2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR ASIA
6th EDITION – DECEMBER 2020

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Developed by:

United States Agency for International Development
Bureau for Democracy, Conflict and Humanitarian Assistance
Center of Excellence on Democracy, Human Rights and Governance

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INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the sixth edition of the *CSO Sustainability Index for Asia*, covering developments in 2019.

This year's Index reports on the state of CSO sectors in nine countries in Asia, including Timor-Leste for the first time. The Index addresses both advances and setbacks in seven key components or "dimensions" of the sustainability of civil society sectors: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. The Index is intended to be a useful source of information for local and international CSOs, governments, multilateral institutions, donors, academics, and other partners and stakeholders who want to better understand and monitor key aspects of sustainability in the CSO sector.

The Index's methodology relies on CSO practitioners and researchers, who in each country form an expert panel to assess and rate these dimensions of CSO sustainability during the year. The panel agrees on a score for each dimension, which ranges from 1 (the most enhanced level of sustainability) to 7 (the most impeded). The dimension scores are then averaged to produce an overall sustainability score for the CSO sector of a given country. A Washington, DC-based editorial committee composed of technical and regional experts reviews each panel's scores and the corresponding narrative reports, with the aim of maintaining consistent approaches and standards so as to facilitate cross-country comparisons. Further details about the methodology used to calculate scores and produce narrative reports are provided in Annex A.

The *CSO Sustainability Index for Asia* complements similar publications covering other regions. The various regional editions of the *2019 CSO Sustainability Index* assess the civil society sectors in seventy-four countries, including thirty-two in Sub-Saharan Africa; twenty-four in Central and Eastern Europe and Eurasia; eight in the Middle East and North Africa; and Mexico.

A publication of this type would not be possible without the contributions of many individuals and organizations. We are especially grateful to our local implementing partners, who play the critical role of facilitating the expert panel meetings and writing the country reports. We would also like to thank the many CSO representatives and experts, USAID partners, and international donors who participate in the expert panels in each country. Their knowledge, perceptions, ideas, observations, and contributions are the foundation upon which this Index is based.

In addition, special thanks goes to Eka Imerlishvili from FHI 360, the project manager, Jennifer Stuart from ICNL, the report's editor, and Asta Zinbo and Mariam Afrasiabi from USAID, both of whom provided critical support for the CSO Sustainability Index. A full list of acknowledgements can be found on page ii.

Happy reading,

Michael Kott

Director, Civil Society and Peace Building Department, FHI 360

December 9, 2020

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PROJECT MANAGERS

EDITORIAL COMMITTEE

EXECUTIVE SUMMARY

The *2019 CSO Sustainability Index for Asia* reports on advances and setbacks in seven key dimensions affecting the sustainability of the CSO sectors in nine countries: Bangladesh, Burma, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, Thailand, and, for the first time, Timor-Leste.

Several trends emerge from the 2019 country reports for the Index. Six of the eight returning countries reported deteriorating legal conditions for their work, while half of them noted worsening public image. The negative developments in both of these dimensions stem largely from government hostility towards and skepticism of the sector, primarily CSOs focused on human rights and governance-related issues. The reports highlight some positive developments too. In particular, the infrastructure supporting the sector improved in four countries, driven by increased networking and coalition building within the sector and partnerships with other sectors.

These developments largely represent a continuation of trends affecting CSO sustainability in the region over the past few years. However, the world has changed dramatically since the end of 2019 with the global spread of the novel coronavirus, forcing CSOs, as well as the people they serve, to navigate new realities. The pandemic affected the way some of the reports for the 2019 Index were developed, but its true impact will only be clear in the reports for the 2020 edition of the Index. Given the widespread economic impact of the pandemic, dramatic declines in financial viability are anticipated that could also have a devastating impact on other dimensions of sustainability. For example, the sector's organizational capacity could be harmed as CSOs have less funding to retain staff, pursue their missions, and reach out to their constituencies. Meanwhile, advocacy efforts have been hindered throughout 2020 by public health orders that in many countries prevent the organization of large-scale protests and demonstrations, and by legislative bodies that have been focused on pandemic-related priorities, while demand for CSOs' services—both in terms of the health and social and economic impacts of the pandemic—have likely increased. In 2019, however, no one was yet thinking about a global pandemic, so this executive summary highlights some of the trends observed in this pre-pandemic world.

The contexts in which CSOs operate always influence sectoral sustainability. According to Freedom House's *Freedom in the World 2020*, which covers developments in 2019, "Political rights and civil liberties declined overall in Asia, as authoritarian rulers showed their disdain for democratic values." Overall freedom as measured by *Freedom in the World*, which includes assessments of both civil and political rights, declined in Bangladesh, Cambodia, Indonesia, the Philippines, and Sri Lanka in 2019, while it increased in Thailand, Nepal, and Timor-Leste. Burma's score did not change, but it was downgraded to "not free" as armed conflicts between the military and ethnic armed groups intensified. Timor-Leste is the only country covered in this edition of the Index to be rated as "free" in *Freedom in the World*; the other seven countries are rated as "partly free."

Important elections were held in 2019 in several countries in the region. Most notably, after five years of military rule and six postponements, elections finally took place in Thailand in March. In the face of widespread allegations of voting irregularities and criticism that the elections were unfair, the Election Commission announced in May that the elections were won by the Palang Pracharath Party, which consists largely of members of the former military junta.

In Indonesia, general elections for president and the national and regional legislatures were held in April 2019. Although the opposition presidential candidate initially rejected the results, the incumbent Joko Widodo (Jokowi) ultimately secured a second term as president. Meanwhile, the Philippines held senatorial, congressional, and local elections in May, the midpoint of President Rodrigo Duterte's six-year term, while Sri Lanka held presidential elections in November.

CSOs in Bangladesh and Cambodia continued to be affected by elections held in 2018. The national election held in Bangladesh at the end of December 2018 was riddled with abuses, including attacks on opposition members, arbitrary arrests, voter intimidation, and massive vote-rigging. The ruling alliance won 96 percent of the contested parliamentary seats in the election. In this context, civic space became more restricted in 2019, with CSO activists, human rights defenders, and journalists facing pressure to self-censor. In contrast, civic space opened up slightly in Cambodia after general elections held in July 2018. While the ruling Cambodian People's Party made efforts to "silence all forms of dissent" during the pre-election period, there was an incremental reintroduction of press

freedoms in 2019, although opposition party members and human rights defenders continued to be subject to harassment.

Long-standing conflicts and separatist movements continued to simmer in several countries in 2019, simultaneously increasing demand for some CSO services while presenting challenges to delivering services in affected parts of the country. The armed conflict in Shan and Rakhine states in Burma escalated in 2019, and the peace process continued to be stalled. Bangladesh continued to host more than 1.1 million Rohingya refugees who fled to the country in 2017 as a result of ethnic cleansing in Burma. In Thailand's Deep South, the conflict between the insurgent group Barisan Revolusi Nasional and the authorities continued unabated in 2019, with at least twenty-one attacks documented in May alone. In Indonesia, the status of Papua, an ethnically distinct region in the western half of New Guinea, was a major issue in 2019, with demonstrations calling for the region's independence resulting in localized violence.

Violence was also an issue in Sri Lanka and the Philippines. In Sri Lanka, a series of coordinated suicide bombings hit luxury hotels and churches on Easter Sunday killing more than 250 people and injuring hundreds more. In response, the president declared a state of emergency that gave the police and military wide powers of detention, search, and entry; the emergency measures remained in place for four months. In the Philippines, extrajudicial killings related to the war on drugs continued. While the Philippine Drug Enforcement Administration (PDEA) reported at the end of 2019 that 5,552 people had been killed in drug operations in the country, Human Rights Watch put the death toll at 27,000, based on estimates from local human rights groups.

CIVIC SPACE CONTINUES TO SHRINK

In line with global trends, the legal environment in which CSOs operate deteriorated in six of the eight returning countries covered in this edition of the *CSO Sustainability Index*—Bangladesh, Burma, Nepal, the Philippines, Sri Lanka, and Thailand. With the exception of Nepal, where the legal environment had been stable for the last three years, the declines in 2019 represent the continuation of negative trends that started in previous years. The Philippines, for example, has noted a worsening legal environment for the sector every year since 2014, the year the first Index for Asia was published, while the legal environment score has declined for the past four years in both Bangladesh and Sri Lanka.

None of the six countries with worsening legal environments introduced new laws or regulations that significantly affected CSOs in 2019. Instead, civic space was constrained through the more restrictive implementation of existing laws as well as increasing state harassment of CSOs. These issues tended to disproportionately affect CSOs working on rights-based issues.

The Philippines, Sri Lanka, and Thailand all reported moderate deteriorations in their CSO legal environments.

In Sri Lanka, CSOs experienced challenges with registration and increased state scrutiny and harassment following the terrorist attacks that wracked the country on Easter Sunday. CSOs that work with the Muslim community were particularly affected by the state scrutiny and surveillance.

In the Philippines, CSOs, particularly those involved in advocacy or that are critical of the government, reported more cases of state harassment and were subject to intensified state scrutiny. Environmental defenders and human rights defenders reported that their offices were searched and websites disabled. Human rights defenders were also subject to charges of sedition, terrorism, and various criminal offenses.

Thailand, which already had the least enabling legal environment for CSOs among the countries covered in this year's Index, also reported moderate deterioration in this dimension in 2019 as the new government elected in March prolonged restrictions on civil society from the period of military rule and used them to silence civil society actors. Human rights defenders, journalists, and protesters were harassed, charged, and imprisoned under various laws. From March to June alone, pro-democracy activists were physically attacked on at least ten occasions.

In Bangladesh, CSOs were subject to strict control by the regulatory authorities, prolonged registration processes, and various types of bureaucratic harassment in 2019. In particular, the Digital Security Act (DSA), which was enacted in 2018, severely weakened the ability of CSOs to practice freedom of speech, express any criticism of the government, or engage in advocacy, especially on issues related to government priorities.

Similarly, in 2019, CSOs in Burma had limited space to operate freely or address sensitive issues such as peace, conflict, human rights, and discrimination, especially in conflict areas, and CSOs and activists were subject to significant state harassment. For instance, two youth activists were sentenced to fifteen days in prison for helping to organize a day of unauthorized public street theatre to mark the anniversary of the Kachin conflict, while other activists were prosecuted for defamation for remarks about a proposed constitutional amendment.

In Nepal, the implementation of laws affecting CSOs became more restrictive and bureaucratic. For example, rights-based CSOs, including those focused on human rights and governance, continued to face more bureaucratic hurdles when seeking government approval of their projects in 2019.

While the legal environment did not deteriorate further in Cambodia, Cambodian CSOs continued to operate under one of the least enabling legal and regulatory frameworks in the region. In particular, CSOs that focus on more sensitive topics such as land rights, environmental protection, and advocacy activities around the rights of former opposition political party members continued to be repressed.

In addition to these worrying developments, restrictive laws that would subject CSOs to further restrictions were proposed in several countries in 2019. In Bangladesh, the draft Voluntary Social Welfare Organizations Act would severely constrain CSOs, including by requiring them to renew their registrations every five years, limiting the geographic areas in which they can work, and requiring them to use state-owned banks. In Nepal, a draft Social Organization Act was prepared that would restrict the operation of CSOs, which were not consulted in the process of its development. Some of the main concerns regarding the proposed Act include the fact that it would introduce limits on eligible founders and members of a CSO; introduce barriers to registration while also making registration mandatory; impose strict conditions related to CSOs' internal governance and permissible activities; impose barriers on access to resources; and include severe penalties for violations of provisions of the law. CSOs in Sri Lanka continued to oppose draft amendments to the Voluntary Social Service Organizations Act that would broaden the NGO Secretariat's powers over CSOs.

GOVERNMENT ATTITUDES TARNISH THE SECTOR'S PUBLIC IMAGE

In addition to contributing to the deterioration in the legal environment, negative government attitudes towards the CSO sector had an adverse impact on the sector's public image in several countries in 2019. Half of the returning countries covered in this year's *CSO Sustainability for Asia*—Bangladesh, the Philippines, Sri Lanka, and Thailand—recorded worse scores in this dimension in 2019 than in 2018. Negative government rhetoric towards the sector was an important factor in the changes in all four countries. Notably, this list includes countries with relatively favorable scores for the public image dimensions—the Philippines and Bangladesh—as well as countries with some of the weakest scores in this dimension amongst the countries covered in this edition of the Index—Sri Lanka and Thailand. All four of these countries reported negative developments in this dimension for at least the third year in a row.

Sri Lanka recorded the largest deterioration in its sector's public image, largely because of an increase in negative rhetoric by key politicians. In comments on the death penalty, for example, President Maithripala Sirisena framed human rights organizations and activists as being lenient towards drug dealers. During the election period, presidential candidate Gotabaya Rajapaksa's manifesto stated that he would not pander to the needs of CSOs; upon his election, he further stated that he would not submit to pressure from CSOs. Negative public perceptions and media coverage of CSOs also increased. For instance, *Wedi Vistara* (*More Information*), a Sinhala-language online media platform, stated that local and foreign NGOs—referring to donor-funded organizations— "damaged and continue to threaten the national security of the country."

In Thailand, the CSO sector's public image deteriorated, moving it into the Sustainability Impeded category for this dimension for the first time. Part of the decline was attributed to the government's ongoing efforts to discredit CSOs with critical or dissenting views and perceptions that CSOs, particularly human rights defenders, are obstacles and enemies of the state.

While the sector's public image is still quite strong in the Philippines, it deteriorated again in 2019, in large part because of the government's vilification of CSOs. In particular, the president continues to view human rights activists and CSOs as critics of his pronouncements and policies. Public trust in the sector also declined. According

to the Philippine Trust Index 2019, the percentage of Filipinos who expressed trust in NGOs dropped 22 points from 59 percent in 2017 to 37 percent in 2019.

The Bangladesh report notes that government officials often accuse CSOs working on human rights, governance, and political and electoral reforms of giving false information and misguiding people. In addition, in 2019, the government blamed CSOs for the failure to repatriate Rohingya refugees. The media also continued to criticize CSOs. For example, many newspapers reported that local and international CSOs are prolonging the Rohingya repatriation process because they benefit economically from the camps.

While not recording any score changes in this dimension, the reports for Cambodia, Nepal, and Burma also discuss negative government attitudes towards the sector. In Cambodia, government officials continue to view CSOs, particularly those focused on human rights, as being aligned with the opposition and therefore a challenge to their rule and stability. The government in Burma generally regards CSOs with suspicion, while some government officials in Nepal continuously question CSOs' contributions towards development in the country.

INCREASED COALITION BUILDING AND INTERSECTORAL PARTNERSHIPS

While this year's *CSO Sustainability Index for Asia* captures several negative trends, including those described above, there were also areas of improvement. Of particular note is the fact that four countries—Burma, Cambodia, Indonesia, and Thailand—covered by this year's publication recorded improvements in the infrastructure supporting the sector.

All four of these countries noted increased collaboration within the sector—i.e., networking and coalition building—as one of the factors contributing to the improvement in their sectoral infrastructure. The Burma report notes that information sharing among CSOs is increasingly common, and that CSOs working on common thematic areas have formed many networks and coalitions to coordinate, network, and advocate for policy change. Similarly, the Indonesia report indicates that CSOs increasingly formed coalitions in 2019, particularly to pursue advocacy goals. In Cambodia, the improvement in sectoral infrastructure was driven by increased collaboration among CSO actors engaged in research and policy, including through the launch in mid-2019 of a monthly research colloquium to bring together otherwise disparate researchers working in Cambodian CSOs. In Thailand, CSO networks, including those uniting women's, youth, and environmental CSOs, worked effectively in 2019.

The reports for the Philippines, Nepal, Bangladesh, Sri Lanka, and Timor-Leste also describe active networking and coalition building within their CSO sectors. In Nepal, for example, CSOs have gradually developed a coalition culture to increase the strength of their advocacy, and a new network uniting thirty-three CSOs working on economic, social, and cultural rights was formed in 2019. The inaugural report for Timor-Leste notes that CSOs have formed numerous networks to help them achieve their goals, and that CSOs are also part of regional networks.

