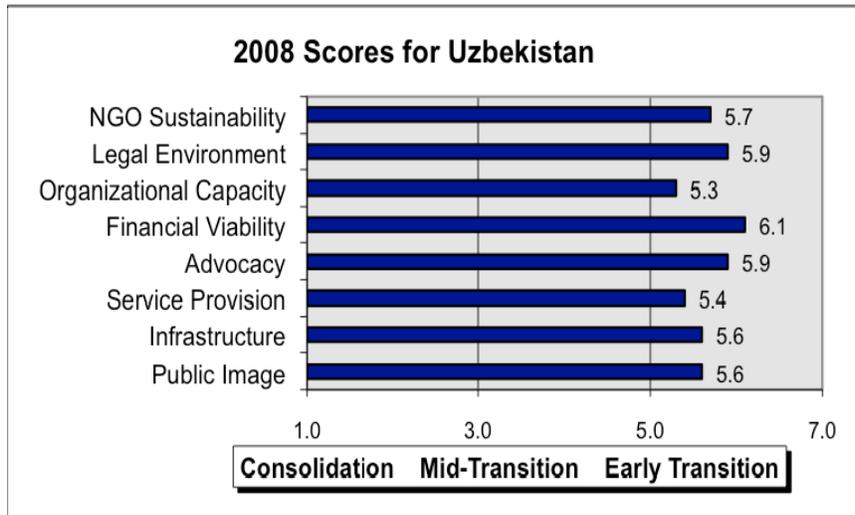


## UZBEKISTAN



**Capital:** Tashkent

**Polity:**  
Republic

**Population:**  
27,606,007 (July 2009 est.)

**GDP per capita (PPP):**  
\$2,700 (2008 est.)

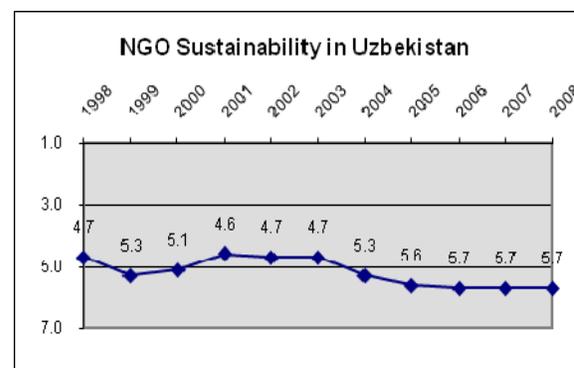
### NGO SUSTAINABILITY: 5.7

The year 2008 was marked by both positive and negative tendencies in civil society development in Uzbekistan. The death penalty was eliminated and *habeas corpus* was introduced in the justice system, changes that human rights NGOs have advocated for several years. A law to guarantee the rights of the child (following Uzbekistan's ratification of the relevant ILO conventions) came into force. NGOs participated in the working group that developed the draft law, although the government made dramatic changes to the final version. A research center on democratization, liberalization of judicial legislation, and increasing independence of the judicial system was established at the Supreme Court of the Republic of Uzbekistan. A joint decision of two chambers of the Uzbek Parliament created a new public fund for the support of NGOs and other civil society institutions, as well as a parliamentary commission on management of the fund's finances. The government and GONGOs conducted events to commemorate the sixtieth anniversary of the Universal Declaration of Human Rights.

Despite a number of positive developments, the real situation remains complicated, and open discussion is not allowed. According to the 2008 Freedom House *Freedom in the World* survey,

Uzbekistan was one of eight countries with the lowest levels of political rights and civil liberties among 193 countries of the world.

The state openly declares support for NGO activity and requires authorities to cooperate with NGOs. Such actions are mostly aimed at promoting an appearance of democratic liberty and openness, however, and do not contribute to civil society development.



The pro-government National Association of Nongovernmental Noncommercial Organizations (NANNOUZ) has not managed to earn a positive reputation with the NGO sector, as it cannot provide protection for NGOs or assist in their development. The number of registered NANNOUZ members remained

steady at about 300, which is 6 percent of the number declared by state officials. The organization's website does not give a complete list of its members.

