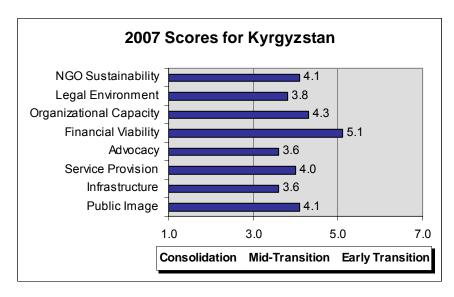
KYRGYZSTAN



Capital: Bishkek

Polity: Republic

Population: 5,356,869 (July 2008 est.)

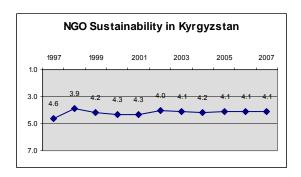
GDP per capita (PPP): \$2,000 (2007 est.)

NGO SUSTAINABILITY: 4.1

2007 was a year of continued political debates and public actions in Kyrgyzstan, providing NGOs with an opportunity to expand their sphere of influence, voice their concerns, and participate actively in the political process.

Constitutional reform continued to be a major issue during the year. Two different constitutions were adopted in November and December 2006, both of which were ruled illegal by the Constitutional Court in September 2007. While more centrist organizations participated in the Prime Minister's working group to develop a new draft of the Constitution, many other NGO leaders actively supported the competing drafting efforts of political parties or opposition groups. While citizens waited for the Prime Minister's new draft Constitution, three opposition MPs and the President announced their own drafts of both the Constitution and Election Code. After a short period of "discussion," these two documents were adopted through a referendum.

NGOs representing all sectors of activity played an active role throughout this process. NGOs organized public awareness campaigns, facilitated and participated in discussions of the proposed Constitution and Election Code, and submitted comments and recommendations on the documents. Several noteworthy political parties sought the support of NGOs during the elections and many prominent civic activists were included on party lists. Several NGO representatives were elected into the new parliament, including many women. NGOs also monitored the referendum and Parliamentary elections.



Such civic activism was not welcomed by the government, which initiated several measures to control NGOs and limit their influence on public opinion. In December 2007, the Bishkek City Council adopted a decree limiting the right to assemble. The new draft Tax Code practically equalizes taxation of for-profit and nonprofit organizations, limits income tax privileges for nonprofits, and imposes financial limitations for

NGOs "pursuing political objectives." Finally, the new Election Code does not allow public associations to nominate candidates for Precinct Election Commissions, reserving this right for political parties and work collectives. The NGO sector overcame most of this governmental pressure through advocacy efforts and by raising public awareness on legal issues.

At the same time, NGOs built new and constructive relationships with each other, as well as the public and private sectors. Five NGOs organized the first National NGO Forum in Kyrgyzstan in July 2007, in an attempt to unify the NGO sector from within and plan its role in developing civil society. A total of 141 NGOs participated in the Forum, where they discussed the sector's problems and needs and developed a platform and action plan. The platform was then presented to the government and donor community.

Hundreds of NGOs continued to attract donor resources, local co-funding, and volunteers to

implement various projects aimed at improving social well-being, including activities aimed at women, children, the elderly and other marginalized groups, the environment and public infrastructure. NGOs successfully collaborated with local stakeholders, including local governments, businesses, and citizens while implementing these activities. Although these projects are positively accepted in local communities, they are not widely promoted by the NGOs implementing them. As a result, the general public does not recognize the impact of this work.

The most recent data obtained from the Ministry of Justice indicated that there were approximately 8,000 registered public associations, public foundations and associations of legal entities in Kyrgyzstan as of April 2006. Research conducted by the Association of Civil Society Support Centers (ACSSC) and its partners in mid-2006 found that only approximately 500 of these 8,000 registered organizations were active.

LEGAL ENVIRONMENT: 3.8



There were no changes to the legislation governing NGOs in 2007. The legal framework remains fairly favorable, especially in comparison to the other countries of Central Asia. NGOs can create associations and coalitions, establish public-private partnerships, liaise with international organizations and agencies, and engage in income generating activities.

Nevertheless, efforts to control NGO activities that had previously been limited to the Ministry of Justice and Office of the Ombudsman

extended to other government institutions and became more systematic. The Bishkek City Council adopted a decree limiting the right to assemble in December 2007, after which several participants in actions organized by the *I Don't Believe* movement were arrested. A similar decree was adopted in Karakol, the administrative center of the Issyk Kul region, and other cities began to develop similar

decrees in 2008. While the decrees were passed by local self-governments, the state is providing "unofficial" support to these efforts, and the courts and Public Prosecutor rejected appeals submitted by human rights defenders appealing their sentences. While these are signs that government control of the sector is becoming more systematized, the trend has not yet been formalized at the legislative level.

