



The Ministry of Labour  
of the Republic of Uzbekistan



*Uzbekistan*

# **THE STATUS AND PROSPECTS OF GOVERNMENT SUPPORT TO NGOS THAT PROVIDE SOCIAL SERVICES**



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Provision of social services to population, especially to those found to be in complicated life circumstances, as well as lacking support, is an important part of targeted social security policy implemented in Uzbekistan.

Non-governmental non-commercial organizations (NGOs), along with government organizations, play active and continuously increasing role in provision of social services by delivering a number of material, social, advisory, legal, psychological and other services to poor families, individuals with disabilities, orphaned children, lonely, elderly, requiring external assistance and other vulnerable population groups.

The main goal of this analytical report is to identify the relevance of social services provided by NGOs, identification of key tasks and risks in this area, development of proposals and recommendations to further increase utilization of NGOs' capacity.

The report prepared under the joint project of the Ministry of Labour and UNDP "Social partnership to ensure employment" includes:

- review of advantages of NGOs that provide social services;
- identification of risks related to provision of social services through NGOs and potential for their mitigation;
- analysis of problems related to provision of social services by NGOs and proposed ways of their solution.
- justification of feasibility to further support NGOs that provide social services.

Report findings can be used to address issues related to improvement of provision of social services.

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# ANNOTATION



Provision of social services to population, especially to those found to be in complicated life circumstances, as well as lacking support, is an important part of targeted social security policy implemented in Uzbekistan.

Non-governmental non-commercial organizations (NGOs), along with government organizations, play active and continuously increasing role in provision of social services by delivering a number of material, social, advisory, legal, psychological and other services to poor families, individuals with disabilities, orphaned children, lonely, elderly, requiring external assistance and other vulnerable population groups.

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# INTRODUCTION

The Concept of further deepening the democratic reforms and establishing the civil society in Uzbekistan stipulates that non-governmental non-commercial organizations (NGOs) start playing increasingly active role in performing socially-significant tasks in the sphere of employment, social protection of population, health care, environment protection, as well as in many other spheres<sup>1</sup>.

Being well aware of situation in the field, they identify those social problems that may remain implicit and then get involved in their resolution. Today, a number of social services in demand are provided by NGOs only. Some services that were originally provided by NGOs are currently introduced into the government system.

NGOs proved their capacity to perform social work with disadvantaged families, children with severe disabilities, medical, occupational and professional rehabilitation of people that require social protection. Thus, collaboration between governmental and non-governmental organizations in social sector is vital, including identification of problems, whose solution requires support from NGOs, as well as state social contracting to finance those NGOs that provide such support.

In this regard, it is required to further strengthen support of socially oriented NGOs to ensure complete utilization of their potential by government. The survey conducted among NGOs indicated that only 12% of NGOs that provide social services operate in their full capacity, while on average less than half of their capacity is utilized<sup>2</sup>.

This analytical report justifies the necessity to further support NGOs that provide social services, reviews advantages of socially oriented NGOs in this sphere, identifies risks related to provision of social services through NGOs and potential for mitigation of such risks, as well as analyses the problems related to provision of social services to population by NGOs and proposes ways of their solution.

The goal of this report is to identify the relevance of social services provided by national NGOs, identification of key tasks and risks in this area, as well as development of proposals and recommendations to further increase utilization of NGOs' capacity.

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<sup>1</sup> Karimov I.A. The Concept of further deepening the democratic reforms and establishing the civil society in the country. Report during joint session of the Legislative Chamber and the Senate of the Oliy Majlis of the Republic of Uzbekistan 12 November 2010.

<sup>2</sup> Data of the research "Capacity of non-governmental non-commercial providers of social services in Uzbekistan", which incorporates results of the survey conducted by Public fund for support of institutions of civil society and Independent Institute for Monitoring of the Formation of Civil Society (IIMFCS) among 200 socially oriented NGOs in five regions of Uzbekistan in 2013.

## The report was prepared based on analysis of:

- 1) local norms and regulations that govern the sector responsible for provision of social services and operation of institutions of civil society;
- 2) statistical materials related to this issue and findings from interviews with managers of NGOs-social services;
- 3) foreign and local analytical reports, researches, reports from governmental, non-governmental and international organizations;
- 4) findings of survey related to the role of NGOs in provision of social services that was conducted by the Ministry of Labour, Independent Institute for Monitoring of the Formation of Civil Society (IIMFCS) and UNDP in 2012, which involved 454 NGOs from Uzbekistan.
- 5) data of the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, which incorporates results of the survey conducted by Public fund for support of institutions of civil society and IIMFCS among 200 socially oriented NGOs in five regions of Uzbekistan.
- 6) practical experience of social services that were created on the basis of NGOs<sup>3</sup> (social rehabilitation services for victims of human trafficking NGO “Istiqbolli avlod” in Tashkent city, home care services for lonely, elderly individuals and individuals with disabilities NGOs “Mercy and Health Fund” in Karshi city, social rehabilitation services for women who are victims of family conflicts NGO “Oydin Nur” in Bukhara city, employment services for individuals with disabilities the Disabled Society of Pstdargom district of Samarkand region, social rehabilitation services for women found in complicated life circumstances NGO “Rakhmdillik” in Samarkand city).

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<sup>3</sup> Activity of these services was supported under joint grants competition “Involvement of NGOs to the process of providing social services to vulnerable families” conducted in 2012 by Public Fund under Oliy Majlis, the Republican Fund “Makhalla”, the project of the Ministry of Labour and UNDP “Social partnership to ensure employment”.

# SECTION 1

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## RELEVANCE OF ACTIVITY OF NGOS WITH REGARD TO PROVISION OF SOCIAL SERVICES

### 1.1. THE NECESSITY TO INVOLVE NON-GOVERNMENTAL NON-COMMERCIAL ORGANIZATIONS TO THE PROCESS OF PROVIDING SOCIAL SERVICES

There are two approaches to define the concept of “social services”. In broad meaning, social services are considered as services aiming to ensure adequate living standards of citizens regardless of their socio-economic conditions and status of socially vulnerable individual. For example, such services include pre-school education, health care and other. Usually, they are known as basic social services.

Narrowly, “social services” are understood as services provided to a socially vulnerable individual<sup>4</sup> or a person found in complicated life circumstances (disability, orphanhood, inability to self-maintenance and autonomy due to elderly age or disease, homelessness, long-term unemployment, lack of definite living place, etc). Examples of such social services are home care services for lonely and elderly individuals, social and professional rehabilitation of individuals with disabilities, crisis centers for victims of violence, day-care centers for homeless individuals, etc. This report addresses social services exactly in this narrow meaning.

Traditionally, social sector and social services as part of the sector are under domain of government activity. In Uzbekistan the state is a guarantor and the main party to provide social support to population.

In accordance with the legislation, in Uzbekistan the state is responsible to implement social protection of population. Principles of strong social policy and social protection of population in the context of reforms are among the fundamentals of the Uzbek model of development. Thus, Stephen Kidd emphasizes that social protection system is one the most significant items among public expenditures – it accounts for about 12% of GDP annually<sup>5</sup>.

Along with social benefits and allowances, social services for individuals that require additional social protection and support due to complicated life circumstances (disability, orphanhood, low income, elderly

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<sup>4</sup> The Law of the Republic of Uzbekistan “On guarantee of the rights of the child” stipulates the following definition: “socially vulnerable children are children that are found to be in complicated life situation perforce of certain circumstances and that need special protection and support from government and society”. In this regard, this report further uses the concept of “socially vulnerable individuals or individuals found in complicated life circumstances” by analogy with definition provided with regard to children in this respect.

<sup>5</sup> Stephen Kidd, An Overview of Uzbekistan’s National Social Protection System, UNDP, 2013.



loneliness, etc) form an important component of state social protection system. Examples of such government organizations that provide social services can be Republican Rehabilitation Center for Assistance to Victims of Human Trafficking, rehabilitation and prosthetic service centers, centers for social and legal assistance to minors under internal affairs agencies, and other.

Meanwhile, within the framework of the Law of the Republic of Uzbekistan “On social partnership”, NGOs increasingly collaborate with government authorities and participate in provision of social services, especially in spheres, which require joint efforts of governmental and non-governmental organizations to resolve social tasks.

## FIRSTLY, NGOS PARTICIPATE IN PROVISION OF SERVICES RELATED TO SOCIAL WORK WITH DISADVANTAGED FAMILIES – ABOUT 5 THOUSAND OF SUCH FAMILIES RECEIVE A SET OF SOCIAL SERVICES, INCLUDING SUPPORT FROM SOCIAL WORKERS OF NGOS.

About 200,000 families in the country receive low-income benefits<sup>6</sup>, 17,000 families have members that are registered with drug rehabilitation clinics<sup>7</sup>, about half of families indicate presence of violence in any form in their families<sup>8</sup>. In 2007, 2990 parents were registered as negatively affecting education of their children, in 2008 - 2629<sup>9</sup>. In 2009 more than 12,000 children were directed to centers for social and legal assistance to minors<sup>10</sup>.

In order to overcome difficulties and to return to normal living, as well as to prevent institutionalization, disadvantaged families need comprehensive social, psychological, pedagogical and legal assistance.

Government social support to families found in complicated life circumstances lies in the jurisdiction of: **a)** self-government bodies (makhallas); **b)** health care authorities; **c)** labour authorities; **d)** pension fund authorities; **e)** commission on juvenile delinquency and guardianship and custody authorities under khokimiyats, etc. In order to provide necessary professional support and social work with disadvantaged families it is required to perform further work to increase their human capacity, to define and to provide legal framework with regard to professional requirements (corresponding education, work experience) in relation to specialists that directly work with families, advisors of local citizens' self-government bodies, labour inspectors, socio-medical assistance specialists. Besides, it is advisable to decrease workload per one employee. Employees of commissions on juvenile delinquency and guardianship and custody authorities work with a family only in case of identifying within such family children with risk of committing offense, orphaned children, or the need to restrict/deprive parents of parental rights. However, even in such case, just one juvenile officer and one guardianship and custody officer are responsible for one district, which includes 40 makhallas on average.

Implementation of such measures will ensure intervention of such authorities before a family gets into crisis, i.e. support to family at such time when crisis can still be prevented.

Besides, improvement in provision of social work services shall decrease and prevent transfer of children to children's homes and orphanages for education. About 2.5 thousand children are educated at such institutions. Only 12% of children in “Mekhribonlik” homes and about 6% in children's homes are orphans.