Official statistical data on the number of registered and operating NGOs is unavailable. According to a civil society newsletter on the website [www.uzNGO.info](http://www.uzNGO.info), which is blocked inside the country, as of July 1, 2007, there were 836 nongovernmental, noncommercial organizations in Uzbekistan. The majority of

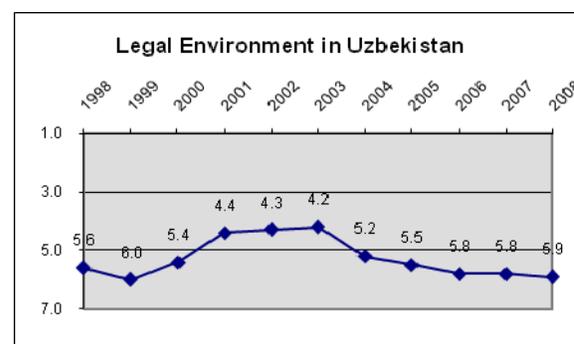
NGOs were banned during 2005–2006, but the government continues to claim that more than 5,000 NGOs are working in Uzbekistan. This figure includes all branches of political parties, movements, labor unions, self-governing bodies, and all branches of national NGOs. For example, Business Women Association of Uzbekistan has branches in all major cities of the country, each of which is counted as a separate NGO. In reality, several hundred active and independent NGOs use all available opportunities to survive and carry out their missions.

## LEGAL ENVIRONMENT: 5.9

The legislative framework formally guarantees the rights of nongovernmental, noncommercial organizations to participate actively in the development of a civil society, but the majority of initiative groups (public associations initiated by at least ten people) face problems with registration, or with the “secret” commission of the Central Bank, which has the authority to approve or disapprove every grant. All NGOs must obtain an advance permit from the Ministry of Justice in order to carry out any event, even a meeting of members. Courts are an appendage of the executive authority. There were no cases in which a trial judgment was in favor of an NGO and against state bodies.

The current legal framework continues to regulate NGO activity in a way that prevents free and independent development of the NGO sector. While the authorities have recognized that some of the legislative norms are contradictory and require revision, they have not taken steps to address the problem. The number of registered GONGOs continued to increase while the number of independent NGOs decreased. Out of an average of 120 to 170 NGOs per province, an estimated 8 to 15 NGOs in each province closed down in 2008, while 4 or 5 new NGOs – primarily branches of large GONGO – were newly registered.

In 2008, several changes were introduced to legislation on noncommercial organizations, mostly due to creation of a public fund on NGO support and a parliamentary commission that



will manage it. The authorities sought to portray as democratic the act of transferring NGO financing from the executive branch of government to a higher legislative body. In fact, independent NGOs are effectively excluded from funding opportunities through the new mechanism. The commission and fund are represented by GONGOs, executive officials, and parliamentarians. No mechanism has been put in place for NGOs to apply for the funds. In 2008, all government funds for NGOs were distributed among ten GONGOs without any competitive process.

Taxation policy has not changed. In early 2008, NGOs lobbied extensively for adoption of the new Tax Code, which preserved tax privileges for NGOs. NGOs engaged in entrepreneurial activities must pay the same taxes as commercial organizations, however.

A revised version of the Law on Social Security of People with Disabilities was adopted. The new law omits clauses that provided state support and privileges for public associations of

people with disabilities. As a result, some of the social enterprises operated by these public associations and staffed with disabled people are closing down.

Although the procedure for registration is stipulated by legislation, in practice it presents severe difficulties. Registration authorities have the right to decide which public associations may form. They actively use this authority to refuse registration not only to human rights advocacy organizations, but also to organizations intending to work in the social or cultural spheres. For example, in 2008, “Opportunity” Public Fund from the Republic of Karakalpakstan, which has a mission to develop new social and economic programs, was not registered. The Mekhribonlik Kemasi rehabilitation center for tuberculosis patients has not been registered since 2005. At the same time, GONGOs such as the Chamber of Lawyers and fifteen youth public associations had no problems with registration. During 2008, regional departments of the Ministry of Justice registered from five to ten NGOs. Although there are lawyers who know the relevant legislation, have experience with NGOs, and are able to provide required legal assistance, NGO founders generally do not appeal denials of registration in court because of

the lack of judicial independence and the high cost of legal services.

