

# EXECUTIVE SUMMARY

In 2008, NGOs across Central and Eastern Europe and Eurasia continued to pursue their roles as key agents of change in their societies. They faced diverse and wide-ranging challenges, from basic struggles with registration to recruiting volunteers to fine-tuning favorable tax provisions. While gaps persist between the more developed NGO sectors of Central and Eastern Europe versus those of Eurasia, NGOs in more developed countries were not immune from organizational and funding problems, and NGOs in even the most repressive countries managed to make their voices heard. This report seeks to capture the complex and dynamic nature of these trends and tendencies.

## ABOUT THE INDEX

For the twelfth year, the NGO Sustainability Index for Central and Eastern Europe and Eurasia reports on the strength and overall viability of NGO sectors in each country in the region, from the Baltic countries to Central Asia. The Index highlights both advances and setbacks in sectoral development, and allows for comparisons across countries and subregions over time.

The Index is an important and unique tool for local NGOs, governments, donors, academics, and others to understand and measure the sustainability of the NGO sector. The NGO Sustainability Index analyzes seven interrelated dimensions: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. A panel of NGO practitioners and experts in each country assesses the sector's performance in each of the seven dimensions. A Washington-based editorial committee of technical and regional experts reviews the panel's findings.

Based on their scores, countries fall within three basic stages of development in terms of NGO sustainability: consolidation, mid-transition and early transition. More detail about the methodology used to calculate scores is provided in Sections 1 through 3 (*pages 12-19*).

## OVERALL SCORE CHANGES IN 2008

- The overall level of NGO sustainability in the Northern Tier countries (the Baltic countries, Central and Eastern Europe) was unchanged compared to 2007. Estonia and Poland both displayed overall improvement, while Slovakia was the only Northern Tier country to register a downturn.
- The Southern Tier (the Balkans states) also did not experience an overall change in the level of NGO sustainability in 2008. Overall country scores changed only in Bosnia, Bulgaria and Serbia—Bosnia and Serbia slightly improving, Bulgaria slightly worsening.
- The Eurasia region (Russia, West NIS, the Caucasus and Central Asia) retained its average score from the previous year, while the Central Asian countries experienced an overall decline in NGO sustainability during 2008. Azerbaijan and Moldova were the only countries in Eurasia to raise their overall scores, while NGOs' general situation deteriorated in Georgia, Russia, Tajikistan and Turkmenistan.

## DEVELOPMENT LEVELS FOLLOW GEOGRAPHIC PATTERNS

As in previous years, levels of NGO sustainability in the region generally correspond with subregional divides.

- With the exception of mid-transition Slovenia, all countries of the Northern Tier are in the consolidation phase of development.
- The Southern Tier countries are, on average, in mid-transition. Serbia's score, while it improved slightly in 2008, is significantly lower than that of most others in the subregion and on par with several of the Eurasian countries. Among the factors that have inhibited NGO sustainability in Serbia are the slow pace of legal reforms, political instability, donor dependence and a poor public perception of NGOs. EU member states Bulgaria and Romania, and aspiring EU member Croatia, come closest to approaching the consolidation phase in their overall scores.
- In Eurasia, the countries of the Caucasus, western NIS and Russia fall in the mid-transition phase. The exception is Belarus—once again coming in with the poorest score of all countries surveyed and remaining rooted in the early transition phase. Ukraine maintains the highest score in Eurasia and its overall score is higher than half of the Southern Tier countries as well as Slovenia.
- The average scores of the Central Asian countries place the region as a whole near the bottom of the mid-transition phase. Turkmenistan and Uzbekistan remain in early transition. Kazakhstan and Kyrgyzstan continue to have the highest levels of NGO sector development among the Central Asian countries.

## POLITICAL DEVELOPMENTS PRESENT OBSTACLES, OPPORTUNITIES

External and internal political events during the year had repercussions for the NGO sector. Kosovo's declaration of independence in February 2008 provided many NGOs with an opportunity to refocus their energies after a period of uncertainty. NGOs contributed, largely behind the scenes, to the processes that led to the declaration of independence. New NGOs were born in the post-independence period, including some that positioned themselves as watchdogs of the new government.

Kosovo's independence declaration caused shock waves in Serbia and sparked nationalist violence—highlighting the stakes in the country's presidential elections, which pitted a nationalist leader against a more western-oriented incumbent. NGOs were cautiously optimistic after presidential elections confirmed the country's decision to continue on a path toward closer integration with the West.

