

KAZAKHSTAN



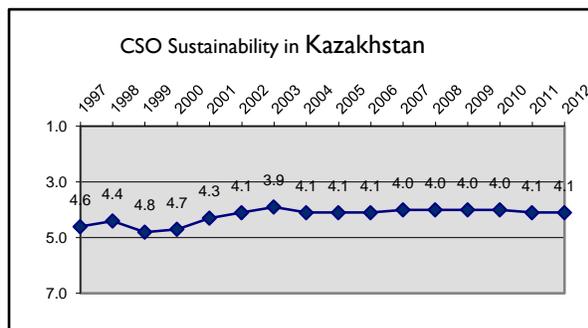
Capital: Astana

Population: 17,736,896

GDP per capita (PPP): \$13,900

Human Development Index: 69

CSO SUSTAINABILITY: 4.1



Several dimensions of CSO sustainability in Kazakhstan changed during 2012, although overall sustainability was not affected. Increases in the levels of state social contracts (SSCs), buoyed by the country’s robust economic growth, and international funding improved the sector’s financial viability. At the same time, however, the legal environment governing CSOs and the sector’s public image worsened. The Law on Religious Activities and Religious Associations places restrictions on religious groups and the government increased pressure on CSOs during the

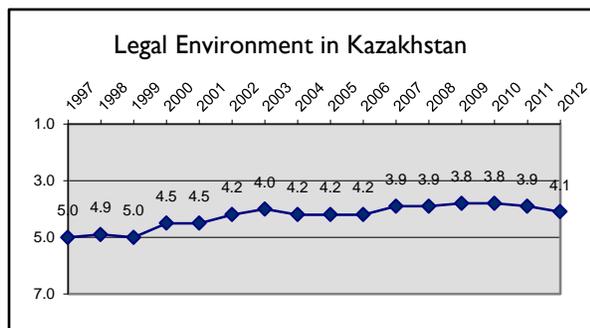
year. Public image was affected by the government’s increased control of social networks and the perception perpetuated by Russian mass media of CSOs as foreign agents.

Kazakh legislation provides for both non-governmental organizations (NGOs), which are created specifically to implement SSCs, and non-commercial organizations, which include all other types of nonprofit organizations, including religious associations, labor unions, state institutions, and political parties. However, these terms are often used interchangeably. Government officials, for example, often use the term NGO to refer to the most popular legal forms, such as public associations, foundations, religious associations, and private institutions, regardless of their involvement with SSCs. As a result, there are serious discrepancies in the reported number of



CSOs in Kazakhstan. According to the Ministry of Justice, there were 57,740 registered non-commercial organizations in 2012. According to the Secretary of State at the Fifth Civic Forum in 2011, there were 18,000 NGOs, of which about 2,000 were active. The sector employs about 1 million people, and provides services to over 5 million people.

LEGAL ENVIRONMENT: 4.1



The legal environment worsened significantly in 2012.

The Law on Religious Activities and Religious Associations came into effect on October 25, 2011, supposedly to curb religious extremism in the country. Although the authorities consulted with the United Nations and the Organization for Security and Cooperation in Europe (OSCE) when drafting the law, OSCE and Freedom House concluded that the obligations and restrictions the law imposes on religious groups violate the right to freedom of religion.

All religious organizations must re-register under the new law. According to the Religious Affairs Agency, up to one-third of the previously functioning religious organizations failed to re-register by the October 25, 2012 deadline.

The Law disproportionately affects small religious groups that emerged since the fall of the Soviet Union. About 81 percent of the newly registered organizations belong to the Orthodox Church or Kazakhstan's official Muslim spiritual body, a semi-governmental agency that appoints imams and determines religious instruction in mosques. A group needs fifty adult members to register at the local level, 500 to register at the regional level, and 5,000 at the national level. All branches of the Ahmadiyya movement, an offshoot of Islam, have been denied registration because they are unable to meet these requirements. Some smaller groups have merged to reach the minimum number of members. Groups that do not have the required number of members are subject to fines if they do not cease their activities. The law also requires all religious texts and materials to be reviewed by the State Agency on Religion. In addition, the law limits the distribution of religious texts to offices and religious buildings and requires all missionaries, including Kazakhstani citizens, to register with the State Agency on Religion each year.