<sup>6</sup> According to the data from the second periodic report of the Republic of Uzbekistan to the Committee on Economic, Social and Cultural Rights, 2010.

<sup>7</sup> According to the data from the National Center on Drug Control under the Cabinet of Ministers of the Republic of Uzbekistan.

<sup>8</sup> According to the research conducted by UN Fund for Population Activities and the Institute for Social Research under the Cabinet of Ministers in 2010.

<sup>9</sup> According to the data from the third and fourth national reports of the Republic of Uzbekistan to the Committee on the Rights of the Child, 2010.

<sup>10</sup> According to the data from the second periodic report of the Republic of Uzbekistan to the Committee on Economic, Social and Cultural Rights, 2010.

Moreover, low income of parents is the reason to send 32% of children to “Mekhribonlik” homes and 17% of children – to children’s homes<sup>11</sup>. Allowance per one child in “Mekhribonlik” children’s home equals to 8 mln. Uzbek Soums annually, while in a children’s home – 14 mln. Uzbek Soums annually<sup>12</sup>; therefore, the state bears considerable costs in this respect. Besides, international and local researches proved the fact that living in a children’s home causes deviations in child development, while family is the best environment for a child.

Improvement of social work services shall also considerably reduce risks of family violence<sup>13</sup>. In this regard, collaboration of governmental and non-governmental organizations is critical to provide specific services to women in complicated life circumstances that would combine provision of temporary accommodation, psychotherapeutic and social services, such as employment, preparation of documents and other.

The UN Committee on Economic, Social and Cultural Rights recognizes significant achievements of Uzbekistan in social protection sector during the years of independence and recommends to enhance measures to prevent and counteract family violence, including protection of its victims through legal assistance, social, medical, legal consulting and provision of temporary accommodation or shelter<sup>14</sup>.

International experience indicates that activities related to social support of families shall be performed by specialists that possess specific knowledge, skills and abilities and that acquired a degree of bachelor or master of social work. Training of social workers with higher education degrees in Uzbekistan started in 2007; currently three higher education institutions implement it (National University, Samarkand State University and Fergana State University). In future, it is advisable to increase the number of positions of social workers with higher education degrees. Currently, such positions are available in certain organizations and institutions – in “Mekhribonlik” homes, children’s homes, children’s villages, Republican Rehabilitation Center for Assistance to Victims of Human Trafficking. Increasing number of workers with higher education in social work is a factor of strengthening social support to disadvantaged families.

Accordingly, it is advisable to revise qualification requirements to employees of government agencies that are responsible for psychosocial support of families and setting up measures for their social protection. Implementation of qualification requirements for such specialists to possess professional education in social work would allow, on one hand, to ensure quality of delivered social services, and on the other hand - to employ graduates-bachelors of social work.

Social services on the basis of NGOs assist government in ensuring support to families; they already perform social work with families found in complicated life circumstances. Total number of families found in complicated life circumstances, which are supported by NGOs-social services, amounts to more than 5 thousand<sup>15</sup>.

One of the positive results is that, due to performed social work by 12 such NGOs, about 50 families that previously initiated transfer of their children to children’s homes finally changed their mind, and situation in such families improved.

Apart from social importance, this work also results in economic benefits. Allowance for children living in children’s homes equals to 8 mln. Uzbek Soums annually. This means that abovementioned 12 NGOs

<sup>11</sup> According to the data from Ministry of Public Education and Ministry of Health for 2012.

<sup>12</sup> According to the presentation of Center for fiscal policy services (Moscow) at international forum “Social Partnership in the Name of the Child: Domestic and Foreign Experience” organized on 25-26 November 2014 in Tashkent.

<sup>13</sup> There is no statistics in the country in this respect, but only within the framework of research in two fields in 2013 more than 50 women were revealed that were left homeless following family conflicts and that sought help from NGOs. About 50 children accompanied such women.

<sup>14</sup> As part of comments of Committee on Economic, Social and Cultural Rights to the second periodic report of the Republic of Uzbekistan, 2014.

<sup>15</sup> Within the framework of this research, twelve NGOs-social services were revealed, including Association of support of children and families, SOS – children’s villages and other, that provide assistance to 5,000 families annually.

helped the government to save at least 400 mln. Uzbek Soums that otherwise would have been paid by government annually. Moreover, it should be noted that children live in children's homes for more than one year. Accordingly, unless the NGOs prevented transfer of children to children's homes, government expenditures for such children would amount to 800 mln. Uzbek Soums for 2 years, plus 400 mln. Uzbek Soums for additional newly arrived 50 children, 1,200 mln. Uzbek Soums in total.

## SECONDLY, NGOS ARE INVOLVED INTO PROVISION OF SERVICES TO SUPPORT FAMILIES HAVING CHILDREN WITH DISABILITIES – MORE THAN 450 NGOS DELIVER SUCH TYPE OF SOCIAL SERVICES.

More than 9,000 children with expressed mental disorders live in Uzbekistan, including 5,000 children with severe mental retardation, and 8,000 children with motor disturbances. In this regard, it is required to develop day-care centers and home care services for such children. Children that need external care, with expressed mental disorders, mental retardation and severe motor disturbances are not able to visit special kindergartens for children with psychophysical disorders.

Besides, additional work is required to provide services of psychological and legal assistance to families that upbringing children with disabilities, consulting services to parents with regard to care and education, growth of children with special needs, starting from early age. For example, it is required to develop services to educate parents with regard to such issues as communication with a deaf child or a child with mental disorders starting from early age, transfer of self-maintenance skills to children with motor disturbances, training blind children to walk, etc. In case of proper organization of education and development of such children from early age, the consequences of children's diseases are mitigated or their future disability is prevented<sup>17</sup>.

Unless such services are developed, parents that do not have anyone with whom to leave a child to continue own education or work, as well as parents that are not able to handle specifics of educating a special child, will have to transfer such children to a special children's home for education.

Researches conducted in various countries of the world indicate that transfer of even a healthy child to a children's home for education in early age results in retardation and disorders in his psychological and physical development, while in case of transferring a child with disabilities, such disabilities are significantly worsened.

In 2007 more than 250 children with disabilities were educated in children's homes, of them only 8 do not have both parents. The number of children with disabilities educated in specialized children's homes "Muruvvat" is more than 1,280, of them only 5.4% do not have parents<sup>18</sup>.

At the same time, activities to support families having a child with disability is successfully performed by NGOs. Children with disabilities and their parents – is a target group for more than 450 NGOs providing social services<sup>19</sup>. Within the framework of research, 15 NGOs-social services were identified; their primary activity is delivery of a set of services (psychological, legal, pedagogical, social and living) and social support to families

<sup>17</sup> Establishing an early intervention service in Uzbekistan. Chicherina Ya.E., Nurkeldieva D.A. et al. T: Republican Center for Social Adaptation of Children, "Tafakkur Bo'stoni", 2012, p. 135, the Center web-site <http://www.rcsad.uz/ru/events/news-350.php>.

<sup>18</sup> Chicherina Ya.E. Promoting the Rights of Persons with Disabilities in the Republic of Uzbekistan: Problems and Solutions/Uzbekiston Respublikasi Bosh prokuraturasining Oliy Ukuv kurslari Akhborotnomasi (Bulletin of Higher Education courses of the General Prosecutor's Office of the Republic of Uzbekistan), 2010, №2.

<sup>19</sup> According to the data of survey conducted by IIMFCS, the Ministry of Labour, UNDP in 2012 within the framework of interactive mapping of social services.

having children with disabilities. One of the performance results of these 15 social services is prevention annually of transferring to institutional establishments more than 30 children with expressed neuropsychic disorders, whose parents decided to transfer them to children's homes "Muruvvat" and other children's homes. Total number of children remaining in families due to support from NGOs is unknown, because abovementioned data relate only to parents that applied to 15 NGOs-social services and openly expressed their intent to leave a child, while majority of parents found in critical situation still do not express such intents. Apart from social importance of such NGOs' performance, they annually save to the government 180 mln. Uzbek Soums that would have been expended on living of 30 children in children's homes "Muruvvat". Moreover, children live in children's homes for more than one year. In this regard, unless the NGOs prevented transfer of children to children's homes "Muruvvat", government expenditures for such children would amount to 360 mln. Uzbek Soums for 2 years, plus 180 mln. Uzbek Soums for additional newly arrived 30 children.

### THIRDLY, NGOS PROVIDE SOCIAL SERVICES TO INDIVIDUALS WITHOUT DEFINITE LIVING PLACE.

Socially oriented NGOs and NGOs-social services perform social support to such people aiming to find a living place and to solve other social problems (restoring documents, employment, etc.). For example, such people are supported by NGO "Qalb Nuri", NGO "Qalb Mekhri", branch of International non-governmental charitable fund "Soglom Avlod Uchun" in Samarkand region, Bukhara regional branch of Mercy and Health Fund, Red Crescent Society, Tashkent city branch of Association on reproductive health of Uzbekistan, and others.

Moreover, local authorities (khokimiyats) also assist families and individuals left without definite living place. In particular, such families can be accommodated by khokimiyats for temporary (long-term) living in dormitories being on their balance sheet. This is essential support, because for majority of people housing is the most expensive "essential" good for normal livelihoods. However, along with the above, it is also required to introduce a system of social work and social support to such families, which shall provide for comprehensive assessment of their life circumstances and delivery of social services on their basis in order to help families improve their complicated life circumstances and to relocate from dormitories. Such dormitories, essentially, shall become centers for temporary accommodation staffed with social workers that possess higher education and that are able to perform comprehensive assessments of life situation with involvement of relevant agencies, as well as to develop, implement and monitor individual programs to return families back to normal and independent life.

In August 2016, the Ministry of Labour together with NGOs, international organizations and other government agencies organized a pilot initiative to deliver social services to families living in the dormitory №27 in Termez city in Surkhandarya region. Within the framework of this initiative, a comprehensive assessment was performed with regard to life circumstances of every living there family, which resolution would allow many families to relocate to a permanent, more suitable living place. Individual plans for provision of social services (Box 1) were developed and implemented to solve such problems. Lessons learned from this initiative can be effectively used in other regions of the Republic as well.