During Georgia's dramatic conflict with Russia in August 2008, NGOs found themselves on the sidelines of events, their voices already muffled in an environment that had grown increasingly polarized and politicized. The central government's consolidation of power since the previous year reduced opportunities for NGOs to engage in dispute resolution or other forms of dialogue.

Elections across the region offered NGOs new opportunities to participate in political processes and engage with citizens. NGOs in Slovenia and Lithuania stepped up lobbying efforts during parliamentary elections. During Armenia's presidential and local elections, NGOs seized the opportunity to participate in the political process and gained broader public recognition as a result, despite a tense environment and a twenty-day ban on public gatherings after the presidential vote.

Slovenia's presidency of the EU Council—the first time a new EU member state assumed this role—presented exciting opportunities for Slovenian NGOs to network with counterparts in other EU countries, even as they found their own government, consumed by the demands of its responsibilities, somewhat less responsive. In Romania, which joined the EU in 2007, NGOs perceive that their government is less receptive to NGO advocacy campaigns now that EU accession is no longer a motivating factor.

## TRENDS ACROSS BORDERS

Despite the widely varying conditions and circumstances in each country, some themes reverberated across the Europe and Eurasia region.

- **Fears about the future economy.** As the world economy slid deeper into crisis, NGOs across Europe and Eurasia braced for impact, anticipating that they will begin to see domestic and international funding sources shrink in the near future. It was too early to see the effects of the global economic downturn on the NGO sector in 2008. The impact will surely be felt in future years, however, as NGOs across the region struggle to achieve financial sustainability beyond project funds, to maintain or replace aging equipment, and to retain qualified staff.
- **A changing donor landscape.** NGOs across the region felt the pinch of shrinking funds as some of their traditional donors downscaled or phased out assistance programs. In some cases, new funding sources filled the gap. The decrease in available donor funds also pushed NGOs to explore other avenues such as philanthropy from the business community, even in impoverished Tajikistan. USAID closed its missions to Bulgaria, Croatia and Romania, while EU and European Economic Area (EEA) funds flowed more vigorously into these and several other countries. Some NGOs find EU funding challenging to access; cash-strapped NGOs in Slovenia and other countries consider it a hardship to cover costs up front for EU-funded projects. Some experts credit the rigorous EU procedures with helping to build up NGOs' capacity and push them to be more responsive to their constituencies. More EU funding was available to Polish NGOs in 2008, but the focus shifted to smaller-scale projects. In Eurasia, Moldova saw an expansion of EU assistance programs.
- **Government structures on NGOs.** Several governments in the region took steps to create new governmental bodies to address NGO sector issues. The year 2008 saw the launch of the Estonian National Foundation for Civil Society, an NGO affairs division within the Lithuanian Interior Ministry, a department on cooperation with NGOs in the Bosnian Ministry of Justice, and an Office for NGO Cooperation in Montenegro. A new council on NGOs in Azerbaijan also completed its first year of operation. The extent to which such bodies improve government-NGO cooperation over the long term, of course, depends on political will, resources, and NGOs' level of engagement. In Russia and Kazakhstan, new resource centers tied to local governments provide useful services to NGOs, but tend to be geared toward government rather than NGO priorities.
- **Pros and cons of government funding.** Governments throughout the region became more active in financing NGOs through grants and contracts, although not always in a way that contributed to the development of independent civil society. This issue is discussed in more detail in the article on page 33, "Public Financing Mechanisms and their Implications for NGO Sustainability." Montenegro's parliament released long-awaited NGO grant funds, but their distribution was poorly managed. The parliament in Uzbekistan created a social fund for NGOs, but its resources appeared to be aimed primarily at GONGOs (government-organized nongovernmental organizations). Kyrgyzstan adopted a new law aimed at facilitating state contracting of social services. Unclear criteria for evaluating applicants, however, may undermine the transparency of the process. Kazakhstan's level of government funding for NGOs more than doubled; the effect on the NGO sector's overall financial viability was not significant, however, because such

funding tends to be limited to short-term projects. On a positive note, the institutional support offered by the new national foundation in Estonia may result in NGOs having more flexibility to focus on long-term goals. In Albania, the government has included a line item in the state budget for NGOs to provide social services.