Another common theme among the reports indicating stronger sectoral infrastructures in 2019 was the increased presence of intersectoral partnerships. In Indonesia, multi-stakeholder collaboration between the government, CSOs, and the business sector increased, including on programs related to achieving the United Nation's Sustainable Development Goals (SDGs), poverty alleviation, and inclusive development. In Cambodia, intersectoral linkages, particularly with the media and private sector, were reported to have increased. For example, Future Forum and the *Southeast Asia Globe* worked together on a series of articles, while Make-A-Wish and World Wide Fund for Nature started a fundraising initiative in 2019 in partnership with Grab, in which individuals can donate collected travel points to CSOs. CSOs in Burma also created some new partnerships with the private sector and media to achieve common objectives, including anti-corruption efforts.

At the same time, other traditional aspects of the infrastructure supporting the civil society sector, including the work of resource centers, intermediary support organizations, and grantmaking organizations and the availability of training opportunities, remained largely unchanged. Thailand was the only report citing increased capacity building and training opportunities, including on digital security, land rights, and the SDGs, as a factor in its improved sectoral infrastructure score.

TRENDS IN CSO SUSTAINABILITY

ASIA CSO SUSTAINABILITY
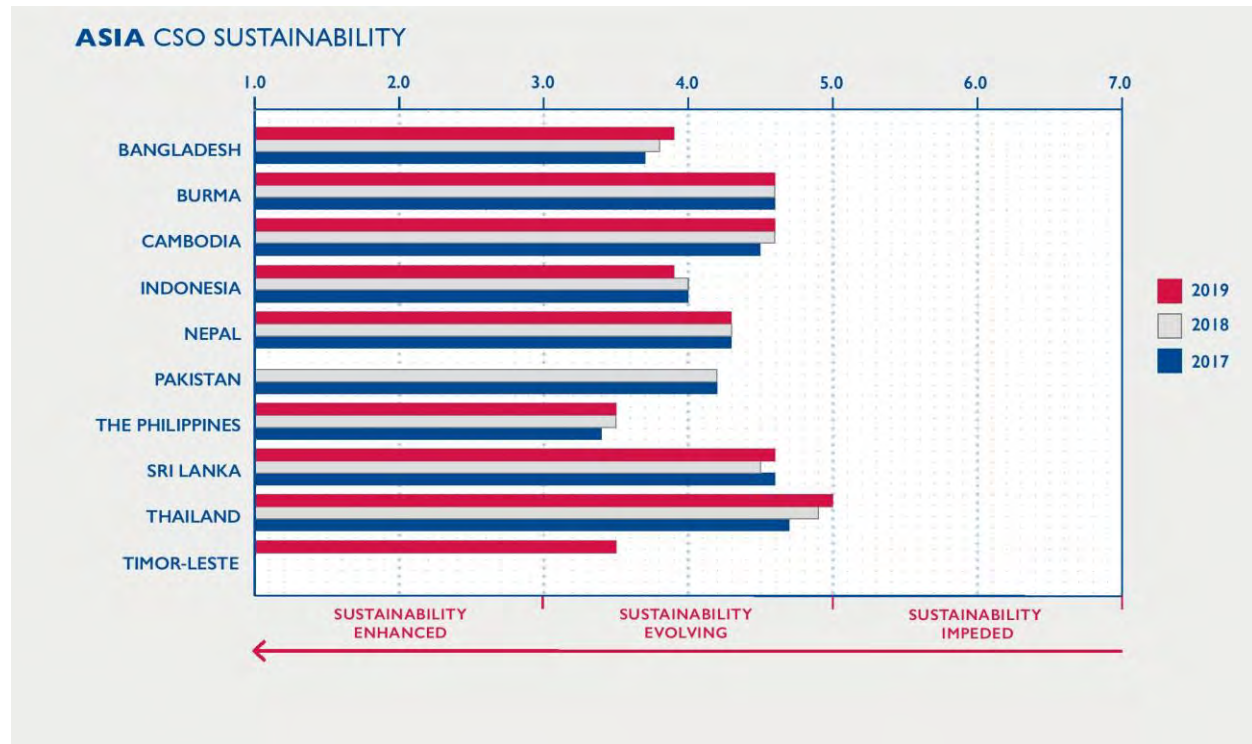
The overall levels of CSO sustainability in the countries covered by this edition of the Index all continue to fall within the Sustainability Evolving range. At the higher end of this range are the Philippines and Timor-Leste, both with scores of 3.5. Thailand, at 5.0, records the weakest level of CSO sustainability, sitting on the cusp of the Sustainability Impeded category.

According to the inaugural *CSO Sustainability Index* report for Timor-Leste, the government and CSOs consider each other partners in development. Advocacy is one of the strongest dimensions of CSO sustainability; CSOs actively participate in budgeting processes and provide recommendations to the government, and the government provides CSOs with space to express criticism and engage in public debate. Financial viability, on the other hand, continues to be quite fragile, with most CSOs remaining dependent on funding from international donors and the government. While the Philippines continues to share top honors in terms of overall CSO sustainability in the region with Timor-Leste, in a worrying trend, negative developments were once again noted in the legal environment and public image dimensions.

The two countries with the next highest levels of sustainability are Bangladesh and Indonesia. However, these two countries are moving on opposing trajectories. Indonesia was the only country to record an improvement in its overall CSO sustainability score in 2019, with positive developments noted in the financial viability, advocacy, service provision, and sectoral infrastructure dimensions. Sustainability in Bangladesh, on the other hand, deteriorated, with negative developments noted in nearly every dimension. In addition to the problems affecting the legal environment and public image that are noted above, CSOs increasingly engaged in self-censorship to avoid clashes with the government, resulting in a weakened advocacy score. In addition, foreign funding continued to shift to the Rohingya crisis, reducing support for CSOs working in other programmatic areas and driving a deterioration in the organizational capacity, financial viability, and service provision dimensions.

Nepal's overall CSO sustainability score did not change in 2019 and continues to fall in the middle of the nine countries covered in this edition of the *CSO Sustainability Index*. CSOs in Nepal increasingly engaged with the government in law-making processes and discussion platforms at the federal, provincial, and local levels, driving an improvement in advocacy. At the same time, however, the legal environment deteriorated as the implementation of existing laws became more restrictive and bureaucratic.

Burma, Cambodia, and Sri Lanka registered identical overall CSO sustainability scores of 4.6 in 2019. While the scores for Burma and Cambodia were unchanged from 2018, CSO sustainability in Sri Lanka declined in 2019. As described above, the scores for both the legal environment and public image dropped due to a rise in state scrutiny and harassment and hostile statements by prominent government representatives. On the other hand, CSOs' organizational capacity showed slight improvement as their use of information and communications technology was more effective, and advocacy improved as CSOs engaged effectively on legal reforms and used online and traditional methods to influence public opinion on a wide range of issues.

Civic space in Cambodia continued to be restricted, although two dimensions of CSO sustainability recorded improvements. Improvements in service provision were fueled primarily by the development of operations in the knowledge and energy sectors, while increased collaboration among CSO actors engaged in research and policy drove advances in the infrastructure supporting the CSO sector.

Conflicting trends were recorded in Burma. While the legal environment governing CSOs deteriorated in 2019, two dimensions of sustainability—organizational capacity and sectoral infrastructure—improved, leaving overall sustainability unchanged. As a result of training opportunities, an increasing number of CSOs have been able to develop visions and mission statements in consultation with their beneficiaries and constituents, while coordination and networking among CSOs to achieve common advocacy objectives also improved.

Finally, CSO sustainability in Thailand, which was already the lowest among the nine countries covered in this edition of the Index, further declined in 2019, with backsliding noted in most dimensions. In addition to the deteriorations in the legal environment and public image that are noted above, the government's lack of openness to dialogue and harassment of human rights activists impeded CSOs' advocacy efforts. In addition, CSOs reported that they had less access to funding, undermining the sector's financial viability and organizational capacity. The only improvement recorded was in the infrastructure supporting the CSO sector.

CONCLUSION

The country reports that follow provide an in-depth look at the state of CSO sectors in 2019 in nine Asian countries. Although the 2020 reports are likely to describe dramatically different situations, we hope that this annual survey continues to capture useful trends for CSOs, governments, donors, and researchers.

BANGLADESH

Capital: Dhaka	
Population: 162,650,853	
GDP per capita (PPP): $4,200	
Human Development Index: Medium (0.614)	
Freedom in the World: Partly Free (39/100)	

OVERALL CSO SUSTAINABILITY: 3.9
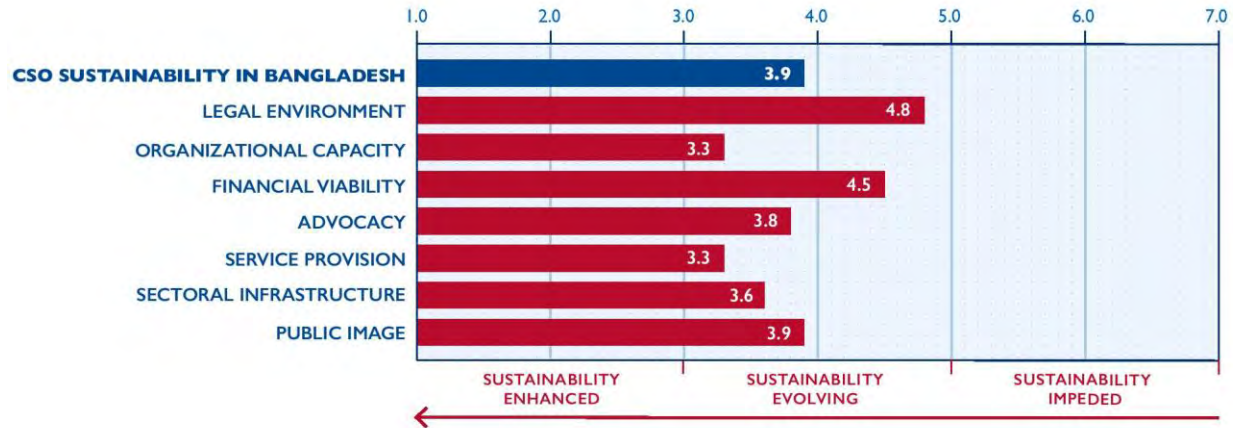
The national election held on December 30, 2018, was a serious setback in Bangladesh's journey towards democracy. The election was riddled with abuses, including attacks on opposition members, arbitrary arrests, voter intimidation, and massive vote-rigging. The ruling alliance led by Awami League won 96 percent of the contested parliamentary seats in the election, returning Prime Minister Sheikh Hasina to power for a third consecutive term.

Both during and after the election, journalists, CSO activists, and human rights defenders faced pressure to self-censor. Throughout 2019, opposition activists and CSOs were widely prevented from holding any assemblies or gatherings, in violation of the fundamental rights enshrined in the Constitution. As a result, citizens seem to have lost confidence in democratic institutions and the electoral process, as demonstrated in the fact that by-elections and local government elections held in 2019 had the lowest voter turnout in the country's history.

The prime minister's strong grip on the levers of power brought relative political stability to Bangladesh during the year, while the country's major political parties, both secular and religious, became increasingly marginalized, with some barely surviving. In its Democracy Index, the Economist Intelligence Unit (EIU) continues to classify Bangladesh as a hybrid regime, defined as a country with both autocratic and democratic features.

Corruption was a significant issue during the year. In October, several leaders of the Jubo League, an associated body of Awami League, were arrested for their alleged involvement in illegal casinos and extortion. In December, thirteen people were arrested in the so-called pillow scam for criminal breach of trust and embezzlement for purchasing pillows, furniture, and other household items at exorbitant rates for staff of the Rooppur Nuclear Power Plant. Although media published investigative reports looking into these incidents, opposition parties and civil society largely failed to react strongly against the government, possibly due to fear of intimidation and harassment.

Despite facing various natural disasters during the year, including two cyclones that wreaked havoc on the coastal region, the country's gross domestic product (GDP) grew by 7.9 percent in 2019, the highest rate of growth in

*Capital, population, and GDP for all country reports are drawn from the Central Intelligence Agency, The World Factbook, available online at https://www.cia.gov/library/publications/the-worldfactbook/. Human Development Index data available at http://hdr.undp.org/en/composite/HDI. Freedom in the World data available at https://freedomhouse.org/report-types/freedom-world.

Asia. At the same time, income inequality and loan defaults reached a peak during the year. Bangladesh climbed up a spot to 135th among 189 countries in the 2019 Human Development Index published by the United Nations Development Programme (UNDP), with steady progress in poverty reduction coupled with gains in life expectancy, education, and access to health care. Moreover, Bangladesh is on track to attain its targets for the Sustainable Development Goals (SDGs) by 2030 as a result of the strong partnership between the government, development agencies, and the private sector. During the year, Bangladesh continued to host more than 1.1 million Rohingya refugees who fled to Bangladesh in 2017 as a result of ethnic cleansing in Myanmar.

The overall sustainability of CSOs in Bangladesh deteriorated slightly in 2019, with negative developments noted in nearly every dimension. The legal environment in which CSOs operate continued to worsen and CSOs— particularly those working on democracy, good governance, and human rights—were subject to strict control by the regulatory authorities, prolonged registration processes, and various types of bureaucratic harassment. In this environment, CSO advocacy weakened as CSOs increasingly engaged in self-censorship to avoid clashes with the government. Foreign funding continued to shift to the Rohingya crisis, reducing support for CSOs working in other programmatic areas and driving the deterioration in the organizational capacity, financial viability, and service provision dimensions. The CSO sector's public image deteriorated in 2019 both because of the government's hostility towards CSOs and because of the public's belief that CSO activities are shrinking or are now limited to Rohingya response programs.

CSOs can register under various government departments, making it difficult to determine the total number of CSOs registered in the country. According to an estimate by *Prothom Alo*, the largest circulating Bangla newspaper, the total number of CSOs in Bangladesh is 250,000. CSOs that receive foreign donations must additionally register with the Non-Governmental Organization Affairs Bureau (NGOAB). According to NGOAB, 2,501 NGOs had valid registration as of January 2020, of which 253 are international NGOs (INGOs). According to *Prothom Alo*, the Department of Cooperatives lists 172,112 registered cooperatives, of which only 13,200 are active. The website of the Department of Social Services reports a total of 63,232 voluntary organizations, of which 52,405 have valid registrations. The Department of Women's Affairs reports a total of 15,398 registered CSOs.

LEGAL ENVIRONMENT: 4.8

LEGAL ENVIRONMENT IN BANGLADESH
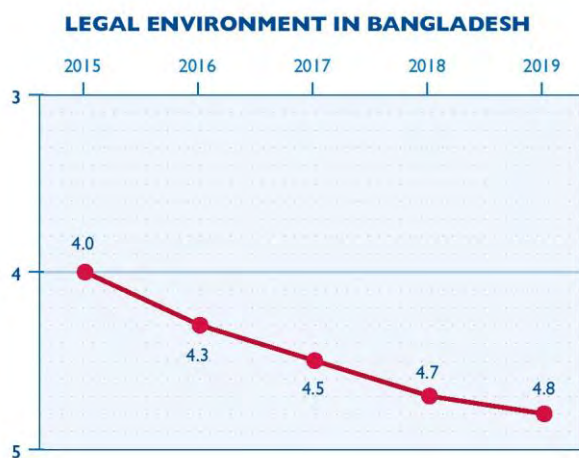
The legal environment governing CSOs deteriorated slightly in 2019. Civic space became more closed after the 2018 elections, and CSOs continued to be subject to strict control by the regulatory authorities, prolonged registration processes, and various types of bureaucratic harassment during the year. In particular, CSOs working on democracy, good governance, and human rights have been under strict government surveillance since the adoption of the Digital Security Act (DSA) in 2018 and the Foreign Donation Regulatory Act (FDRA) in 2016. In addition, the government introduced the draft Voluntary Social Welfare Organizations (Registration and Control) Act 2019 (draft VSWO Act), which would impose severe constraints on CSOs if enacted.

CSOs are governed by several regulatory frameworks. These include the Societies Registration Act (1860), the Trust Act (1882), the Co-operative Societies Act (2001), the Companies Act (1994), the Voluntary Sector Welfare Agencies (Registration & Control) Ordinance (VSWO, 1961), the Microcredit Regulatory Authority Act (2008), and the FDRA (2016). CSOs in the Chittagong Hill Tracts must register under the Chittagong Hill Tracts Regional Council Act 1998 (Act XII of 1998).

CSOs continued to face delays with the registration process in 2019. CSOs working towards a variety of social welfare goals register with the Department of Social Services (DSS) or Department of Women Affairs (DWA). The prescribed period to process registration applications is twenty working days. In practice, however, the registration process can take as long as seven months.