## BOX 1

### Social partnership in sector of social services provision to individuals left without definite living place.

Under the initiative of the Ministry of Labour, the activities were undertaken in Termez city in Surkhandarya region to provide assistance in addressing complicated life circumstances to families living in the dormitory located at the address Str. Porloq Yul, 27. Aiming at this, a working group as established with participation of responsible persons from Central Apparatus of Ministry of Labour, Ministry of Health, khokimiyats of Surkhandarya region and Termez city, as well as territorial agencies on labour, health care, public education, higher and secondary specialized education, justice, finance and pension fund. Besides, the working group includes representatives from UNDP and UNICEF, non-governmental organizations and citizens' self-government body (makhalla "Amu-Sokhili"). Thus, working group included representatives from all agencies that provide social services and social support. This ensured comprehensive approach to assess life circumstances of families, i.e. comprehensive examination of families' situations from all perspectives altogether, from position of providers of social services and social support and comprehensive resolution of identified problems. For example, to ensure improvement of complicated life circumstances of an unemployed single mother with secondary education and a pre-school child, it was required to provide examination by and operation of several agencies:

- citizens' self-government body to allocate low-income benefits,
- public education agency to assist in placement of a child to a kindergarten,
- labour agency to organize professional training and subsequent employment with decent wages,
- khokimiyat to consider the opportunity to allocate a land lot to construct own house, etc.

Specifically such comprehensive approach ensures return of a family to normal and independent life, while delivery of a single service will not allow to get the family out of complicated life circumstances.

The working group has developed special forms, which were used to perform comprehensive assessments of life situations of families and to develop individual programs for provision of social services. It was identified that 73 families/households or 199 persons live in the dormitory, of the latter 6 are single and lonely living elderly individuals and individuals with disabilities, 11 individuals educated in children's homes, 26 individuals that need employment, 25 single mothers, 11 individuals with disabilities, 74 children aged below 18.

Implementation of the individual programs was initiated immediately after their development. Already after a month of program implementation:

- 14 children were placed to kindergartens,
- 21 children were equipped with free school uniform and academic utensil sets,
- 7 unemployed were employed, professional training was organized for 3 individuals, 2 individuals were involved into entrepreneurial activities with assistance of concessional lending,
- 1 lonely elderly individual that required external assistance was placed following his request to the "Sakhovat" home,
- medical inspection of all living individuals was performed, more than 50 individuals received medical consultations and specialized medical aid,
- 34 families were provided with legal consulting from a lawyer of the khokimiyat of Termez city and officers from department of justice of Surkhandarya region,
- sponsor funds were used to provide to 26 families required medicals, as well as wheelchair and baby-jumper were provided to a girl with disability.

Complete implementation of individual programs shall ensure that majority of currently living individuals will be able to relocate from the dormitory in the nearest 1-2 years, as well as to improve living conditions.

Besides, the work was started to improve household, utility and manufacturing infrastructure of the dormitory and its adjacent territory, which provides for repairing of rooms, equipping kitchens, constructing of shower rooms and sauna. Besides, construction of shops, workshops and hot frames is also planned to provide work and income to many people living in the dormitory.

Lessons learned from this initiative can be effectively used in other regions of the Republic as well.

## FOURTHLY, SOCIALLY ORIENTED NGOS AND NGOS-SOCIAL SERVICES WERE PROACTIVE IN PROVISION OF PREVENTIVE SOCIAL SERVICES AT PLACE OF RESIDENCE.

Delivery of social rehabilitation services directly at place of residence is one the most important requirements for provision of social services. That is why it is required to strengthen the work related to re-directing services from regional or republican level to local level, from institutions - to social services at the actual place of residence of recipients.

“Sakhovat” and “Muruvvat” homes, rehabilitation centers for individuals with disabilities and for victims of human trafficking, special schools-boarding houses for children with deviations in development and for minors found in socially dangerous circumstances, juvenile offenders, specialized professional colleges for youth with disabilities, which are major institutions that provide specialized services for vulnerable groups of population, operate only at regional or at republican level.

### BOX 2

#### Institutionalization or at home?

World practice indicates that delivery of social services through boarding houses and similar institutions is less effective comparing to services delivered at place of residence based on NGOs, communities or households (community-based services, community based rehabilitation) due to large financial expenditures, as well as low socio-rehabilitation effectiveness.

Benefits of community-based services (community-based services or community-based rehabilitation) include effective use of resources (including resources of makhalla, as well as available there educational, medical institutions, various government agencies, as well as support from relatives/close people of a client), high effectiveness of rehabilitation due to maintaining familiar environment and ties with relatives/friends. Besides, community-based developing services are much more accessible to people living in the given area with regard to a number of parameters: awareness of the service, identification of people that need services, low traveling costs.

It is possible to denote social services to organizations that provide crisis interventions or assistance, when such crisis only appeared in individual's life, as well as agencies that aim to prevent individuals from getting into crisis. Thus, the former include, for example, crisis centers and shelters for victims of family violence or human trafficking, homes for elderly people, centers for temporary accommodation of homeless people, rehabilitation centers, institutional guardianship over children without parent care or with deviations in development, transit centers for socially vulnerable children, etc. Examples of services that develop preventive services and support services are centers to provide care for elderly people or individuals with disabilities, family support services, day-care centers, consulting centers for one or another target group (for example, consulting on legal issues or employment issues for individuals with disabilities, low-income families) and similar. Some organizations combine both crisis and preventive measures, for example, children protection services, crisis centers for women-victims of family violence, etc.

NGOs that provide social services mainly operate at local level at place of residence of their beneficiaries. About 80% of clients of NGOs receive services at place of residence, in the same city or district where they live.<sup>20</sup> Meanwhile, majority of social services delivered by NGOs are preventative<sup>21</sup>. Share of NGOs that provide services in crisis circumstances (including shelters) amounts to 1.8% only (Figure 1).

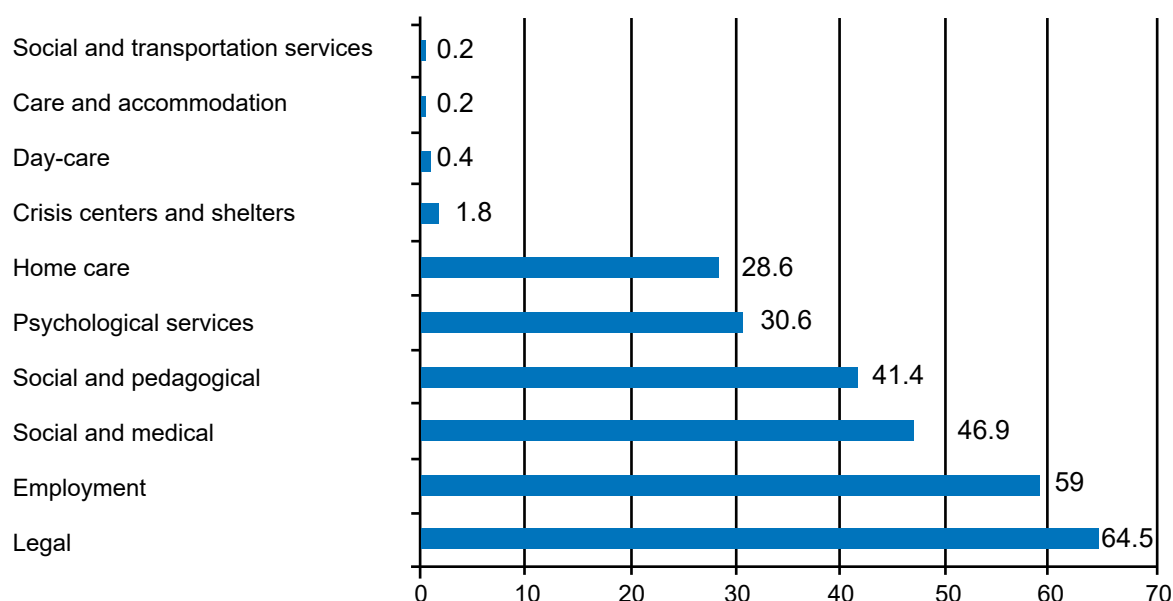
<sup>20</sup> According to the data of the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, which incorporates results of the survey conducted by Public fund for support of institutions of civil society and IIMFCS among 200 socially oriented NGOs in five regions of Uzbekistan.

<sup>21</sup> According to the data of survey conducted by IIMFCS, the Ministry of Labour, UNDP in 2012 within the framework of interactive mapping of social services.



From the total number of individuals serviced by NGOs 66% are people that faced certain problems (unemployment, difficult financial situation, etc.), but still have resources and skills to address the problem and to return back to normal life in case of receiving small support (consulting, legal, psychological, pedagogical).

**FIGURE 1. INFORMATION ABOUT SHARE OF NGOS THAT PROVIDE SOCIAL SERVICES**  
(% OF TOTAL NUMBER OF RESPONDENTS)



Source: Following results of survey conducted by IIMFCS, the Ministry of Labour, UNDP for development of interactive mapping of social services provided by NGOs (N=454).

About 15% of recipients of social services from NGOs are people that need constant support, for example, lonely people with severe disabilities or elderly individuals that are not capable to self-maintain. Women account for 61% of this group.

Finally, crisis support, following survey data, is provided only to 19% of all recipients of social services from NGOs. These are people that face a number of serious problems that precondition their complicated life circumstances, which completely disturb normal pace of life. Frequently, clients from such group do not have required social skills, their resources are very limited (individuals without definite living place, women in complicated life circumstances, etc.). Women account for 56% of clients from this group.

Thus, virtually all NGOs-based social services represent either preventative services or services that combine preventive and crisis measures. By assisting to address complicated life circumstances, until troubles get extremely serious, with involvement of own resources of an individual and resources of his close environment, NGOs save funds that otherwise would have been expended by government for social rehabilitation of people in crisis or for their accommodation at a boarding house.

Abovementioned measures indicate the importance of NGOs activity related to delivery of services and, correspondingly, the need for government to support these activities of NGOs. But is it required to direct government funds to NGOs that provide social services? May be it is better to direct these funds to government system to introduce there new social services? Definitely, it would be better if all required qualitative social services are systematically provided countrywide by government agencies. However, introduction of missing social services to the government system requires certain time and resources, while such services are required “here and now”.

Besides, following socio-economic development of society, its needs increase and evolve, new types of social services continuously become demanded. Prior to opening a new government social service or prior to delivery of new types of social services it is necessary to identify a social problem that requires own solution, to develop a model of one or another social service, targeted at resolution of the problem, as well as to test it for several years of practical activities. In this context, NGOs play an important role in introduction of innovative social services to government system: they identify social problems, which resolution requires provision of new social services, as well as that allow the government to probe new social services through piloting of new social services on the own basis. For example, NGO “Istiqbolli Avlod” recognized the need to provide social rehabilitation for victims of human trafficking and started to address this problem since 2001, as well as opened a rehabilitation center for victims of human trafficking in 2004. Six years later a similar center was created in state social protection system – Republican Rehabilitation Center for Assistance to Victims of Human Trafficking.