- **Minority NGOs' unique challenges.** Several country reports address the issue of imbalances faced by minority NGOs. Russian-speaking NGOs in Estonia and Serb NGOs in Kosovo, for example, generally suffer from weaker capacity and have less access to resources. In a different context, NGOs in the politically disputed Transnistria region of Moldova are not permitted to register in Moldova, putting them at a disadvantage in terms of accessing funding. NGOs in the Republika Srpska face greater difficulties with the local media, as a significant number of RS media outlets came under control of the ruling political party and sought to dampen criticism of the government. Such discrepancies within countries can be difficult to reflect in the scoring process, which examines a country's NGO sector as a whole, although they are discussed in the narrative reports.
- **Mixed results of percentage laws.** NGOs in many countries in the region cite a need for more favorable tax legislation to support sustainable NGO sector development. One such mechanism is the so-called "percentage law." Laws enabling taxpayers to donate part of their income taxes to NGOs now exist in Croatia, Hungary, Slovakia, Lithuania, Poland, Slovenia, and Romania. During 2008, NGOs in Armenia and Moldova lobbied for the passage of percentage laws. NGOs in Hungary and Romania reported rising contributions. Preliminary figures showed that more than 20 percent of Slovenian taxpayers made contributions in the first year of the law's implementation. In Poland, the amount of donations increased as regulatory changes made it easier for citizens to donate, but some Polish NGOs believe that the new system favors the largest and best-known NGOs. Croatian NGOs complain of receiving few donations through their country's law, which remains little-known and underutilized.
- **The power of partnerships.** Throughout the region, NGOs sought the benefits of cooperation within the NGO sector, as well with the public and private sectors. In some cases such efforts were primarily donor-driven and lacked depth, but in other cases networks and partnerships emerged from genuine common interests and shared goals. NGOs in Bosnia formed coalitions on accountability, tax reform and the disabled. In Georgia, NGOs formed a coalition to monitor the influx of foreign aid following the August 2008 conflict with Russia. In Tajikistan, a national NGO association was created to promote the sector's interests, the National Association of NGOs of Tajikistan. An alliance of business associations in Kyrgyzstan succeeded in curbing burdensome inspections of small and medium-sized businesses. Interest in corporate social responsibility (CSR) produced partnerships among NGOs and businesses throughout the region. Macedonia adopted a national CSR agenda; businesses joined efforts with an NGO network against child abuse, and donated equipment for an NGO recycling effort. In Ukraine, socially responsible businesses increasingly reach out to NGOs to help implement corporate philanthropy programs.

## REGIONAL AND COUNTRY TRENDS

The following is an examination of each subregion featured in the Index, with a closer look at developments that contributed to countries' overall scores as well as scores within specific dimensions.

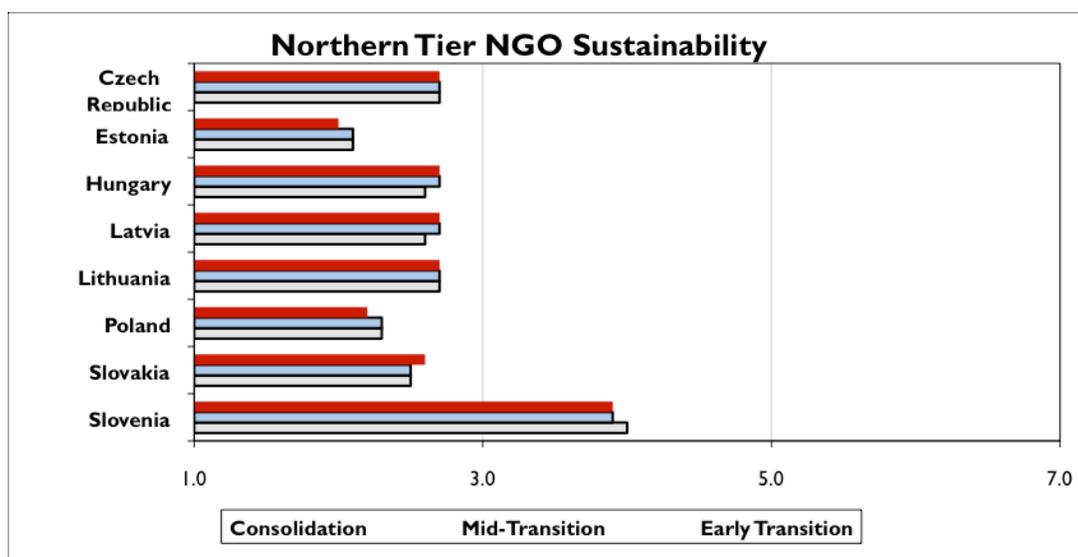
### Northern Tier: Consolidated, with Room for Improvement

Among the Northern Tier countries, Estonia and Poland were the only two countries in the region to improve their overall NGO sustainability scores during the year. Improved cooperation between the NGO sector and the government contributed to Poland's improved scores. The opposite was evident in

Slovakia, where NGOs found the government less supportive on numerous levels and the overall NGO sustainability score suffered. Slovenia remains the only Northern Tier country in the mid-transition phase.

