – NGOs are unable to charge

SERVICE PROVISION	
2002	4.0
2001	4.0
2000	4.7
1999	4.5

for these services. The country’s new tax code allows for socially-oriented NGOs to engage in revenue generation, provided that all profits are reinvested into the organization’s core mission. However, NGOs have yet to make full use of this provision, both because of the complexity of the law, legal illiteracy of tax officials, and the lack of clear implementing regulations. Therefore, most social sector NGOs remain heavily dependent on external donor assistance, and are thus vulnerable to the vagaries both of shifting donor priorities, and the year-on-year grant cycles used by most international donor programs. This dependence on external donors has a destructive effect on NGOs’ ability to provide goods and services that

truly reflect the needs and priorities of their constituents and communities – a focus on women’s issues, for example, by international donors, has led to considerable

asymmetry in the work of social sector NGOs that might otherwise be attending to other, perhaps more pressing, needs of their communities.

INFRASTRUCTURE: 3.9

The infrastructure for NGO work in Kazakhstan has improved significantly over the last year. Most major cities in Kazakhstan are served by one or more intermediate support organizations (ISOs) that are funded by foreign donors such as the Open Society Institute and Counterpart Consortium. A seventh member of the Civil Society Support Center (CSSC) network was established in Kara-

INFRASTRUCTURE	
2002	3.9
2001	4.1
2000	4.5
1999	5.0

ganda this year, thus strengthening this nascent association of locally-registered support organizations. This network is in the process of devel-

oping a local grant-making capacity, which, when operational, will represent an important step in empowering local NGOs to be more responsive to locally-identified needs and projects. Additionally, efforts to form a United Way-Kazakhstan have resulted in the registration of this organization. However, lingering legal issues so far have prevented the organization from its main mission of

fundraising and re-distributing grant funds amongst the Kazakhstani NGO community.

The third sector in Kazakhstan has not seen many successful attempts at coalition-building amongst NGOs. While low-level cooperation and coordination at the level of information-sharing and infrequent meetings does take place, there appears to be neither the will nor the resources to organize a formal structure to institutionalize these contacts. The “Confederation of NGOs of Kazakhstan” (CNOK) – formed two years ago by 27 Kazakhstani NGOs, and now encompassing approximately 100 members organizations – represents the most serious attempt to date to create a lasting, legally-registered grouping of NGOs. It remains to be seen, however, whether or not CNOK will be able to overcome inherent leadership and internal development problems that plague most Kazakhstani NGOs. An earlier attempt to unite NGOs under a common organization resulted in the creation of the Association of Kazakhstani NGOs (ANOK), but this organization’s activities in recent years have dropped off noticeably.

PUBLIC IMAGE: 3.9

Although public awareness of the NGO sector as a whole remains weak in Kazakhstan, the public image of NGOs has improved. This is largely on the strength of a few leading NGOs, whose leaders have become regular commentators in

the public realm on issues pertaining to their specialties. The leader of the country’s leading consumer’s rights protection NGO, for example, makes regular appearances on television and in the press, and, if not a household name, then at least the

2002 NGO Sustainability Index

PUBLIC IMAGE	
2002	3.9
2001	4.1
2000	4.5
1999	4.5
1998	4.0

organization has become widely recognized in the country's main city, Almaty. Additionally, the ongoing work of grassroots NGOs and CBOs serves to steadily increase the visibility of these groups in their local communities. However, it is not unusual for citizens, at the same time that they are receiving services from a civic organization, to claim ignorance of the term "NGO" – the term does not translate very easily into Russian and/or Kazakh, and public understanding of the role of NGOs in society is complicated by lingering Soviet legacies of forced volunteerism, and quasi-government organizations.

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Another cultural factor continues to leave its mark on the Kazakhstani public's acceptance of NGOs. To this day, the NGO sector in Kazakhstan remains heavily Russified, with the vast majority of NGOs formed either by ethnic Russians or Russian-speaking representatives of other ethnic groups (including titular Kazakhs). This reflects the fact that NGOs tend to disproportionately draw their leaders and recruits from highly-educated circles – people with university degrees and/or fairly specific professional niches – that are generally Russian-speaking. The resulting social gap between the NGO sector and rural, primarily Kazakh-speaking citizens is felt especially in the south of the country, which is primarily agricultural, ethnically Kazakh, and has the fewest and weakest NGOs.