## FIFTHLY, DEVELOPMENT OF SOCIAL PARTNERSHIP AND PUBLIC CONTROL IN THE SECTOR OF SOCIAL PROTECTION OF POPULATION IS AN IMPORTANT ROLE OF NGOS.

About 20% of clients surveyed by NGOs are sent to NGOs from government institutions<sup>22</sup>. In turn, about 25% of all clients are sent by NGOs to government institutions to obtain complementary services in addition to services provided by NGOs; frequently such clients receive a referral letter or they are directly accompanied by a service officer. Thus, NGOs provide support to citizens in obtaining social services and payments guaranteed by the government, as well as they exercise public control over performance of government organizations in social sector.

## 1.2. COMPARATIVE ADVANTAGES OF NON-GOVERNMENTAL NON-COMMERCIAL ORGANIZATIONS IN PROVISION OF SOCIAL SERVICES

**NGO**s in Uzbekistan possess significant staff capacity, while their employees possess specialized knowledge. Findings of social survey indicate that 61.5% of surveyed employees of socially-oriented NGOs and 79.2% of employees of NGOs-social services possess higher education that corresponds to their occupational profile; average experience of an employee of NGOs in sector of social services provision and work with socially vulnerable groups is more than 15 years.<sup>23</sup> Apart from corresponding education and

<sup>22</sup> According to the data of the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, which incorporates results of the survey conducted by Public fund for support of institutions of civil society and IIMFCS among 200 socially oriented NGOs in five regions of Uzbekistan.

<sup>23</sup> Here and below in the subsection 1.2 data are based on findings of the survey conducted by Public fund for support of institutions of civil society and IIMFCS among 200 socially oriented NGOs in five regions of Uzbekistan in 2012, as presented in the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”.



work experience, a professional working in social sector shall demonstrate corresponding motivation and ownership of human values. Majority of NGOs' employees do not receive stable salary, because financing of non-commercial organizations is unstable. However, employee turnover in NGOs still remains at low level, which is confirmed indirectly by work experience of NGOs' employees in social sector.

In the opinion of 71% of surveyed CEOs of NGOs-social services, the primary success factor of their organizations is deep knowledge of causes and nature of social problems. Many employees are people that some time in the past experienced difficult life circumstances and, correspondingly, understand the problem of their target group from inside. 64% of surveyed NGOs employ individuals that represent or previously represented their target group. For example, majority of employees in public associations of individuals with disabilities have disabilities themselves.

Operation of more than 40 % of NGOs that deliver social services extends beyond the limits of local communities (makhallas), where they are located, but does not extend beyond the limits of the district or city; meanwhile, about one third of social services based on NGOs and one fourth of socially-oriented services provide services to inhabitants of near-by makhallas, i.e. NGOs are well informed about problems of specific makhallas, districts, regions.

Deep understanding of the problem and work experience help NGOs to achieve success also in case of people that are in fear of government representatives (for example, people that have troubles with law/asocial behavior).

Other advantages of NGOs that provide social services include their flexibility, simplicity of processes for service delivery, and resulting better accessibility for vulnerable groups. Although operation of NGOs is determined under the framework of national legislation, internally these organizations have more freedom and flexibility. In case of 25% of surveyed NGOs, availability of documents is not mandatory to deliver social services for such a client. Even when documents are required for clients to be serviced, more than 40% of surveyed NGOs start providing services prior to collection of all documents, while about 60% of NGOs-social services assist their clients in document collection. This is important for majority of people that apply to NGOs-social services. In majority of cases, these people do not possess any legal knowledge and they are not able to protect their interests, they simply refuse to apply to government agencies, while their position just worsens because of this, what means that even more resources are needed to return back these people to normal/independent life.

Another advantage of NGOs, comparing to government social services, is increasing scope and quality of provided services and the number of their recipients due to more active raising of donor funds and charitable aid.

Meanwhile, additional financial resources attracted by non-governmental non-commercial suppliers – be it financial investments or subsequent financing of services – is an important reason to contract them. Taking into consideration the importance of this argument, it shall not be treated as the main reason to sign contracts – financing of services guaranteed by legislation, shall remain a government's responsibility, while corresponding budget shall be allocated to these objectives<sup>24</sup>.

Donor categories and amount of attracted funds differ for two types of NGOs that provide social services: **1)** NGOs-social services, all their activity is focused on providing support to individuals in complicated life circumstances, and **2)** socially oriented NGOs, which, apart from their mentioned activity, also perform certain awareness-building work and provide services to people that do not demand significantly social support.

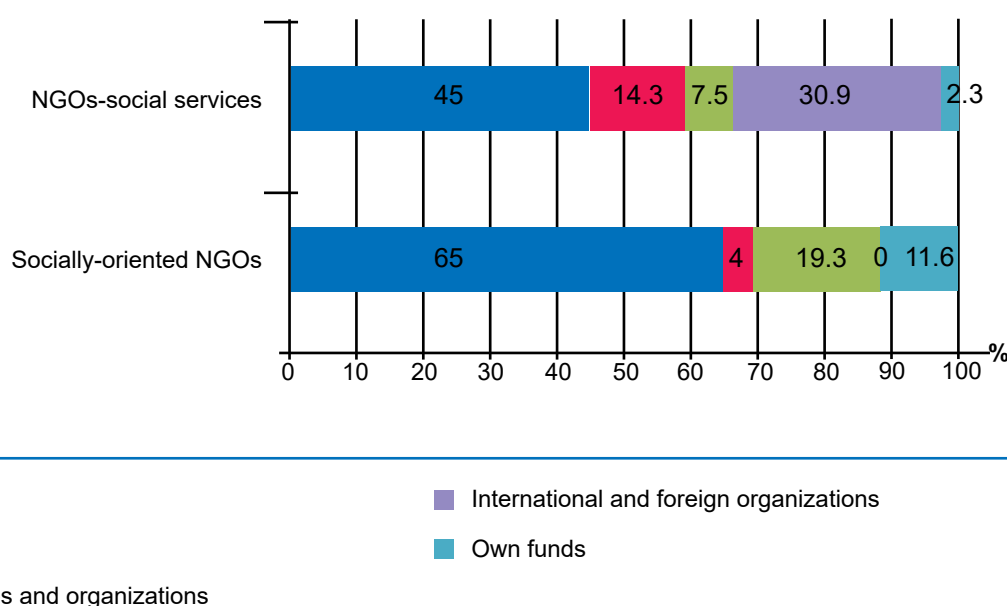
In budget of socially-oriented NGOs sponsor funds raised from local businesses and organizations amount to 19.3% of total amount of funds. Own funds (participant contributions, revenues from business activi-

<sup>24</sup> A Handbook on Non-State Social Service Delivery Models. A guide for policy makers and practitioners in the CIS region. UNDP/ECNL Bratislava, 2012. p.23.

ties) – 11.6%. Surveyed socially-oriented NGOs did not specify funds of international and foreign organizations as source of funds. For them total amount of donor funds attracted additionally to government funds amounts to about 30%.

In budget of NGOs-social services funds of international and foreign organizations amount to 30.9%, support from local charity providers – 7.5%, while own funds – 2.3% (Figure 2). Consequently, ratio of attracted resources to government aid amounts to 2/3.

**FIGURE 2. SOURCES OF RAISED FUNDS (% OF TOTAL AMOUNT)**



Source: according to the data "Capacity of non-governmental non-commercial providers of social services in Uzbekistan".

Assuming that estimated number of NGOs that provide social services is about 1200, while average size of their budget is about 25 mln. Uzbek Soums<sup>25</sup>, it means that annually they attract to social sector from government budget about 9 bln. Uzbek Soums.

Besides, in case of state social contracting of NGOs that successfully provide them, government expenditures to create a new social service are reduced.

In general, attracting non-governmental suppliers to the process of social services provision and partial demonopolization of government social sector ensure expansion of range of services, better flexibility and system targeting.

<sup>25</sup> According to the data "Capacity of non-governmental non-commercial providers of social services in Uzbekistan".

This is preconditioned by the following: “firstly, development of competition between suppliers, subject to transparent and objective criteria for distribution of funds, increases their interest in more effective performance. Secondly, partial demonopolization increases flexibility of system for provision of services; partially it allows to better account for demands of different population groups, as well as, if necessary, to rapidly adjust scope and (or) requirements to the quality of delivered services. Thirdly, usually, separation of responsibility for service delivery positively influences the quality of administration over corresponding sector in general. Outsourcing certain portion of services forces public-legal institutions to perform real assessment with regard to full actual cost of providing services, which includes equipment and real estate depreciation cost that is not reflected in traditional budget accounting system, as well as to approve detailed standards of service delivery, and to perform other activities to detail decision making criteria”<sup>26</sup>.

Thus, NGOs are utmost and necessary partners for government in the sector of social protection and provision of social services to vulnerable groups of population.

### 1.3. RISKS RELATED TO PROVISION OF SOCIAL SERVICES THROUGH NGOS

**A**long with the advantages of using NGOs for provision of social services, there are also some risks. Thus, there are some concerns regarding the quality of services provided by the NGOs. In a situation where there are no state standards for the provision of social services, and NGOs do not have sustainable and sufficient funding and necessary administrative leverages, the risk of providing low-quality services is quite high. The concerns regarding the quality of social services when working with victims of violence are of particular urgency. In this case, a set of urgent medical, psychological and legal measures is required, and lack of professionalism of the staff providing the assistance can lead to serious consequences that threaten the mental and physical health of victims.

Moreover, given that the social services provided by NGOs are free of charge, do not require the certification/licensing and in most cases are provided without any formal agreement with their users, the NGOs that provide low-quality services do not fall under the Law on Consumer Rights Protection and have limited liability to their beneficiaries.

The adoption of state standards for the provision of various social services could reduce the risk of providing low-quality services. The standards can be based on several key components of quality as follows:

- the quality of the environment, including the security of premises, hygiene and sanitary conditions;
- the quality of care;
- the quality of legal services;
- the quality of psychological services;

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<sup>26</sup> Pertsov L.V. Who will be a better provider of social services?// Budget, 2012, №4.

- the quality of staff training, including staff selection and supervision;
- the quality of management and administration, including case management, record keeping, complaints system and monitoring.

The development and adoption of state standards for the provision of social services not only would reduce the risk of providing low-quality social services by non-governmental providers, but also would upgrade the quality of the services provided by governmental organizations.

