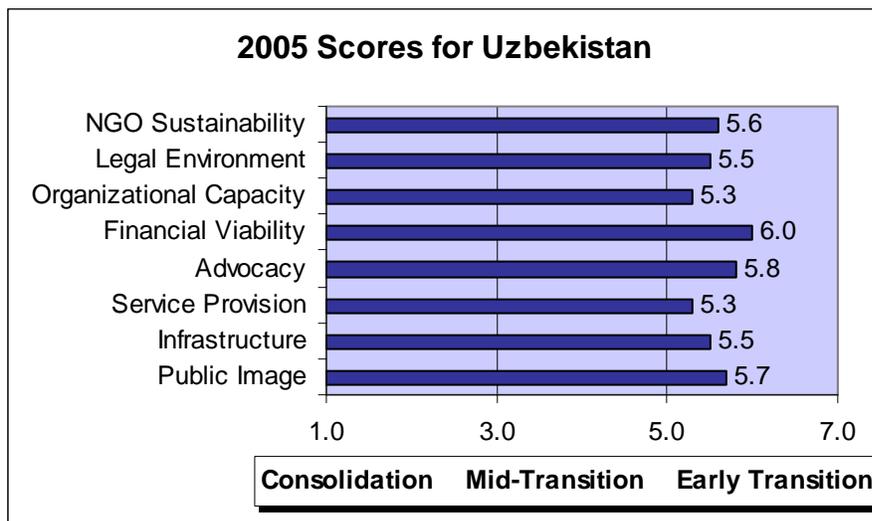


Uzbekistan



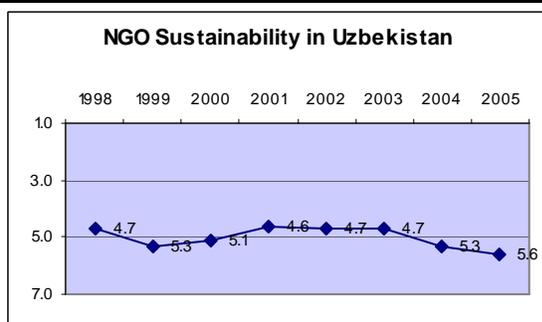
Capital: Tashkent

Polity: Republic-
authoritarian
presidential

Population:
27,307,000

**GDP per capita
(PPP):** \$2,000

NGO SUSTAINABILITY: 5.6



The overall NGO sustainability score deteriorated for the second year in a row, driven in large part by the government's suppression of the May 2005 civilian uprising in the Andijan region. In the months following the uprising, the government has created an even more hostile social and political environment for civil society. In addition to harassment and human rights abuse by the government, NGO development is stymied by the nation's economic conditions and the restrictive legal framework which limit the sector's access to foreign funding.

Before the May event in Andijan, the government generally limited its harassment to

human rights organizations. Following the uprising, all independent organizations have been subject to monitoring and many have been asked by the Ministry of Justice to close down voluntarily or else be closed by the courts. A small number of organizations have contested the request, but few have been successful in challenging the Ministry. Similarly, at the beginning of the year, NGOs were able to conduct advocacy campaigns at the national level. Since the uprising, however, such efforts have become impossible.

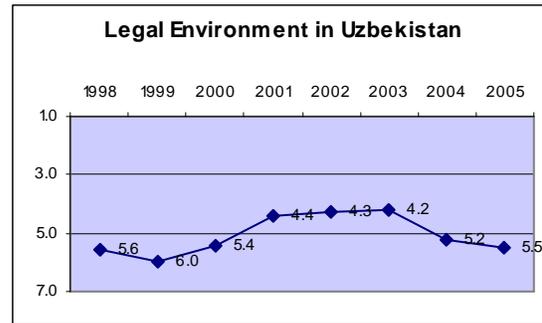
The banking restrictions enacted in 2004 have left 90% of all organizations without access to foreign funding. Without access to this funding source, NGOs have been forced to diversify their sources of domestic income and work closely with their members and constituents to diversify funding sources and offer fee-based services. In general, the challenges presented over the past year have led many organizations to consider their level of professionalism, as well as the way they are perceived by the public. This has forced them to develop networks to exchange information, partner on projects, and provide moral support.