CSOs that want to receive foreign funds must register with NGOAB and then receive project-by-project approval. To register with NGOAB, an NGO must be approved by the Home Ministry and at least one line ministry and submit a five-year plan along with its application. Officially, the process of registering with NGOAB should be completed within ninety working days. In practice, however, the process often extends far beyond this timeframe.

According to a study of Rohingya support projects that was conducted by Transparency International Bangladesh (TIB) at the end of 2019, some NGOAB and District Commissioner (DC) officials allegedly delayed project approvals (FD-7) and demanded money and gifts to expedite the approval process. Delays lasted at least seven to fifteen days, and in some cases for more than a month. The report also notes that NGOs had to pay unauthorized fees to some officials in DC and Upazila offices of BDT 20,000 to BDT 50,000 (approximately $235 to $590) and BDT 50,000 to BDT 70,000 (approximately $590 to $820) respectively to receive completion certificates for each project.

In 2019, NGOAB cancelled the registration of 200 NGOs either for failing to renew their registration or because of alleged involvement in suspicious activities, such as terrorism financing, legal non-compliance, or money laundering. At the same time, NGOAB registered forty-six new organizations.

The respective ministries, departments, regional offices, and DC and Upazila offices are responsible for monitoring NGOs' activities in their respective geographic areas and providing reports to NGOAB. These offices organize monthly coordination meetings with NGOs to collect their activity reports and evaluate their performance.

NGOs working in the Chittagong Hill Tracts are subject to additional government control. On December 18, 2019, NGOAB issued a circular instructing NGOs working in the hill tracts to change their names if they included the word "indigenous," as this threatened national security.

The DSA 2018 severely weakens the ability of CSOs to practice freedom of speech, express any criticism of the government, or engage in advocacy, especially on issues related to government priorities. For example, under Section 32 of the DSA, an individual who breaks the Official Secret Act 1923 by secretly recording government officials or gathering information from a government agency using a computer or other digital device will receive up to fourteen years in prison, a fine of BDT 2.5 million (about $30,000), or both. The *Prothom Alo* reported that in 2019, 1,135 people were arrested in 732 cases under the law for engaging in activities such as publishing investigative reports on government corruption, sharing posts on social media, drawing cartoons, writing blogs, and communicating via e-mail. At least thirty-six journalists were among those arrested. According to a Human Rights Watch report, in 2019, government intelligence agencies launched an advanced technology-based program to monitor the online activities of CSOs, media, and individuals. The main purpose of this program is to block and filter the content of different websites and blogs. The report also noted that almost 25,000 websites, online news portals, and blogs were closed during 2019 due to their publication of investigative reports into corruption. In addition, the government announced its plan to make registration compulsory for all online media.

In order to receive foreign funds, a CSO must be registered with NGOAB and then receive project-by-project approval. Funds for basic services such as education, health care, and information and communications technologies (ICTs) receive approval quickly since they align with government interests and do not challenge government officials' authority. However, NGOAB may not approve funding for projects that involve issues deemed sensitive by NGOAB, local governments, or law enforcement authorities, such as investigations into missing persons or reporting on CSOs' difficulties with registration and accessing funds.

In May 2019, the government of Bangladesh revealed the draft VSWO Act to replace the 1961 VSWO. If enacted, the draft VSWO Act would impose severe constraints on CSOs. For example, Article 10 states that a CSO will be able to work in only one district when it first registers. After registration, a CSO can expand its scope of work, but only to five districts at a time. Article 11 states that all CSOs must renew their registration every five years, and a CSO can be dissolved if it fails to renew its registration or its application is rejected. Article 14 requires CSOs to have accounts with state-owned banks, and to conduct all financial transactions via state-owned banks. CSOs would be required to submit annual work plans, audit reports, and activity reports, as well as quarterly bank statements to the local social welfare office and registration authorities. Section 16 gives the government the right to expel the executive committee of a CSO and replace it with a five-member government-appointed committee. The draft law provides the Ministry of Social Welfare with oversight responsibility for CSOs, while CSOs that receive foreign grants would also be subject to oversight by NGOAB. As NGOs will therefore be under the control of two government authorities, they would be subject to increased bureaucratic control, increasing the

risk that their activities could be adversely affected. CSOs strongly opposed the proposed law and the government promised to revise it.

CSOs are generally permitted to engage in economic activities by selling goods and services, but they must pay income taxes and 15 percent value-added tax (VAT) according to the VAT and Supplementary Duty Act of 2012 and the Income Tax Ordinance of 1984. NGOs registered with NGOAB are required to obtain electronic taxpayers' identification numbers and to submit income tax returns. NGOs pay taxes according to individual tax rates, which means that their first BDT 300,000 (approximately $3,500) of income is tax-free, and the following BDT 650,000 (approximately $7,046) is taxed at 10 percent. The income tax rate then goes up progressively to 30 percent for CSOs with higher annual income. CSOs' income from the operation of microcredit activities is exempted from income tax and VAT.

CSOs are allowed to engage in fundraising campaigns. Individuals and corporate entities that donate to CSOs focused on any of twenty-two designated public benefit purposes are eligible for tax deductions from their income up to 15 percent of the amount of the donation.

Under the Public Procurement Rules 2008, CSOs can enter into agreements with the government to implement various projects. To do so, CSOs must participate in the open bidding process. The selection of CSOs is finalized through screening based on specific criteria.

CSOs have some access to legal expertise regarding registration and related matters. Bangladesh Legal Aid and Service Trust (BLAST), Bangladesh National Women Lawyers' Association (BNWLA), and other legal aid organizations provide capacity-building support to division and district level lawyers on rules and laws related to CSOs. Although CSOs have ready access to the courts, they rarely go to court as they have little confidence in the judicial system.

ORGANIZATIONAL CAPACITY: 3.3

Organizational capacity within the CSO sector in Bangladesh deteriorated slightly in 2019. As foreign funding continues to shift to the Rohingya crisis, funding for CSOs working in other programmatic areas has declined, reducing their ability to retain staff and office space. CSOs working on democracy, good governance, and human rights were subject to strict government surveillance in 2019, increasing their risk of being shut down. In addition, due to the lack of coordination and inadequate resources, CSOs are not able to demonstrate their innovation in solving problems as they have in the past for the prevention of diarrhea, malaria, and tuberculosis, as well as disaster management, sanitation, and poverty alleviation.

ORGANIZATIONAL CAPACITY IN BANGLADESH

2015	2016	2017	2018	2019
3.2	3.2	3.2	3.2	3.3

Most CSOs have well-written constitutions, which are required in order to register. In general, these constitutions clearly state an organization's purpose and objectives, core values, code of ethics, governing bodies, beneficiaries, management structures, and operational procedures. Many high-profile people serve on CSO governing boards. However, CSOs rarely include beneficiaries on their boards. Almost all CSOs regularly convene annual general meetings, at which they evaluate their current year's activities, review their income and expenditures, approve their annual work plans for the next year, and elect a new governing board. Some large and medium-sized CSOs have highly professional internal bodies that provide strategic guidance and help to ensure internal democratic practices and accountability. Conversely, some governing bodies exist only to comply with organizations' constitutions and merely approve documents. Governing bodies work on a voluntary basis.

Most large CSOs and INGOs have well-written strategic plans that articulate clear organizational missions, objectives, and strategies. However, the implementation of strategic plans depends on the availability of funding. Large CSOs and INGOs also create operational plans in line with their strategic plans; these plans may take into
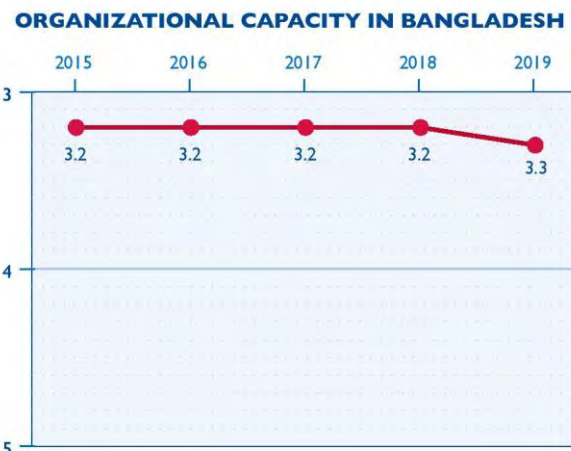
account the United Nation's Sustainable Development Goals (SDGs), the government's Vision 2021, and the Seventh Five-Year Plan of Bangladesh (2016-2020). Strategic planning continues to be very complex for new and small organizations. Due to their dependence on donor funds, these organizations focus on the implementation of short-term projects.

Many CSOs have developed internal policies and guidelines addressing issues such as financial management, human resources, procurement, child protection, fraud prevention, and gender. However, policies are often developed only to meet donor requirements and are not fully implemented. In many cases, policies are written in English, making it difficult for staff to understand them fully.

Most CSOs contract staff on a project basis due to their dependence on short-term donor funding. Only a few CSOs have core staff members who work beyond project periods. CSOs in rural areas have limited abilities to employ qualified staff, as people with better qualifications usually do not want to stay in remote areas. Many CSOs also depend on volunteers for the implementation of community-based programs.

CSOs have adequate access to ICTs. Many larger CSOs have expertise in internet-based information management systems and use modern software and advanced technologies to track results and manage their finances. CSOs also use ICTs to share information, make decisions, and manage their operations. A few CSOs, particularly those operating in remote areas, have a lack of skilled staff and insufficient resources to use ICTs effectively and efficiently. CSOs' capacity to maintain digital security remains a significant concern, especially because of DSA. Some CSOs rely on pirated software and hardware, which makes it more difficult for them to safeguard information and ensure digital safety.

FINANCIAL VIABILITY: 4.5

FINANCIAL VIABILITY IN BANGLADESH

2015	2016	2017	2018	2019
4.1	4.1	4.3	4.4	4.5

The financial viability of the CSO sector declined in 2019 due to the ongoing decline in foreign donations for areas other than the Rohingya crisis.

The CSO sector depends heavily on foreign donations. Significant funders include USAID, the United Kingdom's Department for International Development, the European Union, the Asian Development Bank, and the World Bank. In most cases, donor funding for CSOs is project-based, lasting a maximum of five years. Traditionally, funding has been focused largely on issues such as health, livelihood, disaster management, climate change, education, nutrition, gender, and governance. Over the past few years, however, funding has shifted to the Rohingya crisis and these traditional sectors have faced an acute decrease in foreign funding.

Recent statistics from NGOAB indicate that the overall level of foreign donations increased in 2019, driven by an increase in humanitarian assistance for the Rohingyas. According to the Financial Tracking System (FTS), Bangladesh received a total of $827.3 million in 2019 just for the Rohingya crisis. In an article published in late 2019 in *The Daily Star*, a renowned national English daily newspaper, NGOAB was quoted as saying that total foreign donations increased by 19.85 percent in fiscal year (FY) 2018-2019 compared to the previous year. NGOAB reported that in FY 2018-19 (July 2018 to June 2019), it approved 1,600 projects valued at $955 million, whereas in the first seven months of FY 2019-20 (up to January 2020), NGOAB had already approved 943 projects and released $568.7 million. The analysis indicated an average increase of 4 percent every month. The NGOAB figures, however, do not include funding from the United Nations (UN).

Many CSOs struggle to access foreign funding because of information gaps and their lack of communication skills and expertise. International funding agencies generally do not provide direct grants to local or newly formed CSOs as they often lack sound financial management practices. Donor agencies are more likely to provide funds to INGOs or large CSOs like BRAC. According to a media report, a few large CSOs receive a large proportion of

overall funds. For example, BRAC received $216 million, Action Contre La Faim received $200 million, Oxfam Bangladesh received $194 million, and Caritas received $120 million in FY 2019.

According to the Microcredit Regulatory Agency's annual report, there are 699 microcredit-providing organizations and their standing loan amount is $16.547 billion. BRAC and the Association for Social Advancement (ASA) are the largest microcredit-providing organizations in Bangladesh; each organization has over 1 million borrowers. Microcredit organizations are generally self-sustaining. Palli Karma-Sahayak Foundation (PKSF), a government-owned company, provides capital to CSOs at interest rates of 4 to 6 percent. During 2019, PKSF disbursed $455.4 million among its 276 partner CSOs. In June, the government reduced the interest rate that microcredit organizations can charge from 27 percent to 24 percent, thereby reducing these organizations' income.

The government sometimes provides funding to CSOs under specific projects. This funding generally focuses on health, education, and agriculture. In most cases, these projects benefit CSOs with good relationships with the government.

Corporate social responsibility (CSR) is not well developed in Bangladesh, in part because CSOs lack adequate strategies and guidelines to mobilize CSR funds. In order to encourage CSR, the National Board of Revenue gives corporations tax exemptions for donations in twenty-two sectors. According to a media report, fifty-one banks spent BDT 280 million (approximately $3.3 million) between January and June 2019 for CSR purposes. Nearly half (49.73 percent) of this amount supported disaster management, 23.43 percent supported educational initiatives, and the rest was spent on health, culture, and climate. Private commercial banks contributed 97.58 percent of this amount, and state-owned commercial banks 1.57 percent. Apart from this, a few large corporations like Unilever, SQUARE, Grameenphone, and Bashundhara Group also engage in CSR activities, but no concrete information is available about their programs.

Since 2017, The Hunger Project has been experimenting with community philanthropy concepts. Through this practice, money is collected from community members and invested in the development of the community. In FY 2018-19, the organization raised about $200,000 locally. In addition, the diaspora community engages in charitable practices. Although there is no data about the total amount of these contributions, according to UNDP Bangladesh, the average member of the US Bangladeshi diaspora contributes $3,930 to charities in Bangladesh every year.

Many CSOs seek to identify alternative sources of income to enhance their sustainability. Some large NGOs working at the national and district levels are becoming increasingly revenue-oriented by establishing social enterprises, introducing fees for services, and renting out training centers. BRAC is the largest and most successful in this regard, with a total of thirteen social enterprises. CSOs working at the rural level have been less successful in this regard, and microcredit programs continue to be the only means of survival for these organizations.

There is no standard financial reporting system in the CSO sector. Some large CSOs and INGOs have specialized financial management systems. Most local NGOs undergo independent audits in order to meet NGOAB requirements. Only a few large national CSOs and INGOs regularly publish their annual audit reports. According to "NGOs of Bangladesh Funded by Foreign Donations: Governance Challenges and Way Forward," a study published by TIB in 2019, only three national NGOs published their audited annual financial statements and details about their programs in national dailies.

ADVOCACY: 3.8

In 2019, CSO advocacy continued to weaken as CSOs increasingly engaged in self-censorship to avoid clashes with the government.

Despite the hostile environment, CSOs continued to actively demand the repeal of the most problematic sections of the DSA in 2019. CSOs conducted a series of discussions with respective government authorities, participated in TV talk shows, and held seminars and press conferences. Embassies and international bodies, including the UN, also opposed the law. In addition, a few renowned media personalities jointly filed a written petition in the High Court seeking the repeal of Sections 25, 26, 29, and 31 of the DSA. The case was pending before the court at the end of the year.

CSOs participate in steering committee meetings of various ministries as well as District and Upazila coordination meetings. CSOs increasingly use the Right to Information (RTI) Act to ensure the transparency and accountability of government institutions. In most cases, however, they face obstacles when trying to obtain information. While information is supposed to be provided within twenty days, this deadline is breached often. According to an article in *The Daily Financial Express* in March, only 5,000 government officials are responsible for providing information across the country, far short of the number required to adequately perform this function. In addition, these officials lack commitment, strategies, and a sense of obligation to furnish information. Because of these struggles to implement the RTI Act, Bangladesh's ranking in the Global RTI Ratings slipped to 29th place in 2018 and remained there in 2019.

ADVOCACY IN BANGLADESH

2015	2016	2017	2018	2019

3.1 · 3.2 · 3.5 · 3.7 · 3.8
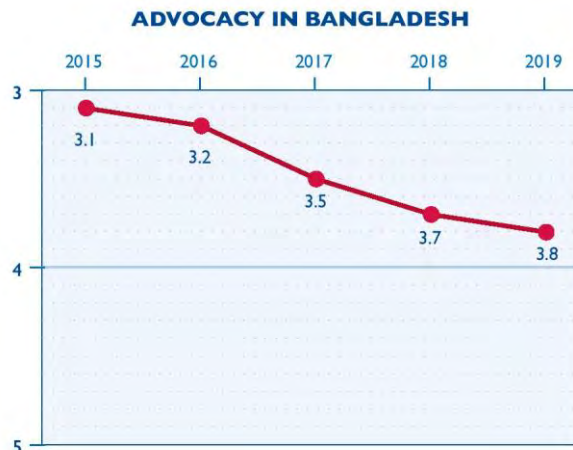
In 2019, local, national, and international CSOs advocated against the draft VSWO Act, arguing that several sections of the draft are restrictive and unconstitutional. In response to these efforts, the government promised to consider the issues raised by CSOs.