It is important to understand, however, that the development of the social services system is an evolutionary process, and, as shown above, a change in social conditions can generate the demand for services that did not exist before. After an innovative service have emerged, it may take quite a long time for the state to recognize such service as necessary and subsequently standardize it. There arises a dilemma between the high demand for the service and the ability of providers to deliver social services of sufficient quality.

For example, at the moment the public system has no crisis centers for women victims of domestic violence who became homeless. Such crisis centers currently operating on the basis of NGOs are a unique opportunity for women to have a temporary shelter and get out of difficult life situations. At the same time, the quality of food, the hygiene and sanitary conditions in these centers are not always perfect. Of course, it would be a great solution to create similar crisis centers within the public system of social protection, but this would require quite a lot of time and resources, whereas women need this service today.

Another risk in provision of social services by NGOs is the risk of interruption/termination of the provision of services necessary for users. It is obvious that governmental institutions, which have continuous stable funding, including in a situation when the number of customers is temporary declined and the number of available beds is significant, have advantages over NGOs in continuity of services. One can understand the concerns of the state when considering investment in an NGO-based social service that can be terminated in the event of a change of leadership/initiative group or upon termination of donor funding. On the other hand, the state acts as the guarantor of NGOs' development by creating favorable conditions and allocating the appropriate resources. The founders of NGOs might be afraid to make significant investment in the development of their organizations, given the difficulties that NGOs may face (these difficulties will be discussed in detail in the next section).

This risk can be somewhat reduced by maintaining the delivery of a part of services by public providers in the regions where such services are in the highest demand, and by involving NGOs in the delivery of services in regions where they are in low demand, while ensuring the support from governmental organizations in neighboring regions. However, the main factor in reducing the risk of interruption in the delivery of the services recognized by the state as necessary is a stable state financial support for service providers who deliver these services through subsidies or social contracting (the issues of the public financing of NGO-based social services will be discussed in detail in the next section).

In case of public funding of the social services delivered by NGOs, there is a risk of misuse of public funds. It is due to the complexity of developing the terms of reference for social contracting of services, determining the real cost of services, as well as the complexity of assessing the effectiveness of the services provided. To formulate the terms of reference for a variety of social services, as well as to determine their real cost, the customer must have a high level of competence in this field<sup>27</sup>. Given that social contracting

<sup>27</sup> Chagin K. G. Mechanisms for access by non-profit organizations to budget financing of government and municipal services in social sector: municipal/state social contracting and target consumer subsidies / Social partnership and development of institutions of civil society in regions and municipalities. Practice of intersectoral interaction: Practical guide/Under the editorship of A.E. Shadrin, M.: The Agency of social information, 2010. P. 292.

is mainly used for innovative services that are missing or insufficiently developed in the public system of social protection, it would be quite difficult to find a specialist to prepare the terms of reference. Moreover, quantitative assessment of many types of services and their effectiveness, particularly in the absence of approved quality standards, is also a very difficult task<sup>28</sup>. For example, the effectiveness of certain types of social services can be assessed by determining the ratio of the number of persons who got out of difficult life situations, to the total number of persons to whom the organization provided services. The findings of a survey of NGOs-social services in Uzbekistan show that their effectiveness is 44.6<sup>29</sup>. For comparison, the effectiveness of the Russian Centre "Salvation" in the social rehabilitation of persons with drug dependence is 23%, the supported employment services for individuals with disabilities in Spain – 60%, the Employment Club under the Regional Public Organization "Perspektiva" (Moscow, Russia) – 58%. Furthermore, even if difficult life situations of the clients have been successfully overcome at the time of their "exit" from social services, they may again face insurmountable difficulties after some time.

The commissioning of social services to non-governmental service providers may be perceived by the public as the state's attempt to withdraw from responsibility, shift its problems to the shoulders of NGOs, and reduce public expenditure at the expense of the financial contribution of NGOs. In order to reduce this risk, it is necessary to involve the media and conduct outreach to explain the essence of social contracting, where the state is solely responsible for ensuring the quality, availability and continuity of services, allocating the appropriate material resources, and monitoring the activities of NGOs that are direct service providers and the state's subcontractors.

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<sup>28</sup> Guslyakova L. G., Kalinina Yu. A. Study of standardization of social services: problems, prospects of implementation at the regional level // The Journal of Social Policy Studies. Vol. 4. No. 3.

<sup>29</sup> Data of the research "Capacity of non-governmental non-commercial providers of social services in Uzbekistan", which incorporates results of the survey conducted by Public fund for support of institutions of civil society and Independent Institute for Monitoring of the Formation of Civil Society (IIMFCS) among 200 socially oriented NGOs in five regions of Uzbekistan in 2013.

# SECTION 2

## PROBLEMS RELATED TO PROVISION OF SOCIAL SERVICES TO POPULATION BY NGOS AND WAYS OF THEIR SOLUTION

Despite the relevance of supporting NGOs in the provision of social services to the population, NGOs-social service providers may face some challenges of institutional nature.

There are four main factors that cause this challenge:

- 1) a framework law, state standards and other regulations governing the provision of social services are required;
- 2) further increase in the volume of state support funds to cover all expenses of NGOs in providing social services is required;
- 3) measures to further improve the environment for involving charity providers in financing NGOs are required;
- 4) measures to further improve receiving external financial aid by NGO-based social service providers are required.

### 2.1. IMPROVEMENT OF REGULATORY BASIS FOR PROVISION OF SOCIAL SERVICES

Social services in Uzbekistan are provided on the basis of the legislation regulating the activities of specific governmental bodies and branches of activity.

The adoption of the Law “On social services” or the Law “On social service providers” would serve as the starting point for forming the strategy of development of social services and social work, which are essential elements of an effective system of social protection of the population.

Many countries, including the CIS countries<sup>30</sup> have adopted separate laws regulating the provision of social services to the population. These laws reflect the concepts of “social services”, “difficult life situation” (in-

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<sup>30</sup> The law of the Republic of Belarus “On social servicing” (2000), the Law of Ukraine “On social services” (2003), the Law of the Kyrgyz Republic “On the basis of social servicing of the population in the Kyrgyz Republic” (2008), the Law of the Republic of Tajikistan “On social servicing” (2008), the Law of Armenia “On social assistance” (2008), the Law of the Republic of Kazakhstan “On special social services” (2009), the Law of the Republic of Moldova “On social services” (2010), The law of the Republic of Azerbaijan “On social service” (2011), the Federal law of the Russian Federation “On the basis of social service of citizens in the Russian Federation” (2013).

cluding the criteria for its definition), “social service provider”, “social work”; include the basic principles of the state policy in this area; define the types of social services, the provision of which is guaranteed by the state, as well as organizations and individuals who can provide them. Often, these laws define a minimum set of social services, the provision of which is guaranteed by the state regardless of the level of socio-economic development of the regions, as well as a minimum set of additional social services funded by regional or local authorities, depending on the specific needs of the region. They also define the role of governmental and non-governmental providers of social services<sup>31</sup>.

Moreover, many countries worldwide introduced in their social security systems so-called quality standards, which are designed to help social workers provide the target group with high-quality and effective services. The standards provide a set of basic requirements for volume, quality, manner and terms of providing social services for different population groups. They are general minimum rules that should be followed by all social service providers, whether they are governmental, non-commercial and commercial, community, etc., who provide certain services to socially vulnerable groups of people.

To date, the Mandatory minimum standards for “Mekhribonlik” homes<sup>32</sup> are the only example of social service provision standards existing in Uzbekistan. They comprise of 29 standards that cover the activities of “Mekhribonlik” homes, such as admission, care plan development and departure; the quality of the environment; the quality of care, education and socialization; the guarantee of rights and freedoms and the best interests of the child; staffing; administration and management. Standards for other social services could be developed on the basis of the existing Provisions on various social institutions. This would formalize the requirements for the quality of social services in Uzbekistan, which will also ensure the quality standards for services provided by NGOs.

Therefore, the strengthening of the legal guarantees of the system of state financial support for social service providers requires the development and adoption of the Law on social services for persons in need of additional social protection, and state standards for the activities of governmental and non-governmental social service providers.

## 2.2. STRENGTHENING GOVERNMENT FINANCIAL SUPPORT OF NGOS THAT PROVIDE SOCIAL SERVICES

**NGO**s can receive funds from the state budget allocated to achieving the following two main objectives:

1. The development of civil society, including NGOs, public associations and other institutions, to ensure the protection of democratic values, the maintenance of balance of interests in society, the active involvement of citizens in socio-economic, legal, and cultural development of the country.

<sup>31</sup> For example, according to the Law of Kazakhstan “On special social services”, the entities providing special social services are individuals and (or) legal entities engaged in public and private sectors; according to the Law of the Republic of Moldova “On social services”: the entities providing social services, including non-profit legal entities established in accordance with legislation (non-governmental entities); according to the National Standard of the Russian Federation “Social service of the population. Terms and definitions” and GOST “Social service of the population. Classification of social service institutions”, both social service providers and social service institutions can be of any form of ownership.

<sup>32</sup> Introduced by the Order of the Ministry of Public Education of Uzbekistan No. 342 dated 10.12.2009.



2. The performance of specific works related to the socio-economic objectives of the state, where NGOs, as performers, have comparative advantages over governmental organizations or commercial entities.

The forms of public funding in the first case are state subsidies and grants, in the second case – state social contracting.

The procedures and conditions for the allocation of state subsidies, state grants and state social contracting to non-governmental non-commercial organizations are determined by the Parliamentary Commission for Administration of the Funds of the Public Fund for Support of NGOs and Other Civil Society Institutions under the Oliy Majlis of the Republic of Uzbekistan. The Fund is a mechanism of public funding of NGOs. In the current situation, the public funds, namely those of the Fund, are the main source of financing NGOs in Uzbekistan. According to the results of a survey of NGOs that received funding from the Public Fund, the funds received amounted to 65% of the budget of socially oriented NGOs and 45% of the budget of NGO-based social service providers<sup>33</sup>.

At the same time, it is necessary to further increase the amount of funds allocated by the Public Fund to cover the needs of NGOs providing social services. In 2012, financial expenses of the sector of NGO-based social services amounted to 24.4 billion sums<sup>34</sup>, and had the capacity of this sector been fully used, the financing needs would have amounted to 50.3 billion sums. The total amount of the Public Fund's resources amounted to 6 billion sums in 2012. The funds allocated to such NGOs represent only a small proportion of the total amount of funds allocated by the Fund.