**Legal environment** is the strongest dimension across all countries in the region. All countries have a fundamentally supportive legal framework for NGO development, although NGOs continue to push for further improvements. The overall legal environment for NGOs changed little during the year; a slight improvement was seen in Estonia while Slovakia experienced a setback. In Estonia, the launch of the new National Foundation for Civil Society provided important mechanisms for support of NGO development. In Slovakia the government froze the legislative process regarding a key piece of draft legislation, throwing NGOs into a state of uncertainty.

**Organizational capacity** improved somewhat overall in the Northern Tier. Scores in this dimension improved in the Czech Republic, Estonia, and Slovenia, while slipping back in Lithuania and Slovakia. Slovakian watchdog and advocacy NGOs felt the pinch of dwindling international funding opportunities. Staff turnover and the need to obtain project funding prevented Lithuanian NGOs from focusing on their institutional development. NGOs in Slovenia suffered from some of the same problems retaining staff, but saw positive developments in the form of greater capacity-building opportunities and the launch of a new government program to help NGOs improve quality standards. In the Czech Republic, the implementation of EU funds helped to boost the sector’s organizational capacity.



Achieving **financial viability** remains a pressing issue for NGOs and is the region’s weakest dimension. A lack of core financing to sustain NGOs beyond project-specific funds continues to be a problem. While the overall situation in the Northern Tier did not change in 2008, conditions improved in Estonia, Hungary, and Slovenia. Both Hungary and Slovenia benefited from large injections of EU structural funds; all three countries also received generous European Economic Area (EEA) funds, financed by Norway. In Estonia, private donations to NGOs are on the increase. Financial viability scores took a downturn in Czech Republic and Latvia. Delays in government distributions of EU funds were one of the factors that adversely affected Czech NGOs. Latvian NGOs faced rising costs due to high inflation and stiff competition for the limited funds available for NGO support.

While Northern Tier NGOs tend to have a high capacity for **advocacy** and actively pursue advocacy efforts, their effectiveness varies widely and is greatly dependent on government attitudes toward NGOs. Half of the countries in the region experienced changes in their advocacy scores. Hungarian and Polish

NGOs enjoyed an improvement while their counterparts in Latvia and Slovakia faced greater difficulties mobilizing citizens. In Poland, the change was largely due to the new government's openness to NGO input. The political climate in Slovakia, by contrast, became less favorable toward NGOs, with the prime minister making negative public statements about some organizations.

**Service provision** is an area where NGOs have been relatively successful at carving out a niche in terms of responding to societal needs while contributing to their own financial sustainability. Still, NGOs struggle to recover costs for services, lack marketing skills that could expand their clientele, and perceive that service provision is often overly dictated by government priorities. The situation became more difficult for NGOs in Hungary, Latvia, and Slovakia. Delays in government payments affected Hungarian and Slovakian NGOs. The end of programs supported by EU Structural Funds was a blow to service-providing NGOs in Latvia. Lithuania and Poland both registered change in a positive direction. Polish local governments and NGOs both became better versed in social contracting procedures. More Lithuanian NGOs are being licensed to provide services and the government's contracting process has become more transparent.

While not all countries in the region have NGO resource centers, NGOs generally have access to training, legal advice and other support services. NGO **infrastructure** improved in more than half of the countries in the region: Czech Republic, Estonia, Latvia, Poland and Slovenia, and worsened only in Lithuania, where resource centers as well as local governments reduced their support services to NGOs. In Latvia, the NGO Resource Center in Riga signed a memorandum with the city government that will provide the center with greater access to municipal policymaking processes. In Slovenia seven new regional NGO resource centers will assist NGOs with developing their capacity. A campaign to clean up illegal waste disposal sites in Estonia mobilized huge numbers of volunteers and was a prime example of intersectoral cooperation, bringing together businesses, government and NGOs to achieve a common goal.