Due to the absence of any financing, many NGOs violate the law by not creating a fund for the payment of required payroll taxes. Others prefer to conduct most of their operations without using the banking system.

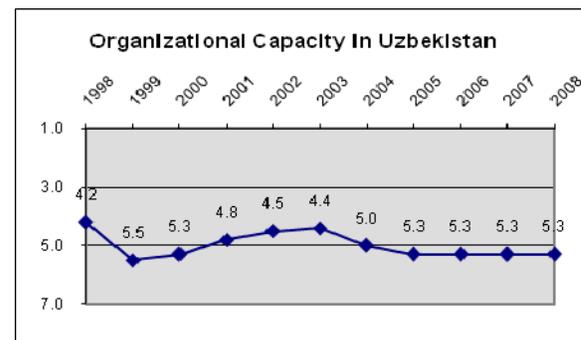
Commercial entities created by NGOs are exempted from the tax on profits if all income is used to support the NGO’s charter activities. It is practically impossible for NGOs to run affiliated companies, however, because of the difficult business environment in Uzbekistan. Commercial organizations that contribute funds to NGOs may deduct from taxes no more than 1 percent of their taxable profits, which does not stimulate philanthropy.

Grants are not subject to taxation, but only NGOs supported by the state can receive grants. NGO financial reporting is identical to that of commercial enterprises. Simplified taxation and reporting for NGOs has been discussed, but not yet adopted. Penalties are imposed on NGOs that do not provide reports. According to Article 239 of the Code on Administrative Violations, NGOs are fined about \$2,000 for delays in reporting, whereas commercial organizations are fined about \$120 for similar infringements.

### ORGANIZATIONAL CAPACITY: 5.3

The majority of independent NGOs that still operate in Uzbekistan are focused on very narrow, targeted missions and sectors. For example, the most active and well-organized NGOs are those that work with youth, promote sports, or address environmental problems.

Due to massive audits during 2005–2007, most NGOs that survived are trying to work in compliance with all rules and regulations in order to reduce opportunities for government harassment. Some NGOs have adjusted to the current environment by cooperating more intensively among themselves and with commercial organizations that provide some financial compensation for services rendered.



Generally, NGOs operate with outdated equipment purchased with grants received five to seven years ago. NGOs are able to access the Internet using relatively cheap Internet cards, but providers block the websites that are the most

useful for NGOs, even in facilities such as Internet cafes.

NGOs utilize the assistance of volunteers, although volunteers are not recognized legally.

## FINANCIAL VIABILITY: 6.1

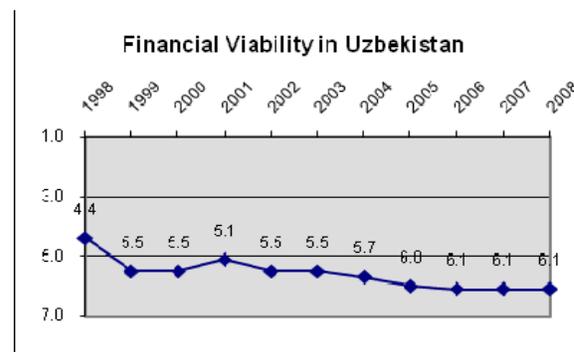
According to law it is impossible to obtain international grant assistance through banks without special approval of a “secret” commission at the Central Bank, which rejects 99 percent of all applications. The composition of the commission is unknown, and its decisions are not subject to appeal. This situation is forcing many NGOs that receive grants to shun transparency in their operations.

Currently, several international organizations provide assistance to NGOs in Uzbekistan, namely OSCE, UNDP, GTZ, and UNICEF. NGOs generally do not receive support from citizens or local organizations. In order to avoid problems with local authorities, international organizations do not illegally fund NGOs. The possibility of obtaining legitimate funding from donor organizations is available only to about ten large pro-government organizations.

Independent NGOs have been pushed aside in funding through the government’s new public fund. All government funding for NGOs has been shifted to the new fund, making the fate of the National Fund for NGO Support, which NANNOUZ operated in previous years, uncertain. In 2008, NANNOUZ did not obtain an allocation from the national budget due to the establishment of the public fund for support of NGOs.