CSOs advocating for the rights of women and children have long demanded changes to increase the effectiveness of the Prevention of Violence against Women and Children Act 2003. In particular, Section 11 (c) of the Act does not allow parties to compromise or engage in alternative dispute resolution in order to resolve the offenses. As a result, the law has been increasingly abused, with many false allegations brought. In April 2019, the High Court, on its own initiative, ordered that this section be revised within six months.

After an unprecedented student movement organized after two students were killed by a reckless bus driver in July 2018, the government passed the Road Transport Act in September 2018; the law came into effect on November 1, 2019. The Act dramatically increases fines and punishments for offenses and introduces educational requirements to get a driver's license. Section 105 Chapter 11 of the Act states that, without exception, if somebody gets seriously injured or killed in a motor vehicle-related accident, it will be considered an offense under Sections 302 to 304B of the Penal Code, with the maximum punishment being a death sentence; such crimes are not eligible for bail. However, the law's implementation was suspended due to protests by road transport owners and workers and CSOs were not vocal enough to get the law implemented and enforced.

National and local CSOs have created several networks to implement joint policy advocacy activities. These include the Association of Development Agencies in Bangladesh (ADAB), Credit and Development Forum (CDF), the National Girl Child Advocacy Forum (NGCAF), Federation of NGOs in Bangladesh (FNB), Bangladesh Agro-Processors' Association (BAPA), the Association for Land Reform and Development (ALRD), Bangladesh NGOs Network for Radio and Communication (BNNRC), We Can, Durbar Network, Network for Information, Response And Preparedness Activities on Disaster (NIRAPAD), National Alliance of Humanitarian Actors (NAHAB), Disaster Management Forum, and Citizens for Good Governance (SHUJAN). The National Forum of Organizations Working with the Disabled (NFOWD), an apex body of 388 member organizations, advocates with relevant government and non-government organizations for a coordinated action plan to establish equal rights and participation of persons with disabilities in all spheres of national life. The Bangladesh Indigenous Peoples Forum (BIPF) is a national platform of indigenous peoples advocating for the recognition and rights of indigenous people in Bangladesh. In 2019, a few networks jointly undertook an initiative called the BD CSO Coordination Process and signed a charter demanding that INGOs facilitate the development of sovereign, accountable, and sustainable local and national CSOs. NGCAF advocated for a law to prevent widespread sexual harassment of women. In 2019, SHUJAN and TIB actively demanded reform of the Election Commission and the electoral process. However, nothing came of any of these efforts in 2019.

ALRD demanded revision of the Cooperative Societies Act 2001 in 2019, proposing thirteen points for revision. There were no significant CSO efforts to advocate or lobby for reforms of the FDRA 2016, National Broadcast Act 2018, or Enemy/Vested Property Act in 2019.

SERVICE PROVISION: 3.3

CSO service provision deteriorated in 2019. While overall foreign funding for the sector has increased, it is increasingly directed to the Rohingya, while funding for other services has declined.

SERVICE PROVISION IN BANGLADESH
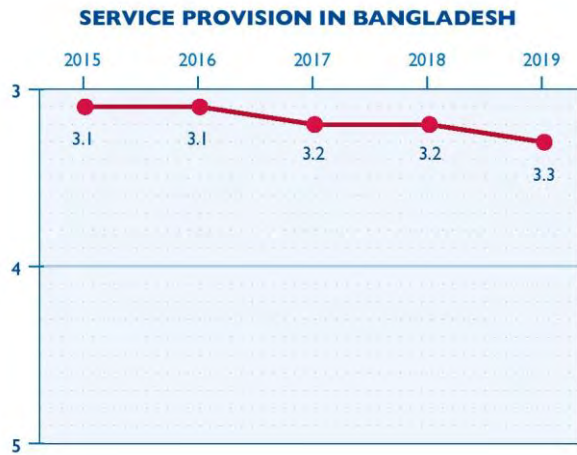
CSOs in Bangladesh play a pivotal role in the country's socio-economic development. They provide services in a variety of fields, including health, education, nutrition, water and sanitation, housing, microcredit, sexual and reproductive health, agricultural technical know-how, humanitarian response, income generation, skills development, entrepreneurship, climate action, women's empowerment, and youth development. CSOs also continue to provide many critical services that supplement those provided by the state, such as primary health care, education for hard-to-reach children, income-generation support, and training for underprivileged communities. Over 100 local, national, and international NGOs play a vital role in providing humanitarian support for the Rohingya refugees. These organizations ensure food security for this vulnerable population and provide shelter, health, and sanitation services.

Many CSOs have been unable to make their services viable. This is in part because CSOs have not diversified their service portfolios or designed new services that meet community demands and in part because they are heavily dependent on foreign funding. CSOs rarely charge fees for their services as their target groups are unable or unwilling to pay for services and the public generally expects CSO services to be free. However, in order to promote their organizational sustainability, some CSOs are trying to develop social business models by coming up with innovative solutions to community problems that involve fees for their services.

Although the government of Bangladesh still allows CSOs to operate in many service-related sectors across the country, the tension between the government and CSOs has increased over the past decade. The government has increased its control over CSOs, including those providing services to the Rohingya community, in the design of programs and services, and also established its own structures to provide services to communities, which often result in overlap with CSO services. In addition, grassroots CSOs have become highly politicized as ruling party leaders increasingly pressure them to provide services to their supporters, making it difficult for CSOs to cater to the demands of their own constituencies.

Government recognition of CSO services has decreased gradually. As it is financially stronger than in the past, the government is less interested in recognizing the contribution of CSOs or establishing partnerships with CSOs in critical areas of service provision. On the other hand, the government is very critical of CSOs like ASK, SHUJAN, BLAST, and TIB that promote human rights, engage in legal advocacy, and provide other democracy-related services.

CSOs implement needs assessments and other tools to identify community priorities and needs, although they are often influenced by donor priorities and funding opportunities. The public recognizes CSOs' service delivery as more transparent than that of the government.

SECTORAL INFRASTRUCTURE: 3.6

The infrastructure supporting CSOs in Bangladesh did not change significantly in 2019.

Many large CSOs such as BRAC, Thengamara Mohila Sabuj Sangha (TMSS), RDRS, Proshika, ASA, Dhaka Ahsania Mission (DAM), Caritas Bangladesh, Rural Reconstruction Foundation (RRF), Christian Service Society (CSS), Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP), BURO Bangladesh, and Padkhep have their own office buildings and robust resource and training centers throughout the country that offer CSOs trainings, workshops, and meeting space.

CSOs have access to training centers and facilities owned by large CSOs for training, workshops, conferences, and meetings. However, the cost of such services has increased as the corporate and business sectors also increasingly use these centers. Alternative venues and facilities owned by the private sector are either expensive or not properly equipped. As a result, CSOs providing training and other capacity building programs now face a crisis. In this situation, co-working space and shared offices are becoming popular among CSOs that cannot afford office rent alone, particularly in big cities like Dhaka.

Domestic and international intermediary support organizations (ISOs) such as Manusher Jonno Foundation (MJF), Care International, Oxfam, Christian Aid, and UN agencies provide CSOs with grants and help them build their technical and organizational capacities. However, these services do not fully meet CSOs' needs. Some CSOs have criticized these intermediaries' distribution mechanisms and selection processes. At the same time, many donors prefer to work with such organizations rather than small or new CSOs, due to the former's greater organizational capacities. To minimize this gap, in 2019, local NGOs undertook an initiative to ensure equal partnership with INGOs in development activities in the country by implementing different global agreements including the UN's Principle of Partnership, Charter for Change (C4C), and Grand Bargain Agreement.

CSOs belong to many networks, coalitions, and forums including apex bodies like ADAB and FNB, and thematic groups like NGCAF, NFOWD, Campaign for Popular Education (CAMPE), BAPA, SHUJAN, Bangladesh Shishu Adikar Forum (BASF), BNWLA, and the SDG platform. These platforms allow their members to cooperate and coordinate, share information, knowledge products, and skills amongst themselves, promote joint interests, and undertake joint advocacy efforts. However, the capacity of these entities stagnated in 2019 due to a lack of funding as well as the government's strictness and heavy handedness, which has increased self-censorship in the sector.

A few larger NGOs like BRAC, TMSS, RDRS, and Caritas Bangladesh have specialized training departments, trainers, and training curriculum relevant to CSO activities. The most prominent training topics include development, gender, human rights, advocacy, community empowerment, social mobilization, water, sanitation and hygiene (WASH), microcredit management, and communication. Generally, training programs are designed to respond to local priorities and needs. Larger NGOs have funding to build the capacity of their staff and constituents. When required, they send their staff abroad for higher-level training, typically with the help of donor funding. Local CSOs, on the other hand, lack the funds to build their own training capacity or engage others to build the capacity of their staff and beneficiaries. Training materials on strategic management, accounting, financial management, fundraising, project management, constituency building, and monitoring and evaluation are not available in local languages or in rural settings.

CSOs form partnerships with INGOs, UN organizations, and ministries in various sectors like health, climate change, education, nutrition, digitalization, and child and women's rights. For example, A2i is a partnership between UNDP and the government aimed at promoting digitalization in Bangladesh. Many CSOs work with A2i to promote the use of ICTs to solve social problems. CSOs and media work together on issues such as human rights and gender issues.

SECTORAL INFRASTRUCTURE IN BANGLADESH

2015	2016	2017	2018	2019
3.5	3.5	3.6	3.6	3.6

PUBLIC IMAGE: 3.9

CSOs' public image deteriorated slightly in 2019. Although CSOs have made significant contributions to the country's socio-economic development, service delivery, democracy promotion, and the protection of human rights since independence, the government has never given CSOs their due recognition and has increased its control over CSOs over the past several years. At the same time, foreign funding for areas other than the Rohingya response has decreased. As a result of these factors, the public believes that CSO activities are shrinking or are now limited to Rohingya response programs.

PUBLIC IMAGE IN BANGLADESH

2015	2016	2017	2018	2019

3.4
3.5
3.6
3.8
3.9
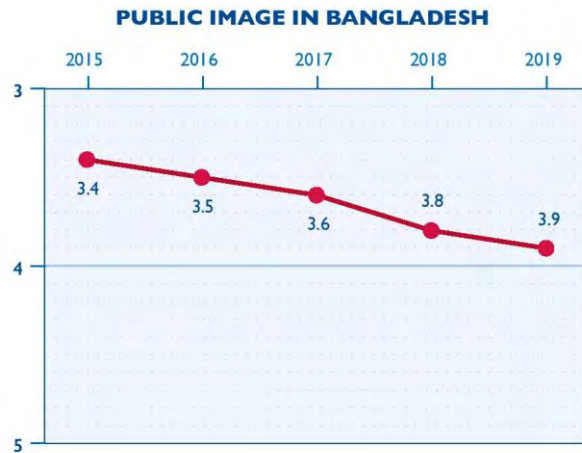
For the most part, electronic and print media present CSOs' development activities in a neutral way and highlight the various challenges facing CSOs. In 2019, the media also continued to criticize CSOs. For example, many newspapers reported that local and international CSOs are prolonging the Rohingya repatriation process because they benefit economically from it. At the same time, the government blamed NGOs for the failure of the second attempt to repatriate Rohingya refugees, which happened in August 2019. Microcredit-providing CSOs were criticized for their high interest rates, weekly loan installments, and processes for selecting beneficiaries. There were also allegations that some CSOs conduct illegal banking activities in the name of microcredit activities.

Government officials often accuse CSOs working on human rights, governance, and political and electoral reforms of giving false information and misguiding people. In September 2019, for example, the former chairman of the National Human Rights Commission alleged that TIB and SHUJAN were providing people with false information about the parliamentary elections. On the other hand, government officials generally welcome CSOs' service providing activities.

There have been longstanding allegations that some faith-based CSOs are converting poor people and minorities to Christianity.

Most CSOs have their own websites where they share information about their ongoing programs and projects, as well as annual reports, audit reports, success stories, job advertisements, and profiles of governing board members. CSOs also use social media platforms such as Facebook and Twitter to reach out to peers and stakeholders.

CSOs are required to submit annual programmatic and audit reports to the government. Larger CSOs publish annual reports along with their audit reports. In addition, most CSOs try to adopt standard policies and practices regarding access to information, internal controls, and accountability towards the government and funding agencies.

BURMA

OVERALL CSO SUSTAINABILITY: 4.6

The National League for Democracy (NLD) has ruled Burma for nearly five years. During 2019, the country made some significant positive changes in the areas of transportation, health care, budget transparency, and infrastructure development. According to the International Budget Partnership's Open Budget Index, Burma's score for budget transparency, which is considered a key element of democratic reform and good governance, improved significantly from 7 in 2017 to 28 in 2019. However, the civilian government has not yet been able to achieve all of its electoral commitments, including constitutional reform and peace negotiations with Ethnic Armed Groups (EAGs).

The armed conflict in Shan and Rakhine states escalated in 2019. In the first six months of 2019, there were a total of twenty-seven clashes between the armed forces, known as the Tatmadaw, and EAGs. The clashes in Rakhine were still ongoing at the end of the year. Data from the United Nations High Commissioner for Refugees (UNCHR) indicates that over 235,000 people were displaced in Rakhine, Kachin, and northern Shan states as of September 2019. The peace process continued to be stalled in 2019 due to a lack of consensus among key stakeholders. In March 2019, a Civil Society Forum took place in Kachin state to provide input to key stakeholders in the peace dialogues, including the military, EAGs, and the government.

In mid-2019, serious flooding affected many states across the country. In one of the most severely affected areas, more than 6,200 people from Kachin state were evacuated to 39 temporary camps. Approximately 3,400 people from Rakhine state were also internally displaced by flooding, while more than 134,000 people were affected by the floods in other states and regions including Sagaing, Chin, Mandalay, Magway, Ayeyarwaddy, Kayin, Bago, Mon, Tanintharyi, and Yangon. In addition, more than 75 people died in a landslide in Mon state as a result of heavy rain. The government of Burma and CSOs responded to such disasters by engaging in recovery and reconstruction efforts to meet emergency needs.

Freedom of expression continued to be restricted in 2019 as the civilian government utilized oppressive laws to silence its critics. According to the Mid-Year Report on Freedom of Expression published by Athan, a youth group promoting freedom of expression in Burma, more than 250 people had been charged in more than seventy legal cases challenging their freedom of expression in the first six months of 2019. The laws used to restrict freedom of expression include the Telecommunications Law, the Peaceful Assembly and Peaceful Procession Law, the News Media Law, the Penal Code, and the Law Protecting the Privacy and Security of Citizens. Those charged include journalists, activists, and public personalities. In one of the best-known lawsuits involving freedom of expression in 2019, a satirical youth theater group known as Peacock Generation was repeatedly prosecuted by the military in different states and regions across the country for making jokes related to the military.

In this context, overall CSO sustainability remained largely stable. The legal environment governing CSOs deteriorated in 2019 as civic space continued to be restricted. At the same time, two dimensions of sustainability—organizational capacity and sectoral infrastructure—improved. As a result of training opportunities, an increasing number of CSOs have been able to develop visions and mission statements in consultation with their beneficiaries and constituents, while coordination and networking among CSOs to achieve common advocacy objectives also improved.

According to data from January 2019, more than 5,000 CSOs were registered under the General Administrative Department (GAD) at the union, regional/state, and township levels. In addition, over 180 international NGOs (INGOs) are registered under GAD. Registration is not mandatory under the law, and many unregistered organizations operate around the country.

LEGAL ENVIRONMENT: 4.9

LEGAL ENVIRONMENT IN BURMA

The legal environment governing CSOs deteriorated slightly in 2019. Although the actual legislation governing CSOs did not change significantly during the year, civic space continued to shrink, and CSOs had limited space to operate freely or address sensitive issues such as peace, human rights, and discrimination, especially in conflict areas.