In 2012, the government increased pressure on CSOs, particularly religious organizations, independent trade unions, and human rights organizations. For example, authorities alleged that Vladimir Kozlov, a human rights activist and the leader of the unregistered Alga! Party, encouraged violence during a protracted oil strike in the city of Zhanaozen. Kozlov lost the November 19, 2012 appeal against his seven and a half year prison sentence.

In addition, the General Prosecutor's Office drafted a new Criminal Code to be introduced in the parliament in the first quarter of 2013. The new Code will reform the system of criminal legislation, increase punishment for terrorism, and include some new administrative offences. CSOs fear that the new Criminal Code will be used against CSOs, for example, by considering some CSO activities as inciting social hatred.

Access to information legislation has been discussed in Kazakhstan since 2010, with several groups producing draft proposals. The most recent draft law was prepared by the lower chamber of the parliament and is endorsed by the United Nations Development Program's Access to Information Project. The human rights organization Article 19 considers the draft generally positive, noting the wide scope of publicly available information and those who can request information, as well as good processes and procedural guarantees.

However, the draft contains vague language, lacks monitoring and enforcement procedures, and falls short of best practices in terms of the range of exemptions and authority of the Ombudsman.

While amendments to the Tax Code to encourage philanthropy and a draft Law on Peaceful Assembly were supposed to be introduced in 2012, no progress was made on either of these laws during the year.

Amendments to the Law on State Social Contracting came into effect on January 1, 2012. Developed by the Ministry of Culture and Information (MCI) with international assistance, the amendments increase the transparency of the social contracting system and facilitate adoption of uniform procedures. The amendments make the MCI responsible for coordinating and monitoring how other government bodies award SSCs and establishing a monitoring system. In addition, all government agencies awarding SSCs are now required to establish councils for cooperation with CSOs, providing CSOs a platform to offer suggestions on projects to fund as well as policy issues.

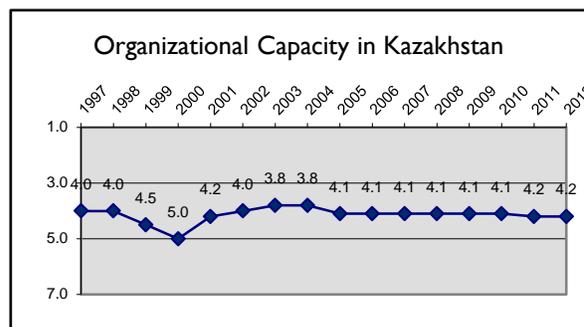
During the summer of 2012, the MCI began working on a draft Law on Government Support for CSOs to establish a legal, economic, and organizational framework for providing grants and other forms of financial support to CSOs. CSOs, such as Civic Alliance, are involved in the drafting process.

Local legal capacity improved in 2012 through the Development through Regional Cooperation project of the Civil Society Development Association (ARGO). As part of this project, ARGO partnered with the International Center for Not-for-Profit Law (ICNL) to place a lawyer in Kyzylorda, the capital of Kyzylorda oblast, to assist with registration and other legal issues.

ORGANIZATIONAL CAPACITY: 4.2

The organizational development of CSOs did not change significantly in 2012.

The gap between experienced CSOs and inexperienced or new organizations is growing. The former are trained in strategic development, fundraising, and other areas, and have adequate, but outdated, equipment. The latter have not received basic training or institutional grants for organizational development. The internal management structures of new organizations are weak. Frequently, one person serves as the director and sole dedicated employee. A Eurasia Foundation survey conducted in the South Kazakhstan oblast revealed that many CSOs, particularly rural ones, do not employ accountants or lawyers or use email due to a lack of resources and knowledge.



CSO staffing continues to be problematic. Many leaders who played important roles in developing civil society during the late 1990s and early 2000s are leaving CSOs for the private sector or government. New CSO staff do not have the financial or organizational capabilities or experience to plan activities strategically, develop boards of directors, or train personnel. The practice of volunteerism remains weak.