It may seem that 24.4 billion sums of financial expenses is a big enough amount. However, it is equal to 0.03% of GDP, and the number of persons employed in the provision of NGO-based services – about 6 thousand people, which is 0.1% of the total employment in the country or 0.6% of those employed in the social sphere (in the sector of “Health, physical education and sports, social security”)<sup>35</sup>.

The comparison of these figures with those of non-governmental providers in foreign countries shows that the domestic sphere of provision of NGO-based services is in its infancy. In terms of employment, the domestic sector is more than 3 times less than in Russia. In terms of the total cost of services, it is more than 33 times lower than in the U.S.<sup>36</sup>

<sup>33</sup> Data of the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, which incorporates results of the survey conducted by Public fund for support of institutions of civil society and Independent Institute for Monitoring of the Formation of Civil Society (IIMFCS) among 200 socially oriented NGOs in five regions of Uzbekistan in 2013.

<sup>34</sup> According to the study “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, socially-oriented NGOs spent an average of 20 million sums, and NGO-based social services – 25 million sums in 2012. Given that the estimated number of socially-oriented NGOs is 1,200 organizations, and NGO-based social services - about 40, then the cost volume of the sphere of non-governmental social services is 24.7 billion sums.

<sup>35</sup> Data of the research “Capacity of non-governmental non-commercial providers of social services in Uzbekistan”, which incorporates results of the survey conducted by Public fund for support of institutions of civil society and Independent Institute for Monitoring of the Formation of Civil Society (IIMFCS) among 200 socially oriented NGOs in five regions of Uzbekistan in 2013.

<sup>36</sup> According to the Encyclopedia “Philanthropy in America”, in the mid-1990s non-governmental providers of social services in the United States provided social services for the amount of 77 billion dollars, which is 1% of the national income. They dominate in the field of personal services and services for families, rehabilitation services, and residential care: the employees of the private sector in these fields account for 91%, 89% and 58% respectively. In Canada, 12% of the total number of NGOs, which is 19 thousand NGOs, are organizations providing social services. Their income is 11.1 billion dollars.



TABLE 1. EMPLOYMENT IN NGOS IN SOME COUNTRIES

Country	The proportion of people employed by NGOs, in % of total employment	The proportion of people employed by NGOs providing social services, in % of total people employed by NGOs	The proportion of people employed in the non-governmental system for provision of social services, in % of total employment
Austria	4.5	49.9	2.3
Belgium	10.5	22.9	2.4
Finland	3.0	15.5	0.5
France	4.9	27.4	1.3
Germany	4.9	27.2	1.3
Holland	12.6	20.5	2.6
United Kingdom	6.2	16.0	1.0
Czech Republic	1.7	13.1	0.2
Hungary	1.3	15.1	0.2
Romania	0.6	32.2	0.2
Slovakia	0.9	10.1	0.1
Russia	1.2	13.5	0.2

*Source:* Raymond J. Struyk (2003). Contracting with NGOs for Social Services: Civil Society and Efficient Local Government in Russia. For Uzbekistan - the authors' calculations, for Russia – the data from the Report on the Development of Civil Society in Russia "The Third Sector in Russia: Current Status and Possible Development Model". Let's consider the issues related to the provision of state financial support in all three forms: state subsidies, state grants and state social contracting.

### 2.2.1. STATE GRANTS AND SUBSIDIES

In accordance with article 13 of the Law of the Republic of Uzbekistan "On guarantees of activity of non-governmental non-commercial organizations", the state grant is the funds and material resources allocated from the State budget of the Republic of Uzbekistan to non-governmental non-commercial organizations on a competitive basis for projects aimed at achieving socially useful objectives.

Despite the fact that the Public Fund finances the activities of NGOs in three forms – state grants, state subsidies and social contracting – to date, almost all NGOs providing social services, who received state financial support, received it only in the form of state grants.

Analysis of the theme of grant competitions indicates that it is related to the annually adopted socio-economic priorities and state programs. For example, in 2011–2013 the theme covered the issues of small business development, family, wellbeing and prosperity. In addition to the competitions, devoted to the theme of the year, separate grant competitions are organized only for non-governmental media, as well as environmental and youth organizations.

At the current time, in order to get a chance to win a grant competition, NGOs should apply for competitions whose themes are related to the priorities of the State program of the year. These competitions are

important, but they involve only those NGOs whose projects are somewhat related to the theme of the year, which is not the case for a significant number of NGOs that provide social services. As a result, only a few projects for the provision of social services are financed within the framework of the competition. The analysis of the projects of the winners of grant competitions shows that in 2012 the support was provided to 49 NGOs' projects for the provision of social services to persons in difficult life situations for the amount of 705 million sums (27% of the total amount of the awarded grants or 12 % of the total resources of the Fund), and less in 2013 - 44 projects for the amount of 598 million sums (17% of the total amount of the awarded grants or 9% of the total resources of the Fund).

The best option would be to increase the amount of the financial support provided by the Public Fund to NGOs providing social services, according to their financial needs. However, this will require more than 15-fold increase in the resources of the Public Fund, which is hardly appropriate in the short-term period. However, there are a number of measures that are feasible yet in the current circumstances.

**FIRSTLY,** given the high social significance of the activity of NGOs to provide social services to vulnerable segments of the population and the direct economic effects of such activity, as shown in the previous section, it is necessary to organize separate annual grant competitions to support NGOs' projects for the provision of social services to persons in need of special social protection.

**SECONDLY,** it is necessary to increase the amount of each grant, which currently is 14 million sums, up to the amount necessary to fully utilize the capacity of NGOs providing social services. The average financial need of NGOs-social services is 36.5 million sums in prices of 2012<sup>37</sup>, and 48.3 million sums in prices of 2014 considering deflator (15%). Taking into account that funds allocated by the Fund form 45% of NGOs' needs, the minimum amount of each grant should be around 22 million sums (in prices of 2012).

**THIRDLY,** the number of projects supported within the framework of special grant competition should be greater than the number of NGOs-social services<sup>38</sup> (currently about 40) in order to give them the theoretical possibility of obtaining a grant for the effective continuation of their activities. Given that the number of socially-oriented NGOs, which will also be able to participate in this competition, is about 1,200, the competition will be tough, which would encourage further development of NGO-based social services. If 50 project applications are supported annually through grant competition for the provision of social services, the volume of funds allocated to this grant competition must be more than 2.4 billion sums (in prices of 2012), which is possible taking into account the current circumstances.

**FOURTHLY,** it is necessary to increase the effect of grant funds provided. This can be done by adopting a legal document that formalizes the introduction of case management<sup>39</sup>, and by defining specific criteria for the selection of project applications and the assessment of the effectiveness of project implementation. The main criterion for assessing the effectiveness of the project for

<sup>37</sup> As noted above, the average budget of NGOs-social services was 25 million sums in 2012, which covered 68% of their needs.

<sup>38</sup> The estimated number of NGOs-social services is 40 organizations, the estimated number of socially oriented NGOs – 1,200 organizations. The study showed much higher economic efficiency and effectiveness of NGOs-social services, compared to the socially-oriented NGOs, in the withdrawal of the clients from difficult life situations.

<sup>39</sup> Case management is the process of working with a client, which includes assessment of his/her needs, planning and implementation of activities to overcome the crisis, provision of services, monitoring and evaluation of to what extent such activities and services have helped to overcome problems and contributed to social integration. Case management includes maintaining appropriate documents for each client, which typically are: a) the assessment form aimed at identifying the causes of the client's difficult life situation and his/her current needs; b) the plan of action to resolve these problems, which includes a list of social services available in this NGO and/or other organizations (including governmental); c) the form of the implementation of action plan, aimed at monitoring and evaluation (and, if necessary, changes and additions) of action plan; g) the form of delayed monitoring of the client's situation after the completion of case (after three months, six months, one year).

the provision of social services should be the number of persons who got out of difficult life situations due to its implementation, which should be supported by the appropriate source of verification (for example, a copy of the order on employment and salary statement in case of employment).

An additional criterion should be the number of persons who received social services, also supported by the appropriate source of verification (for example, a register of provided services with contact information of the person who received social services).

That is, the effectiveness of the project should be assessed by taking into account not so much the number of persons who received services (consulting, job training, etc.) as the number of persons who were able to overcome the difficulties (to establish family relationships, obtain employment, etc.) due to the project.

Priority should be given to the projects aimed at providing social services that are unavailable or scarce in the project area. A confirmation of the scarcity of services, for example, can be a written request from citizens, supported by their signatures and contact information.

In accordance with article 12 of the Law of the Republic of Uzbekistan “On guarantees of activity of non-governmental non-commercial organizations”, the state subsidy is a financial or other material assistance at the expense of the State budget of the Republic of Uzbekistan, state trust funds, which is provided to support non-governmental non-commercial organizations and not related with special projects. About 44.7% of the budget of the Public Fund for Support of NGOs and Other Civil Society Institutions under the Oliy Majlis of the Republic of Uzbekistan<sup>40</sup>, is allocated to state subsidies, which is practically the mechanism of state funding of NGOs<sup>41</sup>.

It would make sense to detail the mechanism of allocation of state subsidies in terms of the criteria for the selection of NGOs to receive subsidies, as well as for the assessment of the effectiveness of their use, while ensuring accessibility of this information to the general public. More transparent, using public oversight, mechanisms for the selection of NGOs to receive state subsidies and the assessment of the effectiveness of their use could increase competition and increase the possibility of obtaining subsidies not only by NGOs established with the support of governmental decisions, but also by self-initiated NGOs.

NGOs providing social services, primarily social service providers, should have access to state subsidies. However, state subsidies should be provided only to those social service providers who have proved their efficiency through the successful implementation of projects within the framework of grant competitions and state social contracting.

### 2.2.2. STATE SOCIAL CONTRACTING

The term “social contracting” is widely used in the world, however, there is no common understanding of this term. There is often a mixture of two functions of social contracting: **a)** a tool to support

<sup>40</sup> <http://www.fundngo.uz/uz/publications/item/138-fond-mabla-larini-bosh-arish-b-jicha-parlament-komissiyasining-2008-2013-jillardagi-faoliyatining-statistik-k-rsatkichlari.html>.

<sup>41</sup> After the adoption of the Law “On social partnership”, which came into force in September 2014, governmental organizations were given the opportunity to co-finance social contracting along with the Public Fund, but in the amount not exceeding 20% of the amount of social contracting.

the development of civil society; **b)** a tool to solve a social problem in the most effective manner through public procurement of services/works in accordance with the market principle of “the best quality for the lowest price”<sup>42</sup>.

In accordance with article 21 of the Law of the Republic of Uzbekistan “On social partnership”, social contracting in the country refers to the state assignment for works or activities to implement socially significant projects under the contract between the government body and the non-governmental non-commercial organization.