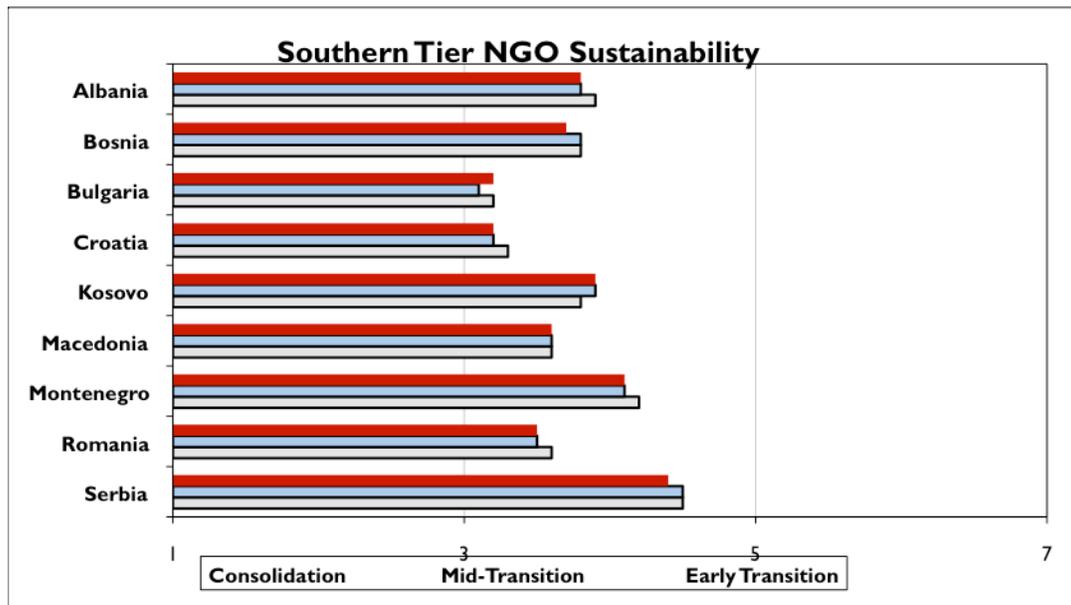
NGOs in the Northern Tier countries tend to enjoy a relatively positive **public image** and productive relationships with government and the media. Many have taken steps to make their operations more transparent. Two countries, Hungary and Latvia, experienced setbacks in public image scores in 2008. The public image of Hungarian NGOs suffered as a result of scandals involving the misuse of NGO funds, pointing to the need for improved self-regulation of the sector. The Latvian media tends to downplay the role of NGOs and some regional media still seek payment in exchange for coverage. In Slovenia, increased local media coverage, workshops aimed at improving NGOs' PR skills, and efforts to promote NGO transparency have helped boost the image of the NGO sector.

### **Southern Tier: A Steady Transition**

Bulgaria and Croatia continue to have the highest overall scores among the Southern Tier countries. Bulgaria's score worsened, however, as a result of a more difficult advocacy environment and regress in infrastructure. Bosnia and Serbia both experienced improvements in their overall scores. Serbian NGOs benefitted from heightened government and private sector support for NGOs, growing volunteerism, and an improving public image. Still, it remained the lowest-scoring country among its neighbors.

All Southern Tier countries except Serbia have reformed the basic legal framework governing NGOs, although legislation continues to evolve in both positive and negative directions. The overall **legal environment** in the Southern Tier countries deteriorated in 2008, affected by developments in Albania, Kosovo, Macedonia and Montenegro. Newly imposed taxes on NGO grants and services dealt a blow to Albanian NGOs. In Kosovo, several NGOs that criticized the government experienced harassment, and Serb NGOs faced disproportionate difficulties with registration. Hastily adopted legislation in Macedonia threatened to limit the ability of NGOs to engage in lobbying. Croatia and Bulgaria retained their positions in the consolidation phase, although specific issues in both countries remain to be addressed

such as the requirement that some types of Croatian NGOs, including advocacy organizations, pay value-added tax (VAT), a tax on consumption.



The picture brightened in the area of **organizational capacity**, which has tended to be weak in the Southern Tier. Progress in Croatia, Kosovo, Montenegro and Serbia contributed to an overall improvement for the region in 2008. The post-independence environment in Kosovo had a positive influence on NGOs’ strategic planning efforts. Leading Montenegrin NGOs advanced in building local constituencies and reaching out beyond the capital. In Serbia, government support for NGOs and public involvement in civil society increased.

A decrease in bilateral donors to the NGO sector in numerous countries was offset by the growing availability of other funding sources such as local philanthropy, government funds, and EU pre-accession or structural funds. Two countries, Kosovo and Serbia, improved their **financial viability** scores, while the general situation in the other countries did not change. In Serbia, the private sector has stepped up to become a more significant partner of NGOs, while NGOs in Kosovo benefited from a boost in government funding.