CSOs are governed primarily by the Association Registration Law (ARL), which was enacted in 2014. CSOs register with GAD. In 2019, GAD was transferred from the Ministry of Home Affairs, which was controlled by the military, to the Ministry of the Office of the Union Government. This resulted in some delays in the registration process and the suspension of registration for some CSOs.

More restrictions were placed on the association registration process and the activities of CSOs in 2019. Government officials have discretion as to whether or not to register CSOs. In 2019, many CSOs working on peace, gender, land issues, and social cohesion, including several CSOs in the Tanintharyi region and from ethnic areas, were denied registration as the government considers these issues to be political.

The ARL is still not fully synergized with the Rights of People with Disabilities Law. People with disabilities face several limitations when trying to register CSOs, including the inaccessibility of information on registration applications, guidelines, and forms. In addition, registration offices are not physically accessible for people with disabilities.

Although the ARL states that registration is "voluntary," many authorities at the state and regional levels insist that CSOs be registered, and the government continues to discriminate against unregistered CSOs. For example, unregistered CSOs are unable to meet officially with parliamentarians and government officials, and some government counterparts do not allow unregistered organizations to participate in trainings and workshops organized by the government. While not provided for in the law, in practice, CSOs often need permission to conduct training, workshops, and campaigns in some areas.

CSOs and activists were subject to significant state harassment in 2019. Athan notes that freedom of expression was restricted in 2019 through "the obstruction of events, restrictions on the right to assembly and procession, an internet shutdown, limited access to information and obstructions to the dissemination of news and information." The youth peace activists Paw Lu and Seng Nu Pan were sentenced to fifteen days in prison in Kachin state for their role in organizing a day of unauthorized public street theatre to mark the anniversary of the Kachin conflict in June. Paw Lu was subsequently sentenced to an additional three months in prison for insulting the judge after he gave him a set of broken scales. In another example, three well-known activists were prosecuted in October 2019 for defamation under Section 505(a) of the Penal Code, which carries a penalty of up to two years in prison, for remarks they made in April about a constitutional amendment.

In December 2019, the National Records and Archives Law (No. 40/2019) was passed. Critics view the law as a threat to the right to information, as it criminalizes the access of information stored in the National Archives Department without permission, imposing a maximum prison sentence of three months, as well as a monetary fine.

CSOs' access to resources did not change in 2019. All CSOs may seek and receive funding from international entities. However, only registered CSOs can do so in the name of their organizations. As nonprofit organizations, CSOs are not allowed to earn income. In 2019, private and state-owned banks began to more closely monitor CSOs' accounts and to ask CSOs for extensive documentation to open accounts or transfer or receive money.

According to the taxation law, all income allocated to development and humanitarian related operations and activities is exempted from taxation. Corporate donors receive some tax deductions for donations to eligible CSOs, but individuals do not.

Some legal aid services are available to CSOs in large cities, including Yangon, Mandalay, and Taunggyi. Legal aid is typically provided by CSOs including the Legal Aid Network, Legal Clinic Burma, and Free Legal Aid Burma, as well as various international projects. This assistance, however, is constrained by the limited human and financial resources of legal networks and legal aid groups.

ORGANIZATIONAL CAPACITY: 4.1

The CSO sector's organizational capacity improved in 2019. Many grants received by CSOs include some capacity development training. Through these training opportunities, an increasing number of CSOs have learned to develop visions and mission statements in consultation with their beneficiaries and constituents. In addition, anecdotal evidence demonstrates that CSOs have increased their capacity to develop strategic action plans. As a result, the majority of CSOs, including small and medium-sized CSOs, now have clearly defined strategic plans and plan and implement relevant activities and projects that are in line with their strategic plans, missions, visions, and goals. Many CSO platform groups and networks, including Access to Justice Initiative (A2JI), Myanmar Alliance for Transparency and Accountability (MATA), and the Gender Equality

ORGANIZATIONAL CAPACITY IN BURMA

Network (GEN), also now have their own strategic plans. Some small CSOs and networks, such as the Human Rights Defenders Forum (HRDF), apply for funding from donors to draft strategic plans and develop proper internal structures, rules, and procedures. However, a few CSOs still seek funding for activities that address emerging needs that might not fall within their stated priorities, such as monitoring of the 2020 elections. Newly formed CSOs still have weaker organizational capacities.

Most CSOs have good relationships with the communities in which they operate. While many CSOs are aware of their constituents' needs, CSOs' responses to these needs vary according to their skills and knowledge, including exposure to trainings on CSO development and civic engagement. Some CSOs at the local level set up accountability mechanisms among the community and public services provided by the government. In 2019, for example, CSOs from Tanintharyi region published citizen report cards on the activities of the City Development Council of Pu-Law that included detailed information on the budget. Although such initiatives include diverse groups of stakeholders, CSOs still need to improve their relationships with constituencies to fully embed their work into local communities.

Large CSOs have governing bodies including boards of directors and management teams led by executive directors and have written policies and procedures like codes of conduct and policies on procurement, child safeguarding, gender, non-discrimination, finance, administration, and human resource management. Smaller CSOs, newly-formed CSOs, and CSOs in remote areas often lack financial management systems, organizational structures, and essential policies covering areas such as financial management and human resources. Many CSOs have drafted terms of reference for their board members and staff members.

Few donors allow their grantees to use some of their grants for organizational development.

In most CSOs, recruitment and maintenance of staff is dependent on the availability of donor funding. A few formalized CSOs, such as Metta Foundation, Ratana Metta Organization, and Local Resource Center (LRC), have succession and sustainability plans, as well as established policies and procedures to systematically manage their staff and programs. Many CSOs rely on pro bono professional services from accountants, IT managers, and lawyers, as they do not have funding available to hire such professionals. CSOs often engage volunteers in religious, relief, and other activities. After the floods and landslide in 2019, many CSOs engaged community volunteers in their efforts to mobilize local funds and provide humanitarian assistance.

National-level and medium-sized CSOs based in larger cities and towns generally have access to information and communications technology (ICT), while CSOs in rural and remote areas have less access to ICT due to poor internet connections. In 2019, CSOs were increasingly able to access the internet and to apply advanced technologies, especially in ethnic areas. Many networks facilitate communication among their members through social media platforms such as Facebook and Viber. CSOs also establish their own social media accounts and use them as advocacy tools. In 2019, several youth networks and organizations utilized advanced technology to monitor hate speech, fake news, and misleading information on-line with the technical support of INGOs.

FINANCIAL VIABILITY: 5.1

FINANCIAL VIABILITY IN BURMA

2017	2018	2019
5.1	5.1	5.1

The CSO sector's financial viability remained stable in 2019. The majority of CSOs, both at the national and local levels, continue to find it challenging to access multiple and diverse sources of funding to sustain their operations in both the short and long terms. CSOs are largely dependent on foreign donor funding, while local funding sources continue to be practically non-existent.

According to a study conducted by the Myanmar Center for Responsible Business (MCRB) in 2019, local CSOs rely on foreign funding for around 80 percent of their operating costs. The main foreign donors include the European Union, USAID, and Swiss Agency for Development and Cooperation. However, foreign funding opportunities are limited compared to the needs of the sector and there is intense competition among CSOs for this funding. Most CSOs are dependent on just one or two international funding sources. International support for CSOs decreased in 2019, with most funding going directly to the government or INGOs. Some bilateral donors like Norway and AusAid have reduced opportunities for direct funding to CSOs and shifted their funding to United Nations (UN) agencies or multi-donor trust funds like the Joint Peace Fund (JPF). Smaller CSOs have fewer opportunities to get long-term funding from big donors. Given the scarcity of funding, CSOs sometimes apply for funding for projects in areas outside of their expertise and interests.

The government generally does not support the work of CSOs, although a few CSOs focused on people with disabilities received small grants from the central government in 2019 for the first time.

For the most part, CSOs have not benefited from corporate social responsibility (CSR) programs or corporate philanthropy, even though the investment law requires companies to contribute 2 to 5 percent of their profits to CSR initiatives. Many private companies have created foundations to utilize their CSR funds. Instead of supporting CSOs, most local foundations offer funding directly to communities or coordinate their relief efforts through the government, although a few foundations have issued calls for proposals. In 2019, for example, Ahnargat Alin Than, an initiative of the KBZ group, issued a call for proposals for organizations serving people with disabilities. However, CSOs find it difficult to access such funding due to foundations' poor governance and lack of transparency on how donations are allocated. In addition, many private companies do not want to provide funding to some CSOs—particularly those focused on rights-based issues—because they do not want to harm their relationships with the government. Furthermore, the majority of CSOs still see local businesses as "cronies" and do not want to tarnish their reputations by associating with them. International companies are more likely to

engage with CSOs as they have experience with such forms of collaboration, often at the global level, which they bring to Burma. However, their objectives do not always align with the needs of CSOs.

Although Burma was first in the Charities Aid Foundation's World Giving Index for several years, individual giving in the country is mostly focused on religious activities, and it is still not common for individuals to donate to CSOs. CSOs are often reluctant to seek funds from local communities. On very rare occasions, CSOs raise funds through sporting events, cultural festivals, or other activities. Very few CSOs understand how to use ICT to raise funds. Some CSOs collect membership fees, but these are generally minimal and do not contribute meaningfully to CSO sustainability. Some CSOs also draw on volunteers and non-monetary support from their communities and constituencies, particularly for projects or programs engaging local youth and women groups.

Some CSOs have set up social enterprises or engage in other income-generating activities, such as providing trainings, selling products, or renting out their assets. For example, Than Taung Gyi Women Group in Kayin state, LRC, Capacity Building Initiative (CBI), and Yangon School of Political Science (YSPS) have all tried to generate income by renting out their assets or providing services. However, income earned in this manner is generally insufficient to fully fund programs and projects. Interest in social enterprises has grown considerably over the past few years, and there are currently approximately 500 companies in the country that identify as social enterprises. However, according to research conducted by MCRB, only about 30 percent of social enterprises are financially sustainable and few have the potential to grow. Some CSO staff provide training, consultancies, and other services for nominal fees as independent consultants and not as employees of their organization. There are no instances of CSOs getting contracts from government bodies or local businesses to date.

Most CSOs have sound financial management systems in place. CSOs also often access professional management services, such as hiring external auditors to evaluate their utilization of funds. The majority of CSOs produce annual reports, evaluation reports, and financial statements.

ADVOCACY: 4.3

CSO advocacy did not change significantly in 2019.

In some regions and states, such as Mon and Kayin states, local parliaments are somewhat transparent and CSOs have direct channels of communication with the government, for instance through quarterly meetings with the regional or state Hluttaw (parliament) and hearings on local issues. At the central level, however, there are no formal channels or mechanisms through which CSOs can directly engage in, participate in, or influence the policy-making or legislative drafting process. The government does not regularly organize public consultations or hearings before enacting newly drafted laws. In a few cases, however, it invites the public to send feedback and comments through newspaper announcements. However, these

ADVOCACY IN BURMA

2017	2018	2019
4.3	4.3	4.3

opportunities are only announced in state-owned newspapers and not through private media or on-line platforms, thereby limiting public consultation. Those relationships that do exist between CSOs and the government or members of parliament (MPs) are based on personal relationships and trust, but the level of trust between sectors is currently very low.

In 2019, important legal processes often took place without public participation or consultations. During the year, for instance, the parliament engaged in in-depth discussions of potential constitutional amendments without any public input. There were, however, some instances in 2019 in which public opinion was sought. For example, due to the collective voices of women leaders and women-led CSOs, public consultations were organized on the Prevention and Protection of Violence Against Women (PoVAW) bill, which was developed in 2014 with the active participation of some CSOs but has still not been voted on by the parliament.

A few initiatives provide CSOs with information and resources that they can use to advocate with the government and hold the government accountable. The Open Hluttaw app launched by Equality Myanmar provides public access to parliamentary information. In 2019, a new website—transcripts.theananda.org—was created that provides searchable access to parliamentary debates. CSOs also have access to the MP profile website openhluttaw.info, the bill tracking website iamabill.org, bill analysis and updates blog theananda.org, and budget data site mmbudgets.info.

Both formal CSOs and informal social movements conduct advocacy campaigns at both the local and national levels. Many CSO advocacy initiatives focus on inclusion and participation of disadvantaged groups in the consultation process. Social media plays a key role in CSO advocacy campaigns. One of the most famous social movements in 2019 was a campaign against child rape, which mobilized support from over 10,000 people on social media in 2019. However, CSOs' advocacy efforts are generally unable to influence policy-making or government decision-making processes, especially on politically sensitive issues like the Rakhine issue, the ongoing armed conflict in ethnic regions, or the internet shutdown in Rakhine and Shan states. In addition, government actions that restrict access to information and freedom of speech directly discourage CSOs' advocacy on these politically controversial issues.

In 2019, CSOs arranged a series of forums, seminars, workshops, and awareness-raising events at the state/division level on budget transparency and have sought budget-related documents from the government. CSOs use government budget data to organize social accountability activities. In 2019, such initiatives included the Access to Water Projects-Public Expenditure Tracking Surveys and Schools Construction (PETS) in Bago Region and Primary School Service Delivery Survey in Kayah State.

Issue-based coalitions such as GEN, Alliance for Gender Inclusion in the Peace Process (AGIPP), and Civil Society Forum for Peace (CSFoP) conduct broad-based advocacy campaigns aimed at shaping the public agenda, public opinion, and legislation. In a significant development, the Myanmar CSOs Partnership for Aid and Development Effectiveness (MCPAD) was recognized by the government and gained a seat in the Cooperation Partners Group under the Development Assistance and Cooperation Unit (DACU) in 2019. However, the government tends to only interact with CSO networks that it trusts. The government also increasingly recognized the participation of ethnic women in the peace process through the CSO Forum prior to the National Peace Conference, which developed two policy papers that were submitted to the National Peace Conference.

In some cases, the government invites CSOs to participate in government-organized events at the regional and national levels, but often fails to accept suggestions and recommendations from CSOs. For example, in 2019, government counterparts invited some CSOs to national-level events related to developing the National Indicators Framework (NIF) to measure the outcome of the Myanmar Sustainable Development Plan (MSDP). While MCPAD collected some input from its CSO members, very few of their suggestions were reflected in the final document. Similarly, limited consultations were organized with CSOs regarding amendments to the Election Law in 2019, but most of the suggestions made by CSOs were not reflected in the final version of the amendments that were passed. CSOs believe the government engages in such activities just to "tick the box" in line with donor requirements.

In general, government officials do not participate in advocacy events or campaigns organized by CSOs. In 2019, however, CSOs organized several advocacy events related to legal or policy reform processes with government counterparts and parliamentarians in Nay Pyi Taw (Naypyidaw), the administrative capital. For example, some MPs participated in events organized as part of 16 Days of Activism by GEN, International Anti-Corruption Day by A2JI, and International Human Rights Day. There are also some social movements, campaigns, debates, televised events, and hate speech monitoring activities that CSOs and policy makers have collaborated on to reach a wider audience using all forms of media, including social media, TV, and radio.

Many CSOs are comfortable with lobbying at local and national levels on issues related to legal reform and the development of new laws. However, CSOs are largely unable to lobby or advocate on sensitive issues such as the Right to Information (RTI) and Whistle Blower Protection Laws.

The majority of adopted laws cannot be implemented due to delays in enactment and the lack of by-laws. In addition, due to the limited time frame for getting feedback and the lack of regulatory impact analysis by CSOs, parliament, and the government, some laws need to be further amended after they are passed.

In 2019, CSOs advocated to government counterparts to enforce the ARL at the operational level through a national-level event held in Nay Pyi Taw.

SERVICE PROVISION: 4.2

SERVICE PROVISION IN BURMA
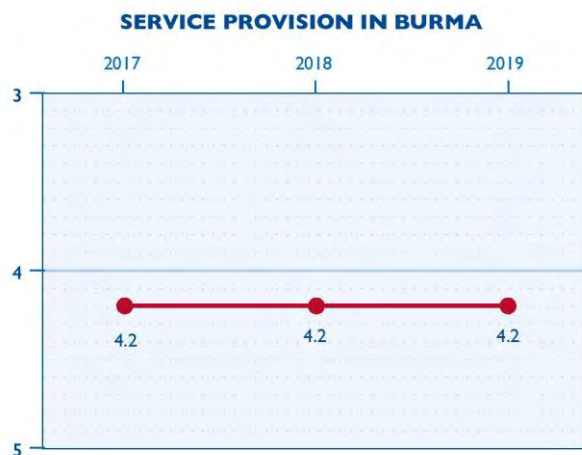
CSO service provision did not change significantly in 2019. CSOs continue to provide services in a variety of fields including health, education, civic engagement, and voter education. CSOs also promote good governance and provide technical support to certain government ministries, for example on budget transparency and public budgeting. CSOs are less involved in the government's economic development initiatives as financial and technical support from international financial institutions and international donors for economic development generally goes directly to relevant government ministries.