LEGAL ENVIRONMENT: 5.5

The legal environment continued to deteriorate over the past year with unclear and restrictive laws, poor implementation, and increased harassment and hostility towards NGOs. The current laws are inconsistent and out of date, and the government uses illegal regulations that do not permit new NGOs to register or allow existing organizations to operate freely. Few independent NGOs have been able to register during the past year, which is due in part to the dramatic decrease in funding. The 2004 banking regulations have deprived NGOs of international funding for the past two years. Donors have begun using commercial contracts as a means of circumventing the law, but then they are forced to pay taxes.

The current legal framework does not provide the government with a clear mechanism for controlling or monitoring NGO activities. As a result, the government is able to harass NGOs and request that they “voluntarily” cease their operations. If an organization refuses, it is subject to court proceedings and criminal charges. Though the exact figure is difficult to calculate, numerous organizations closed due to their inability to access donor funding or

internal issues. Other organizations have chosen to fight the government’s harassment in the courts with some success. These trials, however, revealed both the judges’ and NGOs’ inadequate knowledge of NGO law and the concept of civil society.

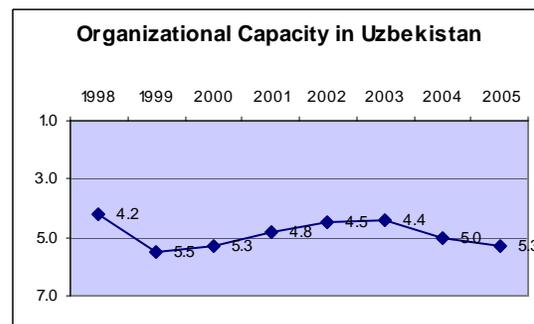


In 2003, Parliament passed a new Law on Public Foundations, though the implementing regulations have yet to be written. Not one foundation has been registered under the new law. Parliament is considering two draft laws, including a new Law on Public Associations and a Law on State Support of NGO Activity. Parliament is no longer considering the draft Law on Charitable Activities.

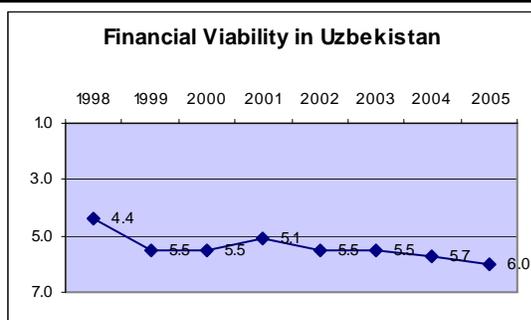
ORGANIZATIONAL CAPACITY: 5.3

The decrease of funding and government harassment has caused many grassroots organizations to lose their permanent staff and volunteers. Most organizations continue to operate as one-person shows, dependent on one or two leaders. In the current political environment, NGOs are even less concerned with building local constituencies than in previous years since many NGOs fear that they will be perceived as instigating another “color” revolution. Organizations generally do not have clearly defined missions to guide their activities, and fail to incorporate strategic planning into their decision-making processes. With little

understanding of strategic planning or even how to develop programs, most organizations build programs around available donor-funding.



FINANCIAL VIABILITY: 6.0



The continuing bank restrictions on grant disbursements have led many NGOs to lose their only sources of funding. The more mature organizations have initiated local fundraising efforts, collected membership fees, and even charged fees for their services. The majority of organizations still survives from grant to grant, and depends on one foreign sponsor. While

many NGOs are created with the hope of receiving grants, most remain inactive after their attempts to secure funding fail. Domestic philanthropy and local funding are virtually non-existent, in part due to the weak economy.

Most organizations do not have financial management systems or understand the need for financial transparency and accountability. Similarly, few organizations conduct independent financial audits or publish their annual reports and financial statements. The government will only support and contract with GONGOs. The law does permit NGOs to engage in economic activities, though the Ministry of Justice and banks continue to prohibit organizations from contracting with donors and businesses to provide goods or services.

ADVOCACY: 5.8

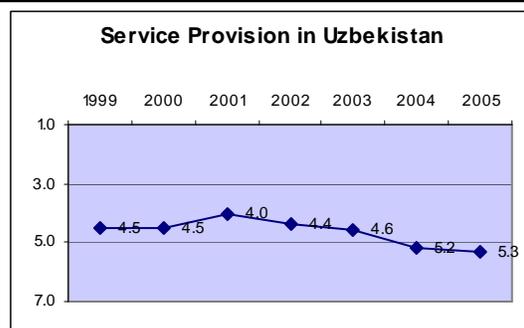
Early in 2005, NGOs conducted several successful advocacy campaigns at the national level. In one success, NGOs advocated for new housing association regulations that decentralize the authority for registering a housing association or condominium. Now citizens may apply to the mayor or the local registration office, and the list of documents required is short and simple. As long as they are not overtly advocating for political change, NGOs are able to advocate on the local and regional levels. Organizations have initiated campaigns concerning gas supply, health care, and small business development. Since the Adijan events, however, local governments are only authorized

to work with GONGOs, and most are now afraid to communicate even with independent NGOs.