**Advocacy** is the strongest dimension among Southern Tier NGOs, who continued to launch campaigns on issues of concern to their constituencies. A common theme, however, is that NGOs’ personal contacts with politicians are often the most effective advocacy tool. Those countries that changed their advocacy scores moved primarily in a negative direction, bringing down the subregion’s overall advocacy score. The exception was Serbia, which saw an improvement as a more stable and responsive government assumed office in the second half of the year, creating a more supportive environment for NGO campaigns to promote Serbia’s integration with the EU. NGOs in Albania, Macedonia and Romania, in contrast, reported that their governments became less receptive to dialogue and cooperation. In Bulgaria, an unstable political environment during the year hampered NGO advocacy efforts. Another growing concern was that NGOs hoping for EU funding might be less active government watchdogs now that the government controls the distribution of those funds.

**Service provision** is an area that has only very slowly improved over the years as NGOs continue to face challenges recovering costs, obtaining government contracts, and developing services that meet market demands. In some countries NGOs’ potential and growing capacity is gaining recognition. Almost half of

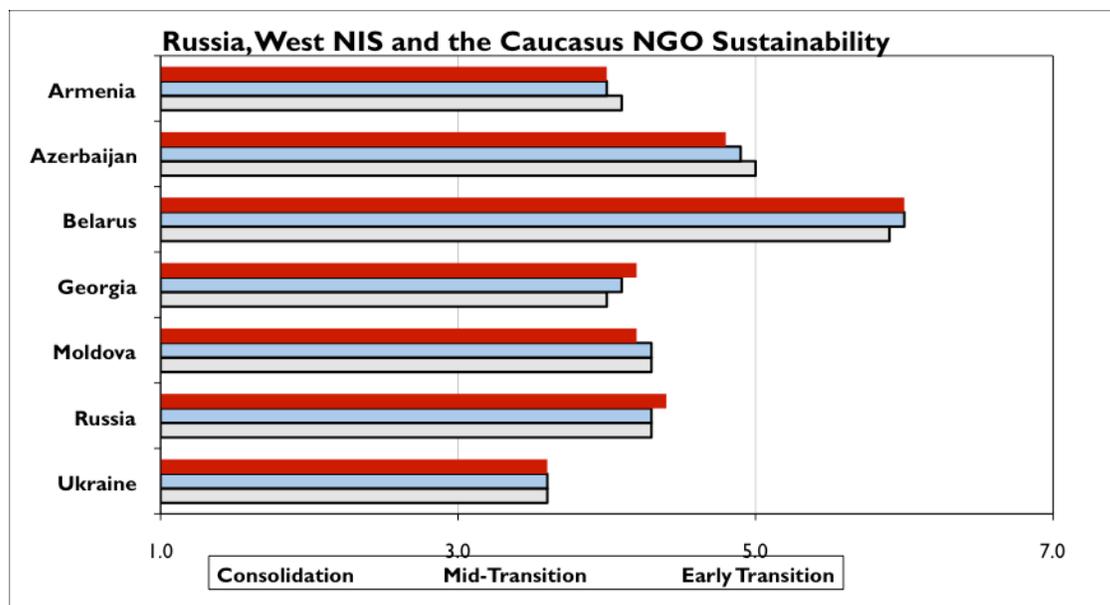
the Southern Tier countries—Albania, Bosnia, Macedonia and Serbia—improved their scores in this dimension in 2008. More than 110 Albanian NGOs received licenses to provide services. Local governments in Macedonia and ministries in Serbia increased their demand for NGO-provided services. In Bosnia, NGOs and the government cooperated to provide services to trafficking victims.

Most countries in the Southern Tier have relatively strong **infrastructure** for NGO sector development. Numerous countries in the region have resource centers and strong networks of trainers. Community foundations and other entities contribute to growing capacity in local grantmaking. In Bosnia, NGOs increased their coalition-building efforts and made greater use of resource centers during the year. The state of NGO-government cooperation improved in Montenegro with the creation of a dedicated government office. In Bulgaria, NGOs’ engagement in sector-wide coalitions and networks has waned due to their lack of interest in financially supporting such structures over the long term. Aspects of NGO infrastructure deteriorated in Kosovo as well. Local grantmaking institutions had less impact because of fewer resources, and the level of networking within the NGO sector was low.

Overall, **public image** scores held steady, although Macedonia, Montenegro and Serbia experienced some improvement. In Macedonia, media coverage of NGOs doubled compared to the previous year, and a majority of survey respondents ranked the NGO sector the most trustworthy institution in the country. NGOs’ self-regulation efforts are still a work in progress, but leading NGOs in Albania are promoting an ethics code; in Montenegro, 2008 was the first year of implementation of a national code of NGO conduct to which 145 NGOs have pledged adherence.