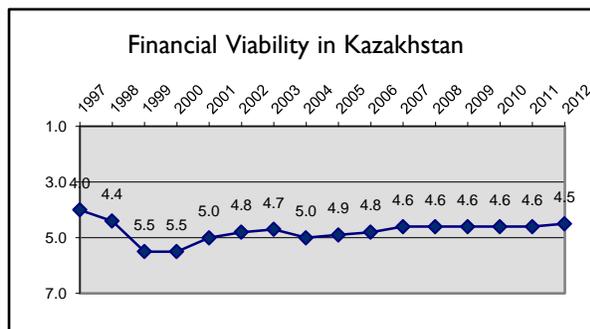
CSOs are legally required to have internal policies and regulations, labor contracts, and paid staff. Large grants from USAID and the European Community in 2012 forced CSOs to introduce or improve internal policies and participate in capacity building programs.

Many new CSOs, such as the Alumni Students Group in Astana and the Society of Assisting Automobilists in Karagandy oblast, have solid constituent bases, as their members finance activities that serve their interests. In general, however, while CSOs try to identify and seek local support for their initiatives, they are not very

successful. Some new organizations are established just to pursue financing opportunities and therefore are oriented towards the SSC priorities.

The cost of Internet access has decreased, allowing many CSOs better access to information. Prosecutors can shut down CSOs that use unlicensed software and equipment, even if it was acquired long ago.

FINANCIAL VIABILITY: 4.5



CSO financial sustainability improved slightly in 2012. The main sources of CSO funding continue to be SSCs, international donor funding, and paid services. CSOs rarely engage in membership outreach or philanthropy development efforts.

SSCs expanded significantly in 2012. According to research presented in 2012 by the Open Society Foundation for the National Report, in the last five years, SSCs increased by 186 percent. There are regional differences, however. For example, there was

a 62 percent increase in financing in Almaty and an 11.3 percent increase in Almaty oblast, but no increase in the western Kazakhstan oblasts of Atyrau and Mangistau. According to MCI, the total funding for SSCs in 2012 was over 4.5 billion tenge (about \$30 million), more than double the 2 billion tenge (about \$13.3 million) available in 2011. In particular, local funding levels have increased. From 2011 to 2012, the level of local financing increased from about 1 billion tenge (about \$6.6 million) to 2.5 billion tenge (about \$1.7 million).

SSCs are now disbursed through ten central executive authorities, up from four in 2011. In 2010, MCI distributed 81 percent of SSCs, while in 2012 it distributed only 19 percent. The largest distributors in 2012 were the Ministry of Education and Science, Ministry of Health, and Ministry of Labor. Most ministries have significant problems implementing the SSC program correctly due to a lack of experience, as well as corruption, especially at the regional level. However, amendments to the Law on State Social Contracting made the system more transparent and uniform.

For the last several years, CSOs have promoted alternative financing mechanisms, including grants and philanthropy. CSOs are preparing recommendations for a new law on grants – the Law on Government Support for CSOs – that would differ from the SSC system in two key respects. First, it would allow CSOs to receive both institutional and project-based financing. Second, it would provide a platform for CSOs to initiate proposals for solving social problems rather than bidding to predetermined specifications announced by the government. Many CSOs also now engage in social entrepreneurship to diversify their funding.

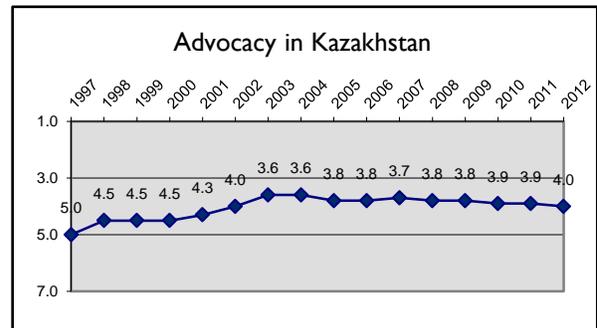
The amount of international funding to CSOs increased in 2012. USAID provided a grant of almost \$4 million to ARGO to run a program focused on capacity building of CSOs around Central Asia. Another USAID-funded program supports capacity building of several advocacy organizations in Kazakhstan. The World Bank provided \$100,000 to support CSOs implementing the Extractive Industries Transparency Initiative (EITI). In 2012, the European Commission provided €300,000 to two different organizations to strengthen the role of civil society in promoting human rights and democratic reform, supporting the peaceful conciliation of group interests, and consolidating political participation and representation.