At the same time, many NGOs violate existing laws and rules – either intentionally or because of poor knowledge – when planning their activities, especially protests and

demonstrations. This leads to conflicts with the government, as happened with the *I Don't Believe* movement.

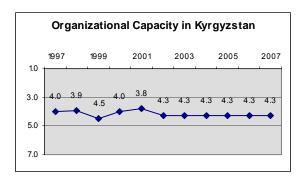
While NGOs are legally allowed to participate in the design and implementation of state projects and programs, no concrete mechanisms and procedures are in place to support this activity.

ORGANIZATIONAL CAPACITY: 4.3

Many weaknesses in NGO capacity remain from previous years, including poor organizational structure, ineffective management, and absence of mission statements and strategic planning. These factors, combined with substantial dependence on donor support and a lack of permanent professional staff, have led to structural changes in the sector: weak organizations have been closed, and new ones established.

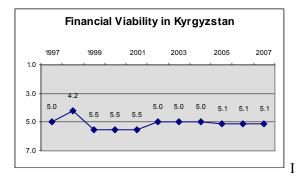
More developed NGOs have strengthened and consolidated efforts to network and create partnerships, allowing NGOs to join their skills, knowledge, and resources in order to be more successful in public awareness campaigns, advocacy, and election monitoring. As networks consist of NGOs with different levels of capacity, they offer less-developed organizations a chance to grow and receive advice and coaching from their more experienced counterparts. For example, ACSSC created networks during the process of reforming the Constitution and Election Code which provided marginalized and regional organizations with the

opportunity to discuss these important documents openly and submit their recommendations to the working groups. Improvements in networking and partnerships have not necessarily improved NGOs' public relations or social mobilization.



NGOs improved their analytical capacities during the year, which has increased their ability to influence the decision making process. NGOs are utilizing high-quality surveys and other research to offer well-founded alternative solutions and recommendations rather than unconstructive criticism to decision makers.

FINANCIAL VIABILITY: 5.1



n response to the overall decline in donor support for the sector, NGOs have started searching actively for other financial resources and are focusing on developing projects that are not solely dependent on donor funding. Organizations are paying more attention to developing memberships, local philanthropy, and fee-for-service activities, including the lease of office space and equipment and providing paid training and capacity building. Many NGOs also have improved their fundraising capacities. Simultaneously, NGOs are cultivating intangible assets such as volunteers and partnerships. Many service-providing NGOs are developing their marketing, pricing and service delivery skills and becoming more business-like in their operations. As a result of these efforts, many NGOs no longer exist completely hand-to-mouth, although they continue to cope with some periods of limited funding.

The state currently does not have legislation or a mechanism in place to support NGOs

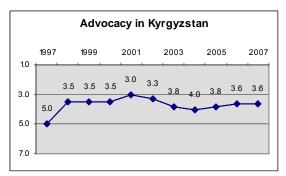
financially, although a social contracting law is being considered. Legislation regarding philanthropy is not very favorable either; therefore, few businesses currently donate money or support NGO projects.

In general, NGOs' financial management skills remain weak. While many NGOs can adequately

account and report to donors and tax authorities, there is a need to improve operational and strategic financial management, both in terms of attracting and using resources. Many organizations are still unaware of the importance of diversifying their resources, establishing indirect cost rates, and developing unrestricted funds within the organization.

ADVOCACY: 3.6

NGOs form coalitions to increase the effectiveness of their advocacy activities, although to be truly effective they must pay more attention to their strategies and methods for influencing public opinion. In addition to local partnerships, NGOs are strengthening their relationships with the international community to make their voice more meaningful.



As mentioned above, NGOs played an active role in the political processes taking place during the year. Many NGOs represented their constituencies in roundtables and public hearings focused on the reform process, as well as other issues, such as budget transparency, education and health. Other NGOs organized countrywide informational campaigns to inform citizens about the changes proposed in the new versions of the Constitution and Election Code and prepare them for voting. Many organizations

also monitored the referendum and Parliamentary elections.

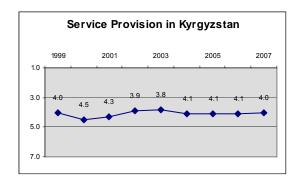
NGOs have also achieved significant results in advocating on other important topics. Efforts to promote public television that began in 2005 were finally concluded in April 2007 with the adoption of the law *On National TV/Radio Broadcasting Corporation*. With this law, an Advisory Board will be established, with civil society members comprising one-third of its members. Poor implementation of the Access to Information law led to several civil suits that received wide coverage by the mass media. As a result, government entities are now more disciplined in responding to such requests.