### Eurasia: Steps Forward and Back

The situation of NGOs remains most difficult in the Eurasia region. This was reflected in the fact that four countries in the region, Georgia, Russia, Tajikistan, and Turkmenistan, suffered backsliding during the year. Azerbaijan and Moldova, meanwhile, were the only countries to improve overall scores. In Azerbaijan, this was primarily due to the launch of a major state-funded NGO sector support mechanism. Of the Eurasian countries, Ukraine has the highest level of overall NGO sustainability; Belarus continues to have the lowest.



Legislation on NGOs continued to affect their ability to operate effectively in almost all Eurasian countries. Simply registering an NGO is extremely difficult in Belarus, Uzbekistan and Turkmenistan. In terms of **legal environment**, more countries worsened than improved in 2008, particularly in Central Asia, where the overall score deteriorated. Azerbaijan was the only Eurasian country to register an improvement in its legal environment. After Belarus, Russia has the region's least supportive legal environment and the situation grew more challenging in 2008. While NGOs were able to fight back on some negative proposals, a resolution was adopted that reduced to a handful the international grantmaking organizations whose grants will be tax-exempt. Following presidential elections in Armenia, some NGOs experienced harassment and practiced self-censorship to keep a low profile. Amended legislation on freedom of assembly and freedom of conscience in Kyrgyzstan restricted civil society opportunities to demonstrate publicly and to form faith-based organizations. In Tajikistan, 2008 was the first year of implementation of legislation requiring all NGOs to re-register, with a deadline to do so by the end of the year. A bad situation grew even worse in Uzbekistan; the number of independent registered NGOs decreased as the number of registered GONGOs expanded.

Unfortunately, NGOs in several Eurasian countries suffered in the area of **organizational capacity** in 2008, resulting in an overall drop in score. The NGO sector in Belarus has been pushed underground, inhibiting its organizational development and discouraging transparency. Remarkably, some of the strongest NGOs have managed to engage in strategic planning even in the increasingly hostile environment. In Russia, strategic planning tends to take a back seat to the short-term demands of securing funds for survival. NGOs suffered from ongoing brain drain as employees found better opportunities in the public or private sectors. Georgia, Tajikistan and Turkmenistan also declined in this dimension. As it has continued to be difficult to register NGOs in Turkmenistan, donors have shifted resources toward unregistered community groups. This resulted in fewer capacity-building opportunities for the NGOs that do exist in the country.

**Financial viability** is the greatest weakness of NGOs in Eurasia. The picture improved, however, for NGOs in Azerbaijan and Ukraine, who benefited from increased levels of government funding and private sector support for NGOs. In Azerbaijan, the new Council on State Support to NGOs provided grants to almost 200 NGOs. By contrast, the financial situation became more difficult for NGOs in Georgia and Russia. In Georgia, donors have phased out support for the NGO sector, in part because of its relatively high capacity; meanwhile, domestic sources of support have not emerged to replace international funds. In Russia private companies often channel their philanthropy into corporate foundations that pursue their own projects. Regional or federal government contracts are available to NGOs but often require an advance payment and are restricted to small, short-term projects.