In cooperation with the UN's Office for the Coordination of Humanitarian Affairs (OCHA) and other INGO humanitarian partners, Joint Strategy Team (JST) in Kachin State provides important services related to water, sanitation, and hygiene and shelter for IDPs in Kachin, Rakhine, and Northern Shan states. In 2019, CSOs were able to immediately respond to humanitarian needs after the floods. Fifteen different sectoral working group have been defined under DACU, with CSOs involved in fourteen of these. DACU will coordinate closely with various stakeholders in the country to ensure that Overseas Development Assistance (ODA) is effectively utilized for the development and humanitarian sectors.

The majority of goods and services that CSOs provide reflect the needs and priorities of their constituents and communities. Most CSOs conduct needs assessments before they undertake new projects and use the findings from evaluation reports and other documents to design their future projects and programs. Some CSOs also carry out data collection and surveys.

Many CSOs produce publications such as internal final project reports, public annual reports, brochures, and fact sheets. A number of CSOs organize public forums, workshops, and public launch events to discuss specific thematic issues and research papers. In general, CSOs offer, distribute, and market products such as publications, workshops, and expert analysis mainly to other CSOs and the government, but face limitations in reaching out to academia, businesses, and religious institutions. Generally, CSOs provide their goods and services without discrimination with regards to race, gender, ethnicity, or sexual orientation.

Most CSO services still depend on donor funding, presenting a risk that they will not be sustained if donor funding comes to an end. While some CSOs try to generate revenue through the provision of services, these efforts result in minimal amounts of revenue. CSOs' understanding of market demand and the ability of distinct constituencies to pay for their products is still limited. CSOs like Myanmar Independent Living Initiative (MILI) recover the costs of service provision by charging fees and creating social enterprises such as car rental services. Social enterprises must register as companies as there is no legal definition of social enterprises in Burma. As a result, social enterprises cannot apply for any tax exemptions.

CSOs' role in filling the gaps in government service provision is well recognized by the community, but the government often does not appreciate these contributions and instead sees CSOs as competitors. The government regards CSOs with suspicion, applying oversight and restricting certain activities in ethnic areas, including contact with EAGs that have signed the National Ceasefire Agreement. On the other hand, there are a number of good examples of CSO-government collaboration on issues such as environmental protection, educational standards, and disaster risk reduction. For example, the Ministry of Natural Resource and Environmental Conservation supports community forestry programs across the country, and a number of mangrove conservation areas have been successfully created in coastal regions in Burma with community participation; CSOs conduct community mobilization trainings in the context of these programs.

SECTORAL INFRASTRUCTURE: 4.2

The infrastructure supporting the CSO sector improved slightly in 2019 as new coordination and networking among CSOs to achieve common advocacy objectives improved during the year and new partnerships were established.

Intermediary support organizations (ISOs) and CSO resource centers, including some established in 2018 and 2019, provide CSOs with training and other support services. However, these exist only in big cities and such services are not available in rural areas. In addition, these ISOs and CSO resource centers are unable to meet the full extent of local CSOs' needs. CSOs can also access relevant information on the websites of GAD, the Directorate of Investment and Company Administration (DICA), Myanmar Information Management Unit (MIMU), and some line ministries, as well as from the INGO Forum Myanmar, Mohinga (the aid transparency portal), LRC, and other smaller organizations. A few ISOs and resource centers earn some of their operating revenue by charging fees for services.

SECTORAL INFRASTRUCTURE IN BURMA

2017	2018	2019
4.4	4.3	4.2

There are no community foundations or ISOs providing grants from locally raised funds. Some CSOs such as LRC, Paung Ku, GEN, and Tharthi Myay re-grant international donor funds to local CSOs to address locally identified needs and projects.

Information sharing is increasingly common, and CSOs working on common thematic areas have formed many networks and coalitions to coordinate, network, and advocate for policy change. Existing networks include MATA, National Network for Education Reform, HRDF, AGIPP, CSFoP, Land Core Group, Metta Set Waing Consortium for Interfaith Peacebuilding, GEN, Women Organization Network, A2JI, and the working group on the International Covenant on Civil and Political Rights. In 2019, there was more collaboration among CSOs in some states/regions on issues such as peace, IDPs, land rights, education, labor rights, and women peace and security and increased ability to listen to respective community voices.

Capable local CSO management trainers exist and basic CSO management trainings are available in Yangon and Mandalay, but are less available in smaller cities. In some cases, training teams from the capital city come to other cities or the staff from CSOs are brought to the capital city to attend trainings. Some technical support units from donor organizations also provide technical training to their grantees on topics such as financial management, monitoring, and evaluation, and advocacy skills. Available trainings usually meet the needs of local CSOs and training materials are available in the local language. Some training materials are available in formats accessible to people with disabilities.

There are some examples of CSOs working in partnership with the private sector and media to achieve common objectives, including some partnership platforms, such as MCPAD and the Civic Engagement Network. In 2019, MCRB worked with the Anti-Corruption Commission, UN Office of Drugs and Crime (UNODC), and Union of Myanmar Federation of Chamber of Commerce and Industry to produce an anti-corruption handbook. In addition, some CSOs are engaged in implementing the MSDP, which entails some partnerships with the private sector and government.

PUBLIC IMAGE: 5.1
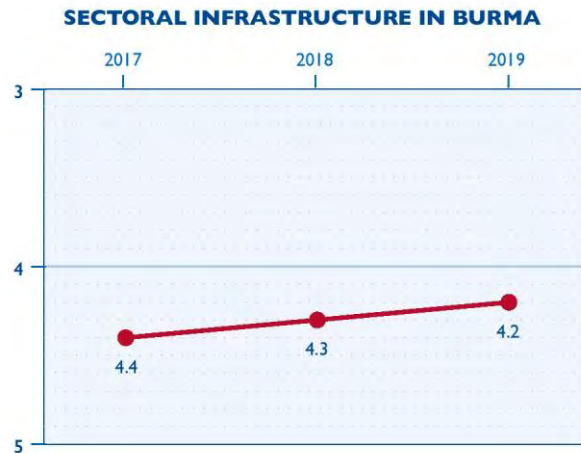
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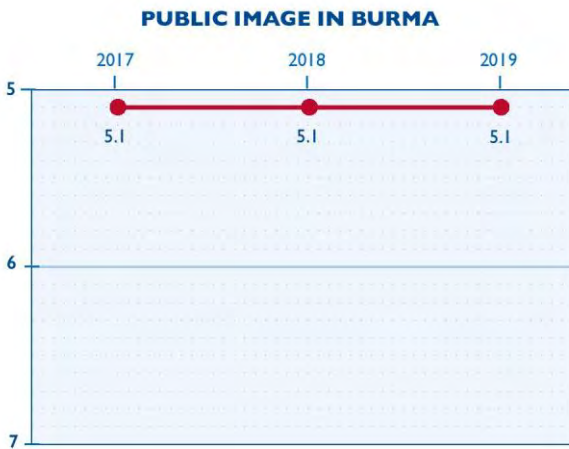
The public image of CSOs in Burma did not change significantly in 2019, although the media coverage of CSOs engaged in advocacy and service provision improved slightly. In the past, CSOs needed to actively approach media outlets in order to get coverage of their activities. In 2019, however, both government-controlled and private media, including online media, proactively covered CSOs' advocacy efforts and service provision more positively. For example, there were several stories on both private and government-controlled TV channels about CSOs' activities, including GEN's activities for the 16 Days of Activism, which focused on reducing violence against women. CSOs and media generally have good relationships. Media outlets sometimes ask CSOs for opinions as part of their coverage of current events. However, media still does not provide any analysis of the role CSOs play in society.

The public perception of CSOs varies depending on a CSOs' status, size, and scope of activities. In general, small CBOs and CSOs that address the needs of their communities are widely accepted and supported. The majority of the population views access to education, health care, and support for religious services as the biggest social needs. Therefore, CSOs working in these fields generally benefit from community-wide support, including from the government. Religious organizations, especially Buddhist ones, are highly respected and receive considerable support including from the government and the military. In certain communities, particularly conflict-affected communities and IDP camps, as well as communities in remote and under-developed areas, the public also recognizes and appreciates the work of CSOs. However, in big cities and some regions, the public has limited understanding of the concept of CSOs and their work. Bigger CSOs face additional challenges, mostly due to the lack of understanding about their activities. Some people have negative perceptions of CSOs and view professional CSOs and CSO staff as dollar-earners and people who enjoy privilege and high salaries. Especially in light of the crisis in Rakhine State, INGOs are perceived as pushing international interests and disrespecting the sovereignty of the country by expressing concerns about human rights. This view is widely discussed on social media.

The relationship between businesses and CSOs did not change much in 2019. In general, the government regards CSOs with suspicion, although regional governments have more positive attitudes towards CSOs. There are a number of good examples of CSO-government collaboration, including on environmental protection, educational standards, and disaster risk reduction.

Some CSOs fail to communicate their work and intentions properly to local communities while others lack transparency in their operations. Although many CSOs use social media to promote their image, CSOs need to enhance their public relations skills and increase their transparency in order to mitigate the lack of knowledge about CSOs at the community level. Few CSOs publish annual reports in both Myanmar and English or have codes of conduct to adhere to ethical behavior.

CAMBODIA

OVERALL CSO SUSTAINABILITY: 4.6

CSO SUSTAINABILITY IN CAMBODIA: 4.6
LEGAL ENVIRONMENT: 5.1
ORGANIZATIONAL CAPACITY: 4.0
FINANCIAL VIABILITY: 5.2
ADVOCACY: 5.0
SERVICE PROVISION: 4.1
SECTORAL INFRASTRUCTURE: 4.2
PUBLIC IMAGE: 4.5

SUSTAINABILITY ENHANCED — SUSTAINABILITY EVOLVING — SUSTAINABILITY IMPEDED
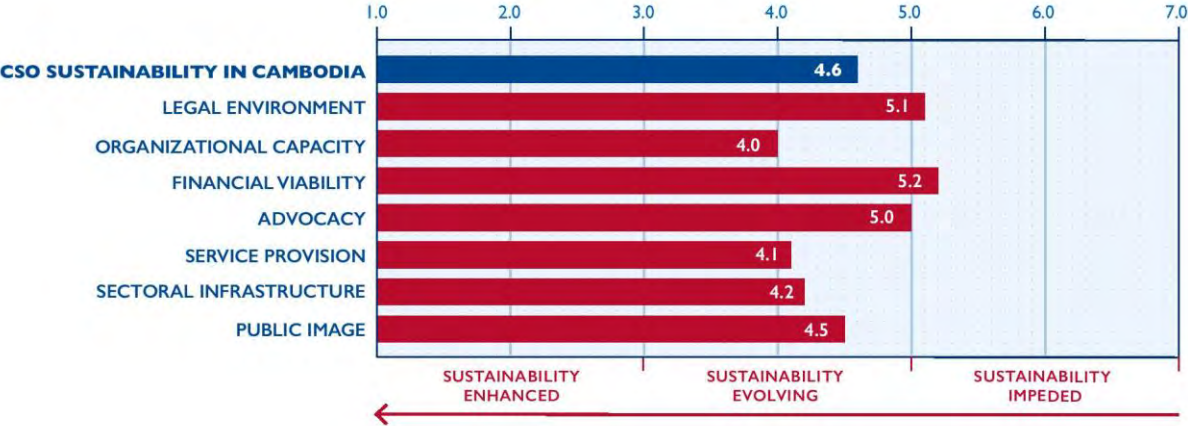
The political environment in Cambodia has been tense since late 2017 when the Supreme Court dissolved the Cambodian National Rescue Party (CNRP), the primary political opposition party in the country, for allegedly being part of a so-called Color Revolution to overthrow the current government. During the run-up to its victory in the 2018 elections, the ruling Cambodian People's Party (CPP) made moves to "silence all forms of dissent" in the country through the closure of several media outlets and the high-profile imprisonment of political and human rights activists. These actions increased fear within Cambodian civil society, driving an increase in self-censorship. In 2019, however, there was an incremental reintroduction of press freedoms, beginning with the re-opening of Voice of America (VOA) in June.

At the same time, former CNRP affiliates, members, and lawmakers and human rights defenders continued to be subject to harassment in 2019. In November, the military was mobilized across the country when it believed that former CNRP head Sam Rainsy would be returning. According to the United Nations (UN) Special Rapporteur on the human rights situation in Cambodia, more than 200 cases of harassment and judicial action against members or supporters of the outlawed CNRP were reported in the first ten months of the year. She further stated that credible information indicates that approximately eighty-nine people were charged with "plotting against the State" and more than fifty have been arrested.

The overall sustainability of the CSO space in Cambodia did not change notably in 2019, although improvements were noted in two dimensions—service provision and sectoral infrastructure. The improvements in service provision were fueled primarily by the development of operations in the knowledge and energy sectors, while increased collaboration among CSO actors engaged in research and policy drove the advances in the infrastructure supporting the CSO sector. Meanwhile, the harassment of CSOs that escalated during the elections in 2018 has subsided, although the underlying fear of government censorship remains, particularly for those focused on issues such as human rights, conservation, and advocacy.

According to the latest estimates provided by Phnom Penh Governor Khoung Sreng in April 2019, there were approximately 5,942 registered local and foreign associations and non-governmental organizations (NGOs) in Cambodia, 5,523 of which are local. In addition to associations and NGOs, there are thousands of community-based organizations (CBOs), communities, and networks. Many of these operate informally, although some are registered with the relevant ministries. The CSO sector continues to focus heavily on economic empowerment, environmental protection, and issue-based organizing.

LEGAL ENVIRONMENT: 5.1

LEGAL ENVIRONMENT IN CAMBODIA
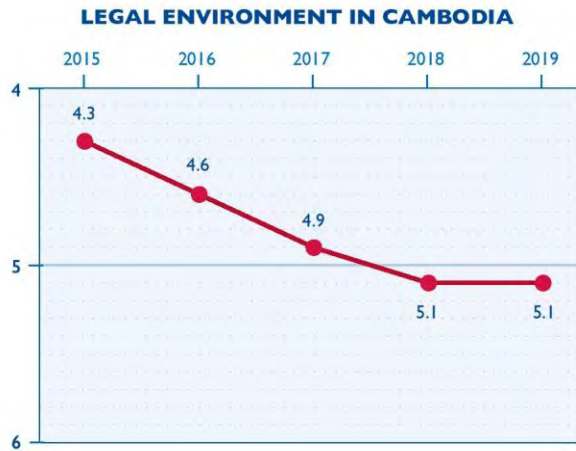
The legal environment governing CSOs did not change notably in 2019. While the government rolled back some restrictions to civic space, particularly allowing VOA Cambodia to reopen following its closure in late 2017, CSOs that focus primarily on more sensitive topics such as land rights, environmental protection, and advocacy activities around the rights of former CNRP members continued to be repressed.

CSO operations are primarily governed by the Law on Associations and Non-Governmental Organizations (LANGO), which was first drafted in August 2015. In addition, CSOs are subject to conditions set forth within the Constitution of Cambodia, the Civil Code of 2007, the Law on Taxation, the Labor Law, and numerous *prakas* (ministerial proclamations).

LANGO distinguishes between local and international CSOs. Local CSOs must register with the Ministry of Interior (MoI). To do so, these organizations must first obtain approval from the local authorities of the areas in which they intend to operate, namely the chief of the sub-district, the governor of the district, or the governor of the province. Both the director and chief of finance of a local CSO must be Cambodian citizens. International CSOs must register with the Ministry of Foreign Affair and International Cooperation (MoFA) by entering into a memorandum of understanding (MOU) with MoFA. An international CSO must then sign a project agreement with MoFA before it can begin work. MOUs are valid for three years and must be renewed prior to their expiration in order to continue work. LANGO lacks procedural guarantees and provides the government with significant discretion to determine whether to accept or reject an organization's application for registration.