SERVICE PROVISION: 5.3

NGOs were unable to provide many services in 2005 due to the monetary controls and banking regulations that prevented them from receiving their grants. In fact, many organizations chose to close “voluntarily” at the end of the year. Only a few organizations are able to provide basic social services such as health care, education, or housing. Those organizations that provide services often do so with low levels of sophistication and professionalism, and are dependent on foreign funding.



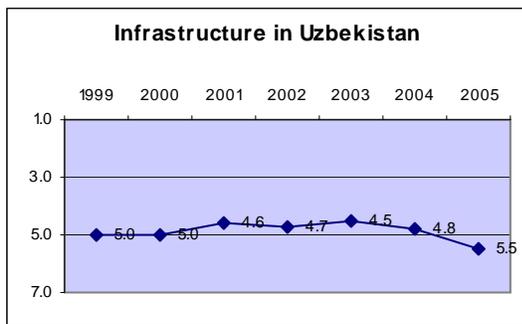
Early in 2005, local governments began realizing that grassroots organizations are working to improve standards of living. Consequently, they cautiously started to consider analysis and proposals concerning community problems. Following the Andijan events, however, local governments have only been permitted to support GONGOs. Organizations only publish materials or conduct research on behalf of their donors. Before the banking regulations, few organizations charged fees for their goods and services, but after almost two years of inability

to access foreign grants, NGOs have begun considering how to diversify their funding sources. Overall, NGOs are being forced out of business or are being harassed by state organizations such as the Women’s Committee, the Makhala Foundation, “Soglom Avold Ucham” (a health GONGO), Kamolot (a youth services GONGO), and others. NGOs are unable to access service markets due to the weak economy, restrictive banking regulations, limited clientele, and the common belief that NGO services should be offered free of charge.

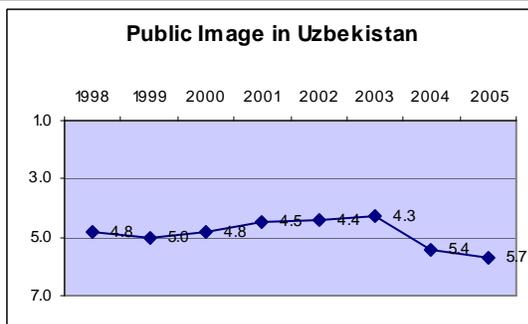
INFRASTRUCTURE: 5.5

At the end of 2005, government harassment forced a network of NGO support centers to close. Of six support centers that once operated in Uzbekistan, only one is still functioning and is currently fighting closure in the courts. At one time, support centers offered training seminars, technical support, information, networking opportunities, and other personal services to associations and other NGOs. The dramatic decrease in funding has forced many organizations to give up their not-for-profit status and convert to businesses.

In early 2005, NGOs had strong partnerships with local business communities, governments, and the media. Following the Andijan events, however, NGOs have not organized networks or coalitions, in fear of being accused of organizing a coup d’etat. The government created the National Association of NGOs of Uzbekistan and forced many organizations to become members. The Ministry of Justice is now denying registration to any associations, in violation of the right to association. The government’s recent harassment of NGOs demonstrated that organizations are not united to promote their common interests.



PUBLIC IMAGE: 5.7



Following the Andijan events, the public’s perception and understanding of NGOs changed dramatically, and the government became even more suspicious and controlling of the sector’s activities. The government maintains its tight control over the media, which is now only able to cover events of GONGOs and other pro-government organizations. Most of the public does not understand the concept of “not-for-profit” or “non-governmental” and government officials,

business leaders, and journalists often equate “non-governmental” with “anti-governmental.” The hostile atmosphere caused by the government gives the perception that NGOs are finally being noticed, though it is not the

pleasant outcome that many had hoped for. Instead, NGOs are perceived as the source of the country’s instability and a possible threat to the ruling regime.