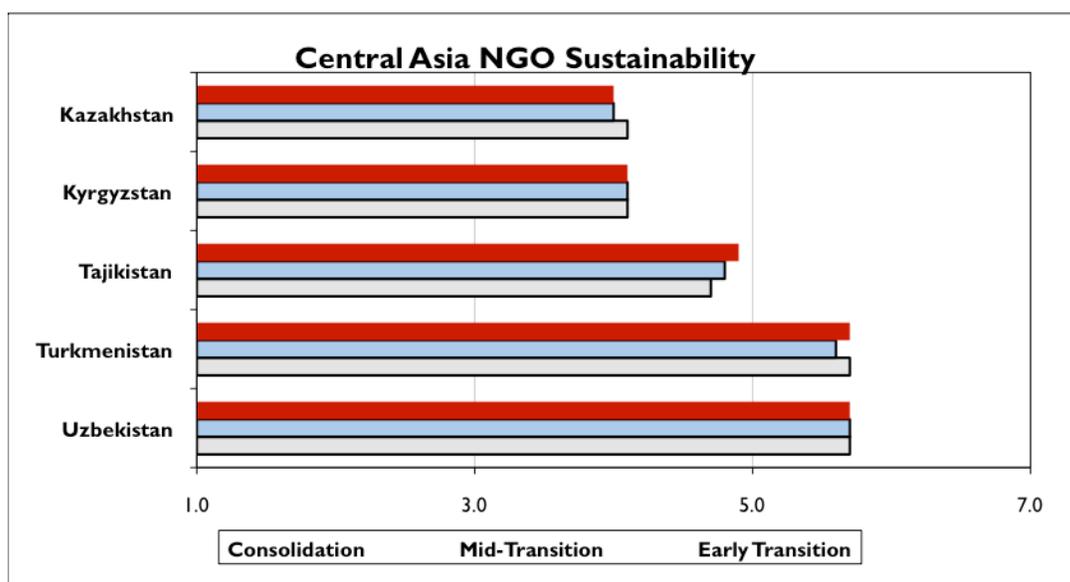
Scores in the **advocacy** dimension are wide-ranging in Eurasia. Ukraine has already achieved the consolidation phase, while in countries such as Turkmenistan and Uzbekistan, NGOs almost never engage in advocacy. In Armenia, Azerbaijan, and Moldova, NGOs more actively engaged government bodies and citizens on issues of concern to their constituencies. Moldovan NGOs worked with the government to draft an improved law on public assembly. In Azerbaijan, advocacy efforts included a campaign by a local NGO to raise awareness about the risks of early marriage. A group of eighty Armenian NGOs established a collaborative network with the country's parliament. Neighboring Georgia, however, saw a downturn in advocacy as NGOs found it difficult to make their voices heard in the increasingly polarized and politicized environment. Advocacy also suffered in Russia, Kazakhstan and Tajikistan. Tajik NGOs have been discouraged by failed attempts to influence policymaking and are less likely to attempt advocacy initiatives.

The environment for **service provision** is generally weak in Eurasia and few changes were noted in 2008. Common problems include a lack of mechanisms for the state to contract NGO services; a perception that NGO services should be free; and weak economies that constrain NGOs' abilities to recover costs. The

general situation with service provision saw change only in Uzbekistan, where some NGOs are able to cover operational costs by establishing commercial entities that provide services such as training, education and health care. A new law was adopted to encourage state contracting of social services in Kyrgyzstan, but much will depend on whether it is implemented in a transparent and effective way.

The **infrastructure** dimension tends to be relatively strong in the Eurasian countries, owing in part to generous donor financing of resource centers and intermediary support organizations. Such networks are vulnerable, however, when donor funding declines and is not replaced by local sources. Only Belarus reported an improvement in terms of NGO infrastructure, as NGOs became more open to coalition-building and managed to continue providing support services following the closure of resource centers in past years. In Kazakhstan and Tajikistan, infrastructure scores suffered as support centers cut back their services in response to decreasing financial resources.

Low levels of media independence and government suspicion of NGOs have tended to make **public image** a weak category in Eurasia. For their part, NGOs often do not make it a priority to communicate about their activities. NGOs' public image in Georgia deteriorated in 2008 as the media focused its coverage on politics and either ignored NGOs or tried to cast them in a partisan light. Kyrgyz and Tajik NGOs also suffered from the public perception—sometimes stoked by pro-government media—that they were associated with the political opposition. Another factor limiting NGOs' public outreach in Tajikistan is that NGOs' websites and electronic newsletters are inaccessible to much of the population due to poor Internet access. Public image improved slightly in Uzbekistan, but remained extremely low. In Azerbaijan, NGOs became more active in their media outreach, and the Council on State Support to NGOs issued a monthly journal about NGO activities.



## CONCLUSION

Stepping back to look at the longer-term picture provided by the Index, the subregions of Central and Eastern Europe and Eurasia are on varying trajectories. In the Northern Tier, which has the highest level of NGO sustainability, average scores have not changed in the last five years. In the Southern Tier, overall scores have slowly but gradually improved since 1999. The picture in Eurasia is one of stagnation at a low level of NGO sustainability, with a greater tendency to backslide, particularly in Central Asia. The gap between the subregions will likely persist for the foreseeable future. Financial viability, the weakest aspect of NGO sustainability across the entire region, will remain a challenge in the years to

come. In terms of their strengths, the subregions and countries will no doubt continue to display diversity, since NGOs and the people in them show a tendency to adapt and function in innovative ways, even under difficult circumstances.

Clearly it takes more than the passage of time to produce progress, and setbacks are always possible. The long-term view points to the need for NGOs, governments and donors to be proactive and persistent about attaining the conditions for NGOs to flourish, and vigilant about maintaining advances once they are achieved.