The main features of the mechanism of state social contracting in Uzbekistan are as follows:

- a) recipients of social contracting are limited to non-governmental non-commercial organizations<sup>43</sup>;
- b) social contracting is financed at the expense of the state budget ‘s funds allocated to support the development of NGOs<sup>44</sup>;
- c) decisions on the financing of the social contracting are taken by the government bodies responsible for the development of civil society institutions<sup>45</sup>.

In the national legislation, the term “state social contracting” is used in the legal acts regulating the state policy on support of NGOs and other civil society institutions.

These features show that state social contracting in Uzbekistan is primarily used as a tool of state support of the development of NGOs.

The Law “On social partnership” has introduced new regulations to promote state social contracting as a tool for public procurement of services/works from NGOs.

In particular, instead of the previous abstract collection of the views and proposals of governmental and non-governmental organizations, the collection of applications from government bodies was introduced, which contain the objectives, tasks and terms of the assignment for state social contracting.

Instead of the opaque definition of NGOs for state social contracting, the Law introduced publishing in the media the list of government customers and description of the activities to which the funds are planned to be allocated, so that NGOs, in accordance with this information, develop projects and submit them to the competition for social contracting.

<sup>42</sup> A Handbook on Non-State Social Service Delivery Models. A guide for policy makers and practitioners in the CIS region. UNDP/ECNL Bratislava, 2012. P. 9-10.

<sup>43</sup> In accordance with article 21 of the Law of the Republic of Uzbekistan “On social partnership”, social contracting is the state assignment for works or activities to implement socially significant projects under the contract between the government body and the non-governmental non-commercial organization.

<sup>44</sup> State social contracting is provided through the Public Funds for support of NGOs and other civil society institutions under the Oliy Majlis or the Jokargy Kenes of the Republic of Karakalpakstan, the Kengashes of people’s deputies of provinces and Tashkent city. If the application for the provision of social contracting is supported, the government body, who sent the application, and the NGO or other civil society institution conclude a contract. Government bodies can co-finance social contracting projects supported by the Parliamentary Commission or public commissions, from extra-budgetary funds in the amount not exceeding 20% of the total amount of funding (article 21 of the Law of the Republic of Uzbekistan “On social partnership”).

<sup>45</sup> Article 21 of the Law of the Republic of Uzbekistan “On social partnership” provides the mechanism for the allocation of social contracting, in which government bodies determine the priorities for their activities that require support from NGOs, and submit applications for social contracting to the Public Funds for support of NGOs and other civil society institutions under the Oliy Majlis or the Jokargy Kenes of the Republic of Karakalpakstan, the Kengashes of people’s deputies of provinces and Tashkent city. The decision to support or reject the application for social contracting shall be taken by the Parliamentary Commission for Administration of the Funds of the Public Fund for Support of NGOs and Other Civil Society Institutions under the Oliy Majlis of the Republic of Uzbekistan or the Public commissions for social partnership under the Jokargy Kenes of the Republic of Karakalpakstan, the Kengashes of people’s deputies of provinces and Tashkent city.

Furthermore, while the contract on the implementation of social contracting was previously to be concluded between the Public Fund and NGOs, now it should be concluded between the government body who issued the request for social contracting, and the NGO whose project won the competition.

Finally, government bodies could not co-finance social contracting before, and after the adoption of the Law they can do this at the expense of the extra-budgetary funds in the amount not exceeding 20% of the total amount of funding.

Before the Law came into force, the chance of receiving state social contracting by self-initiated NGOs providing social services was not high. State social contracting, to which the Public Fund allocated about 20% of its resources, was mainly received by NGOs established by the respective government decisions.

According to experts, only about 50 projects qualified as state social contracting were placed in 2008–2012. The main recipients were major public organizations of Uzbekistan – the National Association of NGOs of Uzbekistan (NANNOUZ), the Independent Institute for Monitoring of the Formation of Civil Society (NIM-FOGO), the Ecological Movement of Uzbekistan and other major public organizations, which are not social services<sup>46</sup>.

After the adoption of the Law “On social partnership”, the allocation of social contracting has been on a transparent competitive basis, and social contracting was first allocated to self-initiated NGOs.

However, in the future, it is necessary to transit to the state procurement of social services through market bidding, where NGOs could participate along with commercial organizations.

In accordance with the Regulation on the procedure of organizing and conducting electronic procurement at the Uzbek Republican commodity exchange, public and corporate procurement<sup>47</sup> of goods (works, services) according to the list defined by the Government Commission for the amount of a single contract in the equivalent of 300–100,000 US dollars shall be made exclusively through electronic auctions<sup>48</sup>. The database of transactions made in 2013 (total of 12,200 corporate procurement transactions and 130,789 public procurement transactions) did not show any winners from among NGOs or public organizations.

This situation differs from the practice of market procurement of social services in developed countries, where up to 50% of social services funded by the state are provided by non-governmental providers who deliver services of higher quality and at lower, compared with governmental organizations, price, which saves the state budget funds and contributes to a greater user satisfaction.

All the above leads to the conclusion that the system of state procurement of social services on the basis of the principles of market economy in the country is in its infancy.

One can understand the concerns about the transfer of the authority to identify social problems, needs in specific social services in their territories, and the subsequent procurement of social services from NGOs, to local government authorities.

In the absence of the necessary legislation regulating the provision of social services, this may lead to negative consequences, including low quality of services and improper use of budgetary funds (please refer to the subsection “Risks related to provision of social services through NGOs” for details).

<sup>46</sup> The system for social contracting in Uzbekistan: an instrument to support NGOs or to increase effectiveness of social policy? The Center for Economic Research, Development Focus #5, 2012.

<sup>47</sup> With the state share in the authorized fund of more than 50%

<sup>48</sup> Please refer to “Auctions” section at <http://uzex.uz>

## BOX 3

### International experience in the procurement of social services under state social contracting

In Germany, 35% of all kindergartens, 60% of boarding houses for the disabled, 50% of homes for elderly people and 40% of hospitals are currently non-governmental institutions. Voluntary associations (in particular, the German Red Cross and Church charity unions) play an important role in provision of social services to citizens; they take care of the sick, elderly and disabled, provide them with social and medical assistance. In Finland, the municipalities provide 75% of the social welfare services, private organizations and institutions – 25%. In this country, as well as in the UK, Sweden, etc., NGOs provide services ranging from maintaining day care centers to providing home care.

In some countries (Poland, Lithuania), procurement of services is regulated by the Law “On social contract”, which defines the procedure for forming the social contract and the main criteria of selecting the service provider (the lowest price, availability of economic and technical advantages, etc.). In the EU, the procedure for the procurement of social services is established by EU directives, which are binding on EU Member States. The directives provide for the rules that ensure the transparency of procurement procedures and the conclusion of transaction under fair conditions due to the requirement that procurement contracts should be concluded between the provider who offered the most economically advantageous terms.

In Lithuania, Poland, the UK, Germany, Sweden, Croatia and other countries, in which NGOs have the opportunity to compete with state and commercial institutions, social contracting is implemented through the procurement of social services on a competitive basis in the following order.

1. Local authorities identify social problems in their territory, the priorities for the work of local authorities and their financial capacities, determine the need for specific social services, the range of potential recipients and providers of the services.
2. Then the customer (government body) develop the terms of reference that contain: a) the description of target groups for whom the procurement is made; b) the standard for the social services procured; c) the expected results of social contracting and its evaluation indicators; d) the maximum costs of the services.
3. After the development of the terms of reference, preparation of contract and other necessary documents (on the conditions and procedure for procurement, the nature of the services, the requirements for the preparation of applications and the qualifications of the service provider, etc.), the contractors are selected on a competitive basis.
4. In order to ensure the objectivity of the selection procedure, the Commission for procurement of services is established. It assesses the ability of a candidate to fulfill the contract, its experience in similar projects, the qualifications of the project executor, and implementation deadlines. As a rule, government bodies recognize the organization, who comply with all the requirements and offered the lowest price for the service, as the winner of the competition.
5. After the announcement of results of the competition, the authority of the central or local government and the selected organization conclude a contract for the provision of social services, which contains the rights and obligations of the parties, as well as penalties for non-compliance with its terms. In accordance with the contract, the customer’s representatives monitor the execution of the assignment and evaluate the quality of delivered services.

Source: Social contracting as an instrument of social policy, United Nations / UNDP Office in the Republic of Belarus, 2009, p. 64.

In this situation, the supervision by the Parliamentary Commission and Public Commissions, as well as limited possibilities for financing social contracting by the executive authorities allow eliminating a number of risks, but, at the same time, moving towards the development of the state system of procurement of social services.

The next most important step in this direction should be the development and adoption of new legislation, not only in the field of improvement of mechanisms of social contracting/public procurement of services, but also in the field of regulation of the system of social services itself. As suggested above, it is necessary to develop and adopt the Law on social services for persons in need of additional social protection, as well as state standards for the activities of social service providers.

At the same time, it is necessary to continue the work to increase access of self-initiated NGOs-social services to social contracting, which, in particular, requires provision of preferences (for example, additional points in the evaluation of NGOs for social contracting through a point system) to NGO-based social service providers, who successfully implemented projects within the framework of grant competitions.

## 2.3. ENHANCEMENT OF FUND RAISING FROM CHARITY PROVIDERS

The funds received from domestic charity providers (individuals, businesses and commercial organizations) make up 19.3% of the budget of socially oriented NGOs and 7.5% of the budget of NGOs-social services, of the total amount of funds.

The uneven distribution of charity providers' funds between these two groups of NGOs can be explained by the fact that almost all NGOs-social services are self-initiated organizations, whereas a significant proportion of socially oriented NGOs were established with the support of the state and have certain resources.

This situation may change in connection with the adoption of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 227 dated August 12, 2014 "On measures to ensure transparency and efficiency of using by budget organizations the funds of business entities in the form of charitable donations". In accordance with this Resolution, the heads of state administration bodies, local government authorities and budget organizations will be held accountable for forcing businesses to charity.

According to the World Giving Index (WGI) 2014, compiled by the Charities Aid Foundation on the basis of the data collected by the Gallup Institute, Uzbekistan is on the 28th place among 135 countries. While Uzbekistan ranks 4th in the world for the percentage of people involved in volunteer activities, 29th for the number of people who help the needy directly, but only 74th for the number of people who make donations.

In the future, it is necessary to take measures to further improve the system of financial charity in the country.