Local sources of funding, such as philanthropic foundations, remain very limited due to the financial crisis. Chevron granted \$40,000 to a local CSO for a social entrepreneurship program.

ADVOCACY: 4.0

CSO advocacy capacity deteriorated in 2012.

In January 2012, the President signed the Law on National Security of Kazakhstan, which contains vague provisions that could be used to restrict freedom of speech. The Law also imposes criminal liability for attempting to overthrow the political system, which dampened CSOs' advocacy during the year, as they fear that they will be accused of attempting to overthrow the political system.



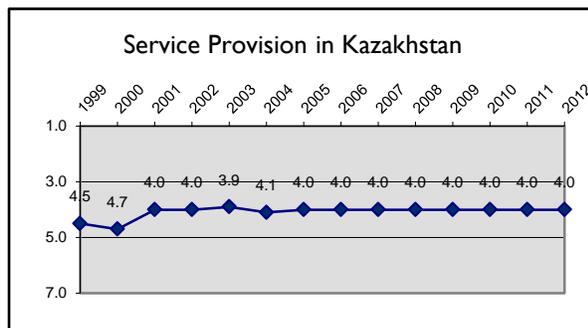
CSOs advocated for several legislative initiatives during the year. Local CSOs participated in developing amendments and implementing regulations to the Law on State Social Contracting. In addition, local CSOs are working with MCI to prepare the draft Law on Government Support to CSOs. Local and international CSOs will continue to prepare comments and plan public hearings on the draft law in 2013; the law will probably not be introduced to parliament until 2014.

Due to CSO advocacy efforts, on June 30, 2012, the government withdrew the draft Law on Lobbying, which had been pending in parliament for almost four years. The law would have limited lobbying to specially-registered organizations and prohibited lobbying on certain subjects, such as the structure of government, law enforcement, and courts.

CSOs advocated against the tender process for the creation of digital broadcasting channels. Media CSOs, including Internews Kazakhstan, National Association of Broadcasters, and Adil Soz, sent several open letters to the President and prosecutor's offices objecting to the tender's violation of the Law on Television and Radio Broadcasting, which they feared would result in a range of channels that would restrict the constitutional right of Kazakhstan's citizens to information. As a result of the advocacy campaign, the tender was cancelled.

Many ministries and akimats have public councils in which CSOs participate. However, this cooperation is frequently a formality and the government ultimately makes decisions. In addition, CSOs participate in about 300 consultative and advisory bodies and expert and working groups at all levels of government, although these platforms rarely have a decision-making role.

SERVICE PROVISION: 4.0



According to the Secretary of State at the Fifth Civic Forum in 2011, CSOs provide services to more than 5 million people. The increasing level of SSCs and the involvement of additional ministries have allowed CSOs to provide social services to various communities and vulnerable groups, such as inclusive education for persons with disabilities. However, the SSC mechanism still mainly benefits social service provision, rather than human rights or politics.

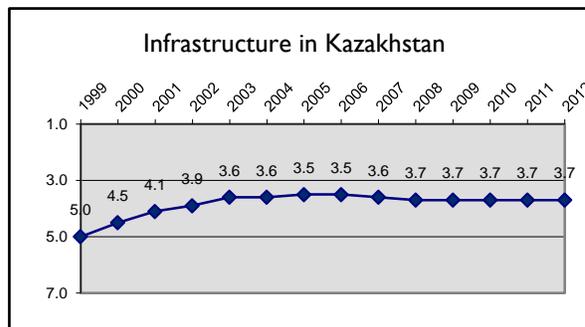
CSO communication with the public continued to be weak in 2012. Services are often determined by the priorities of the SSC or donor programs. CSOs can

participate in determining the funding priorities for SSCs. MCI, for example, organizes public discussions to identify SSC allocations before it starts the bidding process. Unfortunately, however, not all CSOs take advantage of these opportunities. For example, the Civic Alliance of Kazakhstan in Kostanai oblast reported that in October 2012, only fifty-four out of 200 regional CSOs attended the Fair of Social Ideas to discuss 2013 priorities. As this level of participation was considered too low to formulate funding priorities in all areas, additional roundtable discussions and coordination with local authorities were organized. CSOs do not market services systematically.