According to the Varieties of Democracy (V-Dem) Freedom of Association Index, Cambodia performed marginally worse in 2019 (0.28) compared to 2018 (0.3). This was primarily driven by a worsening of the CSO Repression variable, which dropped substantially from 1.14 in 2018 to 0.96 in 2019, moving the country to the "severe" category. However, this only reflects the severity with which particular CSOs—particularly those seen as a threat to the stability of the kingdom, including those focused on land rights, human rights, and environmental protection—are treated. By comparison, other CSOs have reported consistent improvements in their treatment by the government.

VOA was one of several media outlets that the government closed down in late 2017 for alleged problems with registration and taxation, in a move that many commentators saw as an alarming and intentional contraction of civic space. In June 2019, the Ministry of Information officially allowed VOA to reopen its office in Phnom Penh. In November, VOA was allowed to resume its broadcasts.

While harassment of CSOs appeared to decline in general, there continued to be some incidents of state interference in 2019. In the lead up to November's International Human Rights Day, for example, several communities and civil society representatives were pressured by local authorities to not hold events. In July, two activists, Kong Raiya and Soung Neakpaon, were put in detention following their arrest over their commemoration of the third anniversary of the apparent assassination of activist Kem Ley. According to a provision in Cambodia's penal code, insulting the monarchy is subject to punishment of up to five years in prison and a $2,500 fine. In January 2019, Ieng Cholsa was sentenced to three years in prison and fined for insulting the king in a Facebook post.

Cambodia's Law on Telecommunications, which came into force in December 2015, established the Telecommunication Regulator of Cambodia and granted it extensive powers to control telecommunication information and communication service data. While the law was allegedly passed to address cyber-crime, fraud, and other forms of online abuse, human rights groups express concern that it is a pretext for gathering private online data for the purpose of stifling political activism.

The Taxation Law provides CSOs with income tax exemptions. A *prakas* issued by the Ministry of Economy and Finance (MOEF) in April 2018 clarifies that such tax exemptions apply only to income exclusively received for religious, charitable, scientific, literary, or educational purposes that is approved by the ministry. MOEF issued another *prakas* in early 2019 on *The Establishment of the Taxation Taskforce of the GDT and Associations/NGOs*, which aims to strengthen tax compliance of associations and NGOs. CSOs continued to express concerns in 2019 regarding the increased enforcement of the Taxation Law, which, although passed in 1997, had not been enforced stringently until 2018 because of state capacity issues. In particular, CSOs are concerned about the costs of compliance and worry about the low level of understanding of taxation requirements at the grassroots level.

Cambodia still lacks tax incentives for individual or corporate donations. Taxation on income from economic activity remains unclear. In August, MOEF extended the tax registration deadline from March 31 to December 31 in response to a request made by the Cooperation Committee of Cambodia (CCC) .

In order to import duty-free materials for their programs, local and international CSOs must register with the Council for the Development of Cambodia (CDC), which requires the completion of several registration forms on a periodic basis.

On August 14, 2019, MOEF issued *Prakas* 723 outlining rules on the proper usage of invoices by taxpayers operating in Cambodia, including CSOs. This prakas provides much needed clarification of key aspects of Cambodia's tax administration framework. In particular, it clarifies that large and medium taxpayers cannot claim a VAT input credit on invoices issued by small taxpayers, thereby confirming a practice that has been in place for some time already by some tax branches. There are concerns that smaller CSOs lack the capacity to comply with this regulation.

CSOs are not subject to any legal restrictions on their ability to seek funding from a diverse range of sources including international donations and social enterprise models. However, CSOs with objectives that run counter to government preferences frequently experience harassment. As noted by the Observatory for the Protection of Human Rights Defenders in 2019, land and environmental human rights defenders face regular intimidation. In a notable example, in January 2019, soldiers attacked a community facing eviction in Preah Vihear Province who was locked in a land dispute with a rubber company. The farmers were arrested and physically assaulted by soldiers who had been hired by the company as security guards, and one of the community's representatives was beaten, arrested, and disappeared for two months.

Several organizations provide CSOs with legal consultations and support. These include the Bar Association of the Kingdom of Cambodia (BACK), CCC, Legal Aid Cambodia (LAC), Cambodian League for the Promotion and Defense of Human Rights (LICADHO), DFDL Cambodia (a private law firm), and Transparency International (TI) Cambodia.

ORGANIZATIONAL CAPACITY: 4.0

CSO organizational capacity did not change significantly in 2019 and continues to be constrained by narrow democratic space and the limited availability of funding. CSOs continue to struggle to retain qualified staff and to engage in strategic planning.

CSOs' constituency building efforts did not change significantly in 2019. Some local communities continue to be skeptical of CSO activities, limiting the long-term success of CSOs' work. This is particularly an issue for international CSOs, which often rely on donor-driven models that fail to account for local nuances and priorities. By comparison, local CSOs and CBOs are better able to build constituencies. For example, Youth Star Cambodia, a local volunteer organization that provides supplementary educational support for at-risk youth, asks provincial leaders to identify under-serviced communities who must then apply for a volunteer

ORGANIZATIONAL CAPACITY IN CAMBODIA

2015	2016	2017	2018	2019

3.8 — 3.9 — 3.9 — 4.0 — 4.0

placement through their commune leader. However, CSOs often adjust their programs to reflect donor priorities in order to secure funding, even when they do not fit with organizational priorities, which hampers the development of deeper relationships with local constituencies.

In 2019, the majority of registered international and local NGOs, as well as some CBOs, had strategic plans, although strategic planning at the grassroots level is generally limited to a year at a time. As in previous years, CSOs continued to face challenges implementing their strategic plans. Sound strategic planning remains one of the core tenants of the NGO Governance and Professional Practice (GPP) guidelines introduced by CCC in 2004. However, under the typically donor-driven model of funding in the country, programs often focus on generating outputs such as reports, conferences, or panels. This can cause organizations to divert their focus from longer-term impact and sustainable outcomes.

LANGO requires CSOs to develop formal management structures, including boards of directors to provide strategic and financial oversight, and organizational regulations for human resource management and other issues. For example, a domestic CSO must inform MoI when there is a change in its executive director, finance director, or a member of the board of directors. The majority of CSOs are aware of the need to have a clear division of responsibilities between board members and staff. However, the extent to which boards provide support to their organizations varies widely. GPP further promotes these concepts.

Many organizations in Phnom Penh, including think tanks and organizations focused on health and service delivery, have full-time staff, while CSOs at the grassroots level typically have part-time staff who often engage in additional remunerative activities, such as family farms or stores. In many organizations, staff are expected to undertake multiple roles and staff turnover tends to be high. CSOs' ability to recruit and retain staff is increasingly complicated by growing job opportunities in the private sector, including in garment manufacturing, tourism, and microfinance. In addition, the public perception of work in Cambodian CSOs has decreased as a result of skepticism of CSOs' political affiliation and mistrust of their intentions.

According to the Charities Aid Foundation's 2019 World Giving Index, which provides aggregate data from the last ten years, an average of just 8 percent of respondents in Cambodia have volunteered over the past decade. CSOs most often utilize volunteers as ambassadors to represent their organizations during public events such as International Volunteer Day or clean-up events. A growing number of young Cambodians seek out part-time volunteer opportunities to support their local communities.

Information and communication technology (ICT) and digital platforms are increasingly important aspects of CSO work in Cambodia. However, the Law on Telecommunications undermines the confidence of CSOs, particularly those in the human rights space, in digital platforms as it gives the government significant space to monitor both online and offline communications for the purpose of national security. Both domestic and international CSOs, primarily those based in Phnom Penh and Siem Reap, have access to the internet and good ICT equipment and increasingly make use of social media platforms to spread their messages. CBOs in remote villages, on the other hand, still face numerous difficulties in accessing ICT. Email remains the dominant form of formal communication among CSOs, although CSOs increasingly use messaging applications such as Telegram and WhatsApp to arrange meetings.

FINANCIAL VIABILITY: 5.2

Financial viability did not change in 2019 and continues to be the weakest dimension of CSO sustainability in Cambodia. Most CSOs still only have short-term funding available and are not sustainable over the long term.

Cambodian CSOs are still heavily reliant on international donors, with aid primarily provided by the United States, Japan, United Kingdom, Australia, and the European Union. While there are no aggregated data about total aid received by the country, USAID funding levels provides a window into the kingdom's donor relations. In 2019, USAID provided a total of $92 million in aid to Cambodia, a significant decrease from $152 million in 2018. This funding primarily supports programs focused on basic education ($27 million), government and civil society ($23 million), and basic health ($17 million). Domestic CSOs such as Future Forum, Asian Vision Institute (AVI), and Cambodian Development Research Institute (CDRI) have benefited from an increase in foreign funding opportunities focused on strengthening the sector's capacity, developing public policy analysis, and strengthening collaboration between CSOs, the government, and the private sector. A key example of this is The Asia

FINANCIAL VIABILITY IN CAMBODIA

2015	2016	2017	2018	2019

5.0 — 5.1 — 5.2 — 5.2 — 5.2

Foundation's Ponlok Chomnes initiative. With support from the Australian Department of Foreign Affairs and Trade, this three-year program builds the organizational and technical capacity of Cambodian research institutions and creates an enabling environment for policy dialogue. It will provide a total of approximately $500,000 to three organizations to implement the project. Some CSOs try to diversify their income by changing their programming to reflect available sources of donor funding.

Domestic funding to support CSO operations remains scarce. Public fundraising campaigns remain quite rare. However, Kantha Bopha Hospital continues to raise funds through the use of collection boxes and in 2019, Make-A-Wish and WWF-Cambodia started a fundraising initiative through Grab, where individuals can donate collected travel points to make donations to CSOs. In addition, organizations focused on health, education, and the arts receive some support from the diaspora. CBOs, which typically work on small-scale local issues such as garbage collection, road repair, or community farming, generally rely on funding from community-based budgets and community collections. Government support for the CSO sector remains minimal. CSOs do not generally collect membership fees in any meaningful way.

Businesses support the CSO sector predominantly through the provision of skills-based training. In June 2019, the EuroCham CSR Contest and Awards recognized the corporate social responsibility (CSR) practices of five companies: Khmer Green Charcoal, Knai Bang Chatt, Kulara Water, Artisan Angkor, and Chip Mong Insee. Primarily, these businesses provided training and employment opportunities that would benefit civil society.

Some CSOs seek to diversify their income through the development of revenue-generating streams to support their core work. Friends International, for example, utilizes a social enterprise model in which it runs cafes to generate revenue for its training and support programs for at-risk Cambodian youth. However, for most organizations, self-sustaining revenue generation remains weak. In addition, attempts to diversify revenue streams often result in overstretched operations that can no longer deliver their intended outputs and these sources of funding remain limited and insufficient for larger organizations.

Most CSOs have a financial officer. In line with domestic income and taxation laws, as well as international donor requirements where applicable, most CSOs undergo at least an annual budget review and audit conducted by an independent external auditor.

ADVOCACY: 5.0

CSO advocacy did not change significantly in 2019 and remains one of the weakest dimensions of CSO sustainability. While the government no longer harasses CSOs for allegedly plotting a "Color Revolution," CSOs remain skeptical of government efforts to re-open civic space and the majority of CSOs continued to engage in self-censorship in 2019. Many organizations operating within the media, advocacy, and grassroots spaces expressed concerns about responding to current issues in the country, particularly if they involve highlighting shortcomings in current government policy. High-profile cases, such as the trial of former CNRP-head Kem Sokha, have added to CSOs' reluctance to express their opinions. In this context, there were no nationwide advocacy campaigns in 2019, although LICADHO

ADVOCACY IN CAMBODIA

| 2015	2016	2017	2018	2019

4.4 — 4.5 — 4.7 — 5.0 — 5.0

continued to advocate for fair treatment of human rights activists. Media outlets remain unsure about their ability to report without reprisal.

CSOs continue to participate in some formal government cooperation mechanisms, such as the Technical Working Groups (TWGs) for several areas; the Joint Monitoring Indicator (JMI) for development effectiveness; Implementation of Social Accountability Framework (ISAF) to improve public services at subnational levels; and other spaces through the National Strategic Development Plan (NSDP), Cambodian Sustainable Development Goals (CSDGs), and certain ministries. These platforms provided CSOs the opportunity to participate in discussions of policy issues with decision-makers. However, the majority of organizations that participate in these mechanisms are either international CSOs providing technical support or knowledge-sector CSOs that can provide data with a Cambodia-centric perspective. Large swathes of the CSO community are excluded from participating in such meetings.

In November 2018, a government working group was established to address CSOs' concerns regarding the implementation of LANGO. The working group held a second meeting in 2019 to discuss inputs to be included in the draft amendment to LANGO. However, only 10 percent of the 600 CSOs that registered to participate in public consultations actually participated in the discussion. Also in 2019, the Civil Society Advocacy Forum (CSAF) continued to organize forums for its members to discuss potential amendments to LANGO and note any issues in the sector. In August's forum in Kampong Chhang, both government and CSO members were left disappointed by a perceived lack of cooperation.

In August, during the third public forum on the partnership between the government and CSOs held at the MoI and presided over by its minister, approximately 500 CSO representatives urged the MoI to uphold the principle of democracy and allow them to carry out activities without any restrictions from local authorities. At the meeting, the minister acknowledged CSOs' contributions to social development, but disputed the claims of restrictions on their activities. In 2018, CSOs and the General Department of Taxation of MOEF initiated a Joint Working Group on Taxation. This group met in March 2019 to discuss the ministry's Prakas No. 101 which concerns the establishment and management of community forest areas in Battambang Province.

SERVICE PROVISION: 4.1

SERVICE PROVISION IN CAMBODIA

2015	2016	2017	2018	2019
4.1	4.1	4.2	4.2	4.1
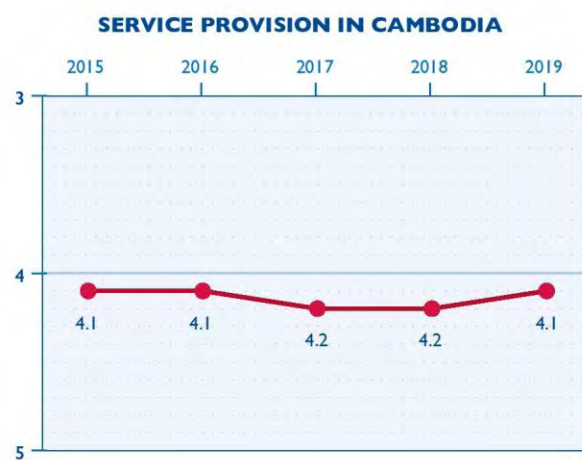
CSO service provision improved slightly in 2019, fueled primarily by the development of operations in the knowledge and energy sectors. In the knowledge sector, for example, organizations such as Future Forum increased their organizational outputs, training, and participation in regional events as they were able to secure additional core funding. In energy, organizations such as Energy Lab supported public discussions about solar energy and a move away from damming. In addition to these sectors, Cambodian CSOs provide services in the fields of governance, food security, education, health care, environmental protection, and family planning. Many CSOs also provide services in more sensitive areas such as land rights, advocacy, and human rights. LAC provides free legal counseling, Sipar provides reading materials and promotes youth volunteering in underserviced communities, and Sahmakun Teang Tnaut (STT) engages in advocacy and provides advice around land and housing rights in addition to other areas.

Throughout 2019, CSOs continued to implement innovative digital practices in their service provision. For example, TI developed mobile phone applications for citizens to report concerns to the Anti-Corruption Unit (ACU). Energy Lab issues a monthly newsletter by email that informs interested parties about developments within the energy sector. Future Forum broadcasts live videos of its policy and guest-lecture series.

CSOs ensure that their goods and services meet local demands by undertaking needs assessments—which are largely informal—and based on their local knowledge.

CSOs increasingly strive to reach broader audiences through their workshops and publications. For example, KAS regularly produces outputs around the digital economy that are distributed openly to the public. In general, CSO services are provided without discrimination.

The majority of CSO services are provided free of charge with funding from international donors, and limited support in the form of local grants or private donations. The public still expects most CSO services to be free. In addition, most CSOs do not have the capacity in terms of personnel or expertise to develop sustainable revenue-generating models that cover the costs of their community activities, although there are a few rare exceptions as discussed previously.

The government regularly signals its appreciation of the contributions and service provision of CSOs in priority sectors such as health, education, and training through public statements. At the same time, the government tends to view CSO services in sensitive areas such as human rights as direct opposition.

SECTORAL INFRASTRUCTURE: 4.2

The infrastructure supporting the CSO sector improved slightly in 2019, primarily driven by increased collaboration among CSO actors engaged in research and policy.