Some NGOs make positive comments about the existing situation of civil society with a view to obtaining financial support from NANNOUZ, since all other legal channels of funding have been blocked. Now that government funding has been transferred to the Parliament, the future of NANNOUZ is not clear.

Taxation authorities require ongoing payroll calculations for all employees even when organizations have empty bank accounts. This leads to more closures of NGOs.



Generally, representatives from the remaining NGOs hope for improvement. Some are able to raise funds by charging fees for services or obtaining donations from businesses. NGOs are mainly supported by their managers at personal expense, although a few entrepreneurs contribute money either voluntarily or at the instruction of government institutions. For example, the government sometimes orders businesses to support NGO events on holidays such as Mustaqillik (Independence Day) or Navruz (Islamic New Year).

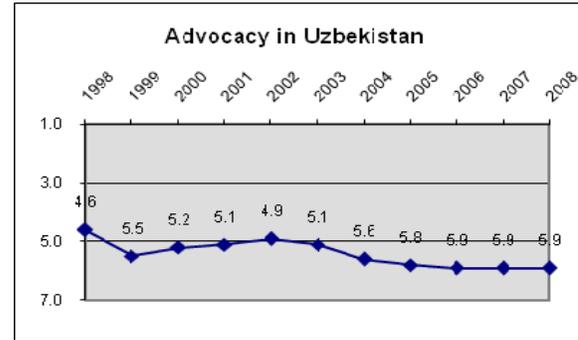
Legislation requires that charitable foundations conduct audits and publish annual financial statements. Unfortunately, the government never adopted implementing regulations for the registration of foundations, so all funds and foundations are registered as public associations, with no requirement to report to the public or to conduct audits. Other NGOs may conduct audits on their own initiative.

Currently, those independent NGOs that survive earn most of their income by providing services or by establishing commercial entities, although the latter is very rare. In some NGOs, members pay membership fees, but these funds are insufficient to finance NGO operations.

## ADVOCACY: 5.9

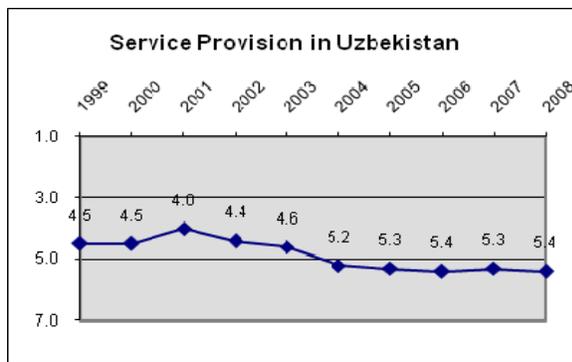
NGOs' representatives increasingly choose to cooperate with government agencies, since without them, implementing social projects is infeasible. Government officials attend GONGOs' conferences and roundtables, although they rarely speak or answer questions. GONGOs and the government have begun to invite some independent NGOs to participate in their events.

NANNOUZ and the Legal Problems Research Center, an independent NGO, engage in coalition formation to a certain extent. In 2008, these organizations conducted roundtables to discuss problems and developed a single position on lobbying for modifications to the normative acts on the tax status of nonprofit organizations. The government is willing to accept the assistance of some specialized, independent NGOs in developing draft legislation.



Although citizens by law have a right to participate in lawmaking, laws are published after they are already adopted and approved by the president. The public does not have access to information on the development of draft laws, making it impossible for civil society to comment on proposals unless specifically requested to do so by ministries or parliament. Only GONGOs are able to engage in lobbying, and only with special permission.

## SERVICE PROVISION: 5.4



The level of NGO service provision did not change in 2008. NGOs' operations are still affected by the developments of 2004–2005, when international organizations withdrew from Uzbekistan and left the few remaining NGOs without the means to provide services on a pro bono basis. The economic crisis has also affected the efforts of women's organizations, environmental organizations and associations of the disabled to continue providing services to their constituents. Independent NGOs mostly serve their constituencies in areas such as sports, the environment, combating human trafficking,

labor migration, and health. NGO services include vocational training and health care, such as assistance to HIV/AIDS patients.