INFRASTRUCTURE: 3.7

Infrastructure did not change significantly in 2012.

Training opportunities improved somewhat in 2012. A non-commercial management course was introduced at the International Academy of Business University and NGO schools were conducted in different regions. However, these schools lack trainers and documents in the Kazakh language. SSCs continued to fund a national training program in 2012, but as in previous years, this program mainly provides basic training on establishing CSOs and writing project proposals.



Resource centers established and financed by the government in each region generally do not assist in organizational development, strategic planning, grant proposal writing, or fundraising, despite the need for these services, especially among new and rural CSOs. Instead, they mainly provide informational services, such as CSO databases and mailing lists.

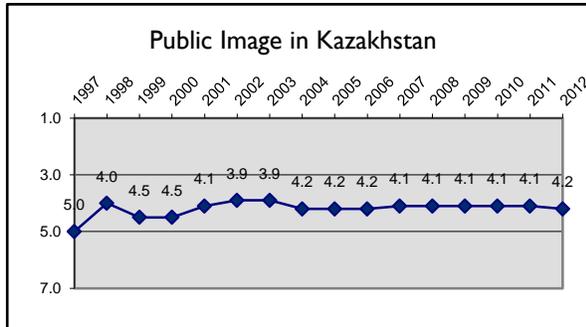
Several donor initiatives support the resource centers. Soros Foundation Kazakhstan initiated pilot projects in Karaganda, Ust-Kamenogorsk, and Shimkent to support resource centers, needs assessments, and capacity building training. In 2012, USAID started a three-year project to establish a resource center in Kyzylorda that would provide a wide range of services. USAID also provided support to the Civil Alliance of Kazakhstan (GAK) in Mangistau oblast to function as a resource center.

CSOs form coalitions and networks as particular issues arise. Many, such as the EcoForum, Oil Revenues under Public Scrutiny, and the Azamattyk Kurultai Association, continue to be active. Another network of organizations works to promote the International Convention of the Rights of Persons with Disabilities. In addition, several CSOs, including human rights organizations, created a coalition in 2012 to counter the perception of local CSOs as foreign agents. CSOs have also increased their use of social networks to facilitate information exchange.

Local CSOs actively re-granted international funds in 2012. ARGO has started to provide grants under a USAID project for organizations of persons with disabilities, and Bereke from South Kazakhstan distributes sub-grants under an EU project. Bota Foundation, Soros Foundation Kazakhstan, and Eurasia Foundation also re-grant funds.

PUBLIC IMAGE: 4.2

Public image deteriorated slightly in 2012. No Civic Forum was held this year, which is usually the only CSO activity that garners considerable media attention. Several state-owned newspapers, such as the Aktobe Oblast newspaper, have special weekly columns on CSO projects.



The government filters, blocks, and otherwise obstructs websites containing information that is critical of the authorities, such as political opposition news and resource sites. The government is particularly hostile to social networks, which the opposition increasingly uses to communicate its actions. Some CSOs use Twitter, Facebook, and other social networks to promote their activities, although the public rarely uses these services. A 2011 national information security concept paper labeled social networks and blogs a threat because of their potential

to influence the political situation in the country. Access to Live Journal, a social blogging network utilized by public figures, political commentators, and average citizens, was restored in October 2012 after being blocked for over a year due to allegations that it spread extremist propaganda. The restoration of access coincided with the Eurasian Media Forum in Astana. Twitter was also blocked for several days as part of a broader information blockade following the December 2011 events in Zhanaozen, in which protesting employees of the state oil company clashed with law enforcement officials. Public officials have also advocated for increased control of the Internet.

The Russian mass media, which has a large viewership in Kazakhstan, considers CSOs agents of foreign influence. The local Communist Party in Kazakhstan also calls local CSOs agents of foreign influence.

Akimats conduct quarterly meetings with local CSOs to propose or sometimes mandate partnership on social issues. The business community is ready to work with CSOs, but only with particular persons on particular projects. The term NGO is becoming more widespread, but is now perceived as having a neutral to negative meaning.

Few CSOs publish their annual reports online to increase their visibility because the sector lacks a culture of transparency and accountability.