A number of CSOs, including the East-West Management Institute (EWMI) and VBNK Cambodia, continue to provide training and technical support to other CSOs. Training primarily focuses on areas such as digital innovation, monitoring and evaluation, and strategic planning. In addition, networks such as the NGO Forum and one run by the Konrad-Adenauer Stiftung (KAS) regularly organize training workshops and discussion spaces for other CSOs and their members. CCC provides some training opportunities on governance and advocacy issues. CSOs can receive free technology-oriented training from the KOOMPI Academy, a free online educational platform created in 2019 by the Cambodian technology company KOOMPI. Local CSOs and research institutions such as CDRI and the Cambodian Institute for Cooperation and Peace (CICP) produce and disseminate key development information. Of particular note in 2019 was CICP's launch of its inaugural journal, the *Journal of Greater Mekong Studies*.

SECTORAL INFRASTRUCTURE IN CAMBODIA

2015	2016	2017	2018	2019
4.2	4.2	4.3	4.3	4.2

There are still no dedicated local grantmaking organizations that award locally-raised funds to other CSOs, while a few organizations distribute foreign-funded grants. For example, The Asia Foundation receives funding from the Australian Department of Foreign Affairs and Trade and provides grants to local organizations such as Future Forum. In the education sphere, Aide et Action provides small grants to local organizations to purchase mobile library resources.

Collaboration continues to increase within the CSO sector, particularly among organizations in the knowledge sector. In mid-2019, Future Forum, in partnership with KAS, launched a monthly research colloquium to bring together otherwise disparate researchers working in Cambodian CSOs. This resulted in an increase in inter-sectoral linkages and collaboration among these partners. For example, Future Forum and the University of Puthisastra signed an MOU focused on health-care research and policy. CSO networks and umbrella organization working at the national level include CCC, NGO Forum on Cambodia (NGOF), HIV/AIDS Coordinating Committee (HACC), NGO Education Partnership (NEP), the NGO Committee on the Rights of the Child (NGOCRC), the Solidarity House (SH), the ChabDai Coalition, Star Kampuchea, and the Cambodian NGO Committee on CEDAW.

Intersectoral linkages between CSOs and other sectors also increased in 2019. For example, in November, Future Forum and the *Southeast Asia Globe* worked together on a series of articles leading to the 2020 launch of a Future Forum and KAS publication. As described above, Make-A-Wish and WWF started a fundraising initiative in 2019 in partnership with Grab, in which individuals can donate collected travel points to make donations to CSOs. CSAF
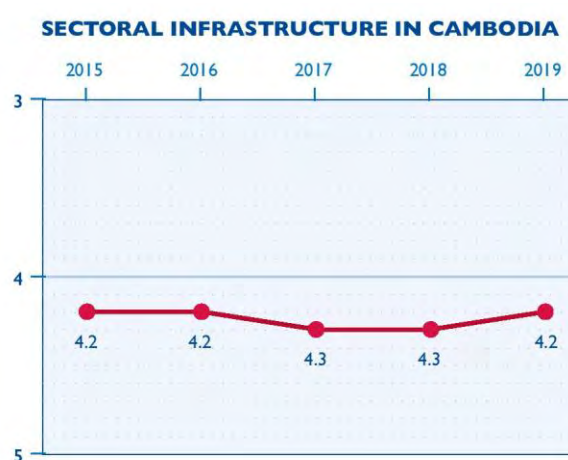
was established in 2016 to promote cooperation between the government and CSOs. While the platform provides an important mechanism for dialogue, CSOs still do not fully trust this relatively new entity as a result of its government backing.

PUBLIC IMAGE: 4.5

PUBLIC IMAGE IN CAMBODIA

2015	2016	2017	2018	2019
4.1	4.1	4.3	4.5	4.5
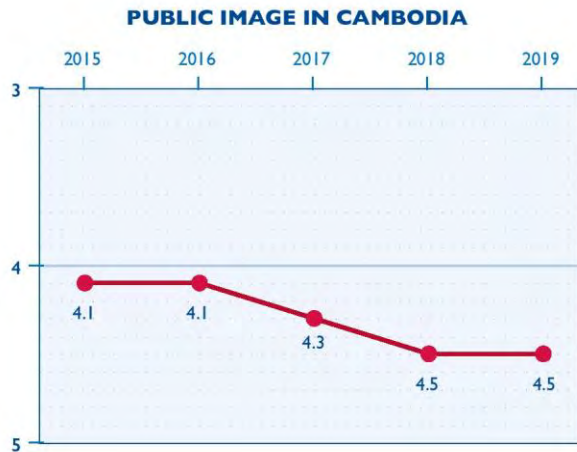
The public image of CSOs remained the same in 2019, as CSOs continued to be apprehensive of the reopening of civic space.

CSOs continue to receive a limited amount of national media coverage, with the majority of news dominated by ongoing sagas in international relations and the economy. Exceptions to this in 2019 included the coverage of United Nations backed celebrations, such as International Volunteer Day and International Women's Day, or where a notable government figure made an appearance. Some outlets such as the *Southeast Asia Globe* and VOA, however, have begun to showcase the work of CSOs more consistently.

The public perception of CSOs is generally favorable. While the public generally does not understand the difference between NGOs specifically and CSOs more broadly, it recognizes the valuable contributions civil society has made to Cambodian society, particularly in terms of local education and health initiatives. In the space of human rights and advocacy, however, there is a public misattribution of CSO activities as either "activities of a color revolution" or "activities at the behest of the state." Since the crackdown in 2018, people fear that if they support CSOs, it will inadvertently make them a target of the government. However, CBOs are positively perceived as the citizenry has a better sense of the services being provided.

The government views CSOs operating in areas such as education and health positively. However, government officials continue to view other CSOs, particularly those focused on human rights, as being aligned with former opposition CNRP members and practices, viewing them as a challenge to their rule and stability.

CSOs in Cambodia continue to undertake activities to promote their organizations. CSOs increasingly utilize social media and online platforms to display their work through videos, animation, and sound bites. In addition, CSOs continue to engage in traditional public relations activities such as issuing press releases and other reports. In addition, some CSOs host popular radio shows. It is more difficult, however, for CSOs to organize press conferences or public events to showcase their work.

Only a few CSOs issue annual reports. CPP's GPP certification system promotes good governance and accountability in the sector.

INDONESIA

OVERALL CSO SUSTAINABILITY: 3.9
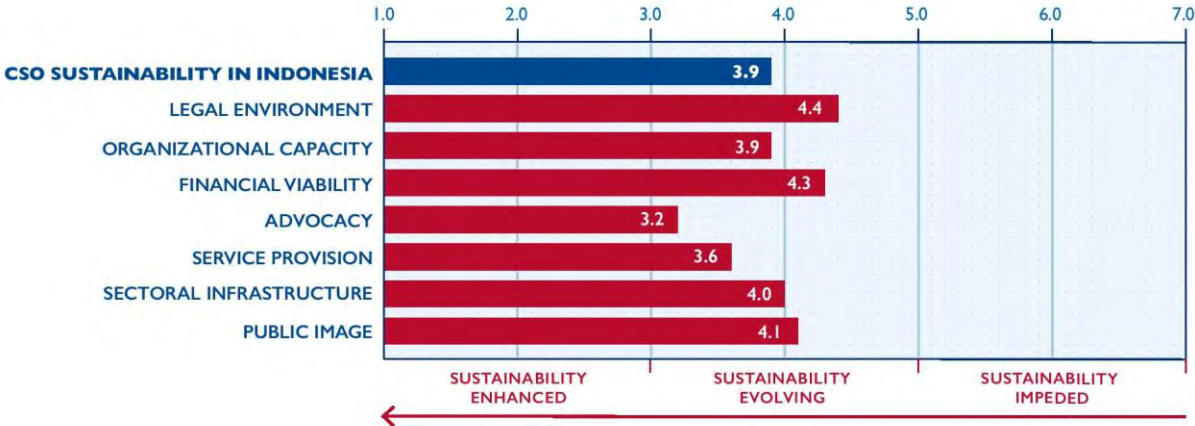
General elections were held in Indonesia in April 2019. The election process was long and complicated, as it combined presidential and legislative elections at the national and regional levels, with a total of five ballots for each voter. Voter turnout was high, with 81 percent of registered voters participating in the elections, a significant increase from the 77.5 percent voter turnout in the 2014 elections. The campaign period was long, lasting from the end of September 2018 to the middle of April. On May 21, the electoral commission announced that incumbent Joko Widodo (Jokowi) had won the election for president. Presidential candidate Prabowo Subianto rejected these results, claiming that the presidential poll was marred by systemic electoral fraud. After the court unanimously rejected the appeal on June 27, he accepted the results and eventually even assumed an appointment as defense minister with the new government. With Jokowi thus securing his second term as president, political conditions in the country are not expected to change significantly over the next five years. In this context, many observers consider the role of Indonesian CSOs in supporting democracy to be at risk. In an article published in *Peace Policy* in May 2019, for example, Peter Van Tuijl noted that Indonesian civil society faced significant challenges in promoting peace and human rights in the run-up to the April 2019 general elections.

The status of Papua, an ethnically distinct region in the western half of New Guinea, was also a major issue in 2019. Demonstrations organized by the Papua Student Alliance (APM) in Malang in August calling for the independence of Papua, an ethnically distinct region in the western half of New Guinea, ended in chaos. Police denied permission for another action planned to commemorate the fifty-seventh anniversary of the New York agreement, which handed control over the western portion of the island of New Guinea from the Netherlands to Indonesia, as the aspirations to be voiced by APM were considered to be violations of the constitution. In addition, forty-three Papuan students were arrested in the city of Surabaya on August 17, 2019, for allegedly defacing the state flag. These incidents triggered spontaneous demonstrations in several other cities in Papua. In response, the Ministry of Communication and Information (Kominfo) cut off cellular data in the Papua region on August 21, 2019. This led the Papuan Students and Students Association (IPMAPA) throughout Java and Bali to issue a statement "refusing the visit of the Indonesian Government and immediately granting the right to self-determination as a democratic solution for the people of West Papua." The situation was still unresolved at the end of the year.

According to the Indonesian Survey Institute, religious and political intolerance continued to be high in 2019. For example, the majority of Muslims (more than 50 percent) objected to the notion of non-Muslims becoming president, vice president, governor, or heads of government at the district/city level.

Anti-LGBTI sentiments also continued to be an issue in 2019. CSOs representing lesbian, gay, bisexual, transgender, and intersex (LGBTI) communities were intimidated, preventing them from carrying out

organizational activities freely and safely. Some LGBTI CSOs struggled to operate because they were no longer able to access funding from international donor agencies in Indonesia.

Despite the difficult situation in the country, the overall sustainability of the CSO sector improved slightly in 2019, with slight improvements in the financial viability, advocacy, service provision, and sectoral infrastructure dimensions. The sector's public image remained unchanged, while the organizational capacity deteriorated slightly.

According to data from the Directorate General of Politics and Public Administration of the Ministry of Home Affairs (MOHA), as of November 22, 2019, there were 431,465 CSOs registered in Indonesia, an increase of 9 percent from 2018. This number included 226,994 foundations and 167,385 associations registered with the Ministry of Law and Human Rights, 27,015 CSOs with registration certificates but not legal entity status, and 71 societal organizations registered with the Ministry of Foreign Affairs. The increase in the number of registered CSOs occurred after MOHA developed an online registration system called SIOLA. No information is available on the percentage of registered organizations that are active.

LEGAL ENVIRONMENT: 4.4

LEGAL ENVIRONMENT IN INDONESIA

	2015	2016	2017	2018	2019
	4.3	4.3	4.4	4.4	4.4

The legal environment governing CSOs did not change significantly in 2019.

A CSO in Indonesia can assume legal status with the Ministry of Law and Human Rights as either an association or a foundation. A foundation does not have members, while an association is a member-based organization. Foundations are regulated by the 2001 Law on Foundations, revised in 2004, while associations are governed by Staadsblad (Statute) No. 64/1870.

Foundations must have organizational structures including trustees, management, and supervisors. The Board of Trustees is the highest decision-making forum in a foundation and is responsible for almost all strategic decisions. Some CSOs consider this organizational structure to be incompatible with the character of CSOs because it is hierarchical and there is no balance of power between the three elements of the organization. Many CSOs therefore choose to instead register as associations, which provides them with more flexibility to create a more balanced, equal, and democratic organizational structure.

The procedure for applying for legal status as an association with the Ministry of Law and Human Rights was changed in 2019. Beginning in June 2019, CSOs can now grant a notary the power of attorney to petition the ministry for legal status in order to expedite the process.

According to MOHA's Regulation No. 57 of 2017 concerning Registration and Management of Societal Organization Information Systems, a CSO without legal status must have a Registration Certificate (SKT) from MOHA in order to operate in public spaces, for example to conduct public fundraising or collaborate with the government or donor agencies. SKTs are issued by the minister and are valid for five years. The requirements for registering to receive an SKT are relatively simple and free of charge. CSOs submit applications for registration and extension of SKTs to the ministry's administrative service unit. Registration applications also can be submitted through the governor or regent/mayor in the administrative services unit in the province or district/city. The ministry should either grant or refuse the application within fifteen days from the time the application is recorded in MOHA's administrative service unit. In practice, however, the process often takes longer.

Although Law No. 17 of 2013 concerning Societal Organizations and MOHA's Regulation No. 57 of 2017 indicate that SKTs are only required for CSOs that do not have legal status, in practice, regional governments often request SKTs from CSOs that are already incorporated. In addition, according to a monitoring and evaluation report compiled by the Foundation for Strengthening Participation, Initiative and Partnerships of the Indonesian Society (YAPPIKA), in some areas such as Kendari City, Purbalingga Regency, and Kotamobagu City, CSOs that do

not have SKTs have been prohibited from carrying out their activities, including through restrictions on their mobility.

Some CSOs refuse to obtain SKTs, viewing them as a tool of political control and arguing that they should be abolished because CSOs are sufficiently regulated by other laws. The reluctance of CSOs to obtain SKTs is demonstrated by the small number of CSOs that have SKTs in the provinces and districts/cities. For example, data from the National Unity and Politics Agency (Kesbangpol) in Jambi Province indicate that out of 1,007 CSOs, only 9 have SKTs. Meanwhile, in South Bangka District, the SKTs of 65 percent of the 84 CSOs expired in 2019. The SKTs of many CSOs in the city of Denpasar have also expired.

Some CSOs do not consistently adhere to the applicable laws and regulations governing their operations, and the government does not have a clear mechanism for monitoring their compliance. For example, CSOs are required by the Law on Foundations and Law on Societal Organizations to prepare annual reports and publish summaries of their financial statements in a daily newspaper. The financial statements of a foundation also must be audited by a public accountant. However, few CSOs follow these rules and no CSOs are known to have been fined or sanctioned by the government for failure to comply with this regulation.

The freedom of association was threatened in 2019. A number of CSOs experienced social, political, and security intimidation. LGBTI CSOs experienced increased insecurity and threats from both the state apparatus and anti-LGBTI individuals and groups, including threats to the security of their activists. As a result, they were unable to organize activities freely and openly, especially if the activities involved many people. To avoid security threats, many CSOs kept the location of their activities secret. In 2019, the Attorney General's Office banned LGBTI candidates from registering for prospective civil servant careers in law enforcement. The recruitment.kejaksaan.go.id page clearly states that applications are only accepted from those who are not color blind, either partially or totally; not physically handicapped; and not mentally handicapped, including sexual orientation disorders and behavioral disorders (transgender) or LGBT. The Indonesia Social Change Organization (OPSI) in Riau, which works on HIV/AIDS issues and assists the LGBTI community, was also subject to intimidation by the government and community. In addition, researchers from Indonesia Corruption Watch (ICW) were threatened and their social media accounts were subjected to bullying.

There were also threats to the freedom of expression and assembly during the year. On December 14, 2019, Sudarto, the executive director of Pusaka CSO in West Sumatra, published a Facebook post objecting to a ban on Christmas worship for Catholics. After someone reported this post to the police, Sudarto was arrested for hate speech and spreading lies. Finally, restrictions on freedom of assembly were demonstrated by the government's treatment of individuals calling for the independence of Papua, as described above.

CSOs receive tax exemptions on income from grants, donations, and inheritance, as well as zakat (required Islamic giving) if a CSO is a government-approved zakat collector. The procedure for applying for such exemptions is very bureaucratic and complicated. Regulation No. 