Incentives for charity providers who are individuals are absent in the country, and incentives for legal entities (who are not charitable or public organizations, and not owned by such organizations) are limited to:

- reduction of taxable profit for the amount of the contributions in the form of sponsor and charity support to environmental, health improvement and charitable foundations; culture, health, labour and social welfare, physical culture and sports institutions; educational institutions; local govern-



ment authorities; self-government bodies of citizens, but not more than two per cent of the taxable profit<sup>49</sup>;

- exemption from value added tax in respect of import of a) the goods imported as humanitarian aid, in the manner determined by the Cabinet of Ministers of the Republic of Uzbekistan; b) the goods imported for charitable assistance, including technical assistance, by states, governments, and international organizations<sup>50</sup>.

It is important to emphasize that NGOs and public organizations are not mentioned as a separate category in the list of organizations, the provision of which with charitable assistance does not assume application of tax incentives.

## BOX 4

### International experience of taxation of charity providers in favor of NGOs

The world average charitable donations from businesses and individuals make up about 10% of the total budgetary receipts of NGOs. This proportion is 40% in the UK, 23% in Sweden, 20% in the US and in Hungary, 7% in Germany, and 5% in Finland.<sup>51</sup>

The rate of deduction of taxable income of legal entities that transfer funds to non-governmental organizations of social benefit is 5% in more than half of the countries of the Central and Eastern Europe, 10% in Poland, the Netherlands and Austria, 20% in Germany and Luxembourg, 35% in Spain, 40% in Lithuania, 65% in France, and 100% in Ireland and Cyprus.

Several European countries (Hungary, Poland, Slovakia) adopted the law allowing taxpayers who are individuals to indicate that 1% of the tax paid by them is allocated to a specific NGO. In the US, charity providers who are individuals can have a deduction up to 50% of their income, in Australia – up to 100%.

*Source:* According to data from the following sources: "Increasing effectiveness of government investments in sector of socially oriented NGOs", Boston Consulting Group, 2011; "Report on the Development of Civil Society in Russia" <http://civilfund.ru/mat/view/20>; Problems of tax regime for charity and non-governmental non-commercial organizations and prospects of its change: Analytical report. - "The institute for urban economics" Fund and Association of independent centers of economic analysis. Moscow, 2004.

To enhance the capacity of NGOs, who provide social services, in attracting funds from charity providers, the following can be suggested:

- amend article 159 of the Tax Code of the Republic of Uzbekistan by including NGOs, who provide social services to vulnerable groups, in the list of organizations, the provision of which with charitable assistance assumes application of tax incentives;
- extend tax incentives, provided for charity providers who are legal entities, also to charity providers who are individuals.

<sup>49</sup> Article 159 of the Tax Code of the Republic of Uzbekistan.

<sup>50</sup> Article 211 of the Tax Code of the Republic of Uzbekistan.

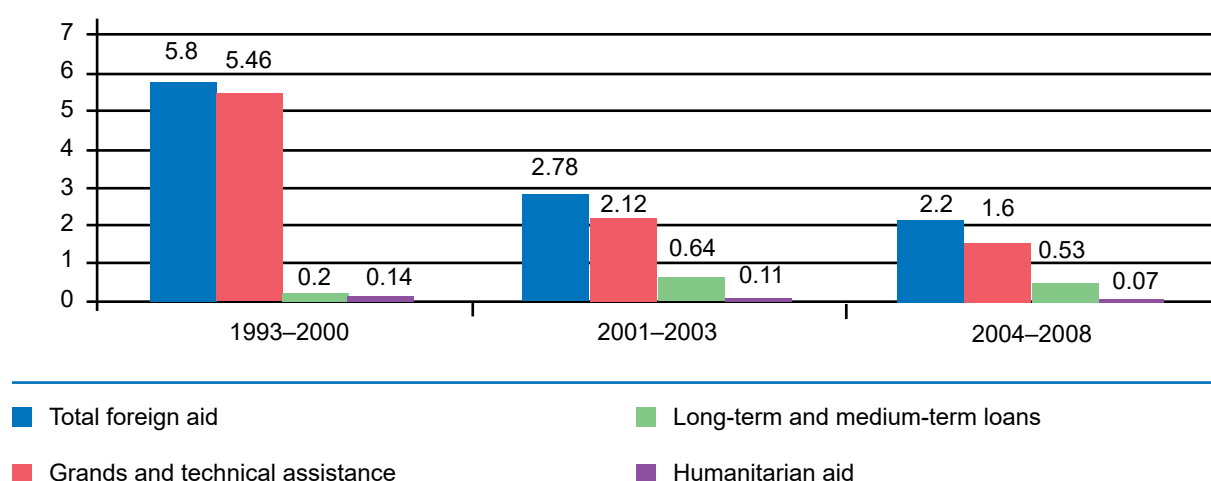
<sup>51</sup> According to data from the following sources: "Increasing effectiveness of government investments in sector of socially oriented NGOs", Boston Consulting Group, 2011; "Report on the Development of Civil Society in Russia" <http://civilfund.ru/mat/view/20>.



## 2.4. ENHANCEMENT OF FUND RAISING THROUGH EXTERNAL FINANCIAL AID

The total amount of foreign aid provided to Uzbekistan has exceeded 5.8 billion dollars in 1993–2000, 2.7 billion dollars in 2001–2003, and 2.2 billion dollars in 2004–2008.

**FIGURE 3. FOREIGN AID TO UZBEKISTAN (BILLION DOLLARS)**



Source: The monitoring of the achievement of the Millennium Development Goals (MDGs) in Uzbekistan, UNDP, 2011 (page 12)

According to estimates, the average annual volume of grants and technical assistance funds attracted to the Republic of Uzbekistan and implemented with the participation of NGOs in the early 2000s was about 75–80 million dollars. In 2009, the Cabinet of Ministers of the Republic of Uzbekistan adopted the Resolution “On measures to further enhance attracting gratuitous technical assistance to the Republic of Uzbekistan”, which defines priority projects to be implemented through grants, and the major implementers of the projects represented by ministries, departments, governmental institutions and organizations. Based on the above-mentioned Resolution, 67.7 million dollars were attracted for the implementation of 21 projects in 2009, and 359.0 million dollars for 176 projects in 2010–2011.

In order to enhance effectiveness of accounting for humanitarian aid, grants and technical assistance received from international, foreign government and non-government organizations, the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 56 dated 04.02.2004 “On measures to enhance effectiveness of accounting for funds provided in form of technical assistance, grants and humanitarian aid received from international, foreign government and non-government organizations” established monitoring and control over the flow and development of humanitarian aid and funds of technical assistance<sup>52</sup>. In

<sup>52</sup> Money laundering through non-profit organizations. Materials of 7th session of Eurasian group on combating money laundering and financing of terrorism. India, New-Delhi, 2012.

accordance with the above Resolution, NGOs-recipients of technical assistance, grants and humanitarian aid have to open and maintain accounts at the National Bank for Foreign Economic Activities and the Joint Stock Commercial Bank “Asaka”, where special structures provide monitoring of incoming funds.

At the same time, the state should actively encourage foreign aid, since, on the one hand, it is a social investment and, on the other hand, in the case of funding NGOs, it does not provide for the return of funds received.

Currently, the Commission for grant funds gives either consent or refusal in most cases without the opportunity to discuss possible options for obtaining funds (for example, revision of the project document, additional state requirements to the participants of the project, etc.). Moreover, the decision-making body itself, with whom one can negotiate this issue, is absent. In practice, international or foreign donors are often willing to accept additional state requirements and finance the activities that suit all three parties (the state, the NGO and the donor itself). Therefore, if the donor itself is willing to do this, it is necessary to create a mechanism for consultation and discussion of projects received foreign funding. As a result, it will be possible to attract funds for projects that were not originally relevant to the interests of the state, but then modified with the consent of the donor.

For this purpose, if the Grant Commission cannot give consent, but the source of funds is reliable, the application may be redirected to the appropriate government body responsible for the scope of the project, so that the state, donor and NGO can discuss the possibility of revising the project application and subsequent project implementation, taking into account the requirements of the government body for the project.

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# CONCLUSION

**N**on-governmental non-commercial organizations (NGOs) start playing increasingly active role in performing socially-significant tasks in the sphere of employment, social protection of population, health care, environment protection, as well as in many other spheres.

In accordance with the Law of the Republic of Uzbekistan “On social partnership”, NGOs are actively collaborating with governmental organizations in provision of social services for persons in need of social support. Based on the situation, they identify social problems and provide social services that are in demand.

In addition, non-governmental non-commercial providers of social services have a number of advantages (which necessitate their support by the state). These are:

- deeper understanding of the problems of the target group ( socially oriented NGOs’ employees are often themselves representatives of the target group, e.g. people with disabilities);
- access to hard-to-reach recipients of services (for example, people in conflict with the law/with asocial behavior, who are afraid of the state representatives);
- simplicity of service delivery processes, flexibility and responsiveness in unusual or crisis situations, focus on the needs of a particular person in a particular situation;
- greater freedom in the implementation of innovations and new services;
- strengthening the effectiveness of services and increasing the number of recipients due to the developed volunteering and attracting donor funding for social services (in the budget for domestic NGOs-social services, the ratio of funds from international organizations, donors and charity providers to state resources is 2 to 3).

In this regard, in order to fully utilize the capacity of NGOs, it is advisable to do the following:

- 1) develop and adopt the Law on social services for persons in need of additional social protection;
- 2) develop and adopt the state standards for the activities of social service providers;
- 3) amend article 159 of the Tax Code of the Republic of Uzbekistan by including NGOs, who provide social services to vulnerable groups, in the list of organizations, the provision of which with charitable assistance assumes application of tax incentives;

- 4) extend tax incentives, provided for charity providers who are legal entities, also to charity providers who are individuals;
- 5) define specific criteria for the selection of project applications and the assessment of the effectiveness of the project implemented within the framework of grant competitions.
- 6) organize separate annual grant competitions to support NGOs' projects for the provision of social services to persons in need of special social protection, without requirement to define the theme of these competitions;
- 7) increase twofold the amount of each grant;
- 8) detail the mechanism of allocation of state subsidies in terms of the criteria for the selection of NGOs to receive them, as well as for the assessment of the effectiveness of their use, while ensuring openness and accessibility of this information.
- 9) in social contracting, provide preferences (for example, additional points in the evaluation of NGOs for social contracting) to NGO-based social service providers, who successfully implemented projects within the framework of grant competition.
- 10) formalize the need for the introduction of case management in NGOs that provide social services and have received state grants, subsidies, and social contracting.

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