NGOs have to finance themselves by establishing commercial entities and rendering services in areas such as education, health care, and professional skills training. Income gained through service provision enables NGOs to cover costs such as rent, salary payments, and pension fund payments. The market share of NGOs' services is low, however, because of the generally weak business environment in Uzbekistan.

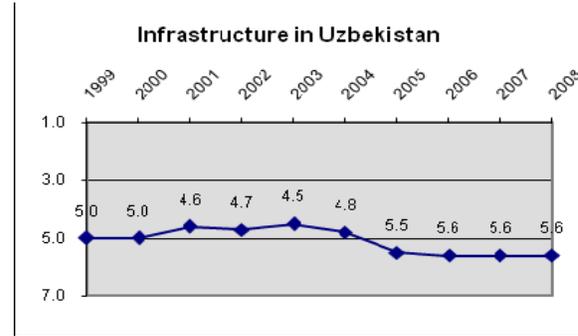
In 2007, NANNOUZ launched small grants totaling about \$200,000 to its individual members, which strengthened them somewhat but did not provide the majority of NGOs with needed resources. Many of these grants were used for service provision projects. With the creation of the new public fund, it is uncertain whether NANNOUZ will have resources for future grants.

## INFRASTRUCTURE: 5.6

The country does not have independent resource centers, as they were closed over the past few years. In 2007 and 2008, NANNOUZ established twelve resource centers in the regions. These centers try to provide support to local NGOs. The capabilities of these resource centers are minimal, however, since they require financial support themselves.

A USAID-supported network actively supports information exchange among more than 230 NGOs and regularly distributes informational and educational materials regarding NGO legal issues. Its website is growing in popularity. Information exchange networks among women's NGOs and environmental NGOs became less active because of financial problems and the decrease in the number of NGOs.

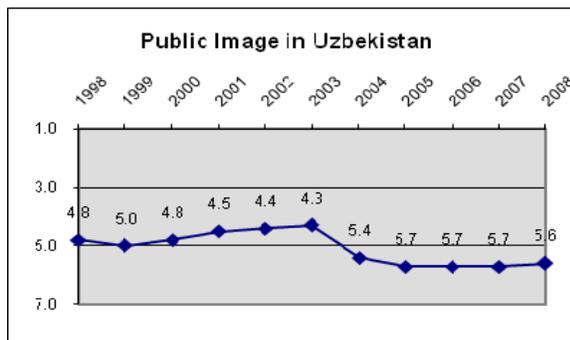
The NANNOUZ website is freely accessible, but the majority of information consists of reports about activities, without analysis. All other websites with information on NGOs operating in Uzbekistan, such as [www.uzNGO.info](http://www.uzNGO.info), are blocked for in-country users with the official explanation that they pose a threat to national information security.



An informal network on labor migration was developed this year, involving about ten NGOs. The network operates a website and phone hotline.

In some very rare cases, partnerships have been established between NGOs and government agencies. NANNOUZ and the Legal Problems Research Center are cooperating with the government to exchange information related to NGOs' operation and the regulatory and legal framework. Some other ministries have expressed their interest in cooperation with NGOs in the fields of countering human trafficking and corruption, although no information is available about the specific outputs of such cooperation so far.

## PUBLIC IMAGE: 5.6



The public image of NGOs has somewhat improved, but in general it remains unsatisfactory. The public is aware of NGOs' activity only to a limited extent, and does not understand NGOs or their capabilities in the field of civil society development.

Environmental NGOs that receive support from the government and international organizations are primarily responsible for NGOs' improved visibility.

The Republican Environmental Forum has active branches in every province. Radio and TV periodically cover the activities of NANNOUZ and some nonprofit organizations.

The media is generally not interested in NGOs, although media outlets are required to report on GONGO activities.

Judicial authorities seem to have lost interest in the campaign to close down NGOs, as the campaign may have completed its objectives.

Nevertheless, the government recognizes the contributions of those NGOs that provide them with tangible assistance on developing

legislation and implementing social programs. Pro-government NGOs remain the major beneficiaries of this positive perception.