At the same time, there is still a complicated context for advocacy in the country. Less experienced NGOs do not pay sufficient attention to the approaches they employ in advocating for their causes, which reduces the effectiveness of advocacy campaigns. For example, many local NGOs participate in budget hearings where they express comments and recommendations, but few directly lobby members of the village council. Similarly, while many NGOs working in the social, health and education spheres liaise and partner with policy implementers, they rarely target policy makers directly.

SERVICE PROVISION: 4.0

NGOs remain largely dependent on donors in order to provide services, but are increasingly capable of offering valuable services without constant outside management. NGOs have little opportunity to expand their clientele as a result of decreasing donor support and an undeveloped local culture of philanthropy. Instead, NGOs are focusing on assessing existing clients' needs and

introducing feedback and quality control mechanisms. For example, intermediary support organizations are modifying their training and consultation modules to make them more focused on client needs. At the same time, they are reducing costs by decreasing or even eliminating overhead expenses by arranging direct contracts between clients and consultants.



Many NGOs have become more professional in research and analytical services through partnership and contracting with business, government and international agencies. Many

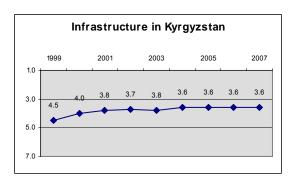
NGOs use their technical infrastructure to provide services on a paid basis, including Internet access and lease of equipment and office space.

The government invited NGOs to participate in the development of social contracting legislation, which passed the first reading and soon will be considered by Parliament. Additionally, NGOs are working with the government to design and implement a monitoring and evaluation system for the Country Development Strategy. Such examples of collaboration demonstrate the growing state recognition of NGOs' expertise.

INFRASTRUCTURE: 3.6

Programs implemented by international organizations in the past have had a tremendous impact on the development of resource and support centers and networks. Local nonprofits and other NGOs have access to various resources and facilities provided by ten Civil Society Support Centers, six Mass Media Resource Centers and many NDI Informational Centers located in regional and district centers. Despite decreased foreign support, these centers continue to provide a wide range of valuable services to their constituencies, including access to information, communication services, consultations, trainings and meetings. While most of these centers have remained open and provide similar services as before, many have started to charge for services that were previously free in order to compensate partially for the decline in foreign funding. It is often difficult for new or less developed NGOs to pay for services. While it has been a difficult time for many of these centers, the fact that they remain open and working after a drastic

decline in donor funding is a good sign that they will be sustainable in the future.

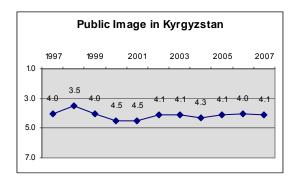


Responding to decreased financial resources, NGOs are increasingly replacing traditional printed materials and phone calls with ICT tools. Websites promote and inform NGOs' constituencies about activities, while forums and electronic mailing lists provide an opportunity to share and discuss information. Many organizations develop and widely disseminate electronic bulletins not only to regional centers, but also to rural areas with Internet access.

PUBLIC IMAGE: 4.1

NGOs that were aligned with political actions or parties during the year greatly influenced public opinion of the sector. In some cases, this involvement tarnished the image of the sector and lowered the level of trust in NGOs.

The National NGO Forum and other actions and events organized by leading organizations tried to increase public awareness and approval of the sector. However, the lack of independent media and media's general lack of interest in NGO activities prevented this from happening. Most



national coverage features GONGOs or focuses on civic activists and their views, rather than NGOs and their activities. The publications that do cover NGOs simply report on NGO activities without emphasizing the public benefit or long-term impact of this work, and therefore do little to increase public approval of NGOs. However, regional NGOs have begun to receive more media coverage. In general, rural development

NGOs working in the regions tend to have a more favorable public image and receive more support from local governments because they are not involved in politics and rural citizens see direct benefit from their work.

NGOs still lack knowledge and skills in public relations, including how to establish and maintain good relationships with mass media. The websites, weblogs and electronic newsletters that NGOs employ mainly cater to people employed in the sector, and are not widely accessed by constituencies due to lack of Internet access or technical knowledge. The use of electronic communications technologies is also ineffective because of the culture of communication in the country; people are more accustomed to using newspapers and meetings to exchange information and opinions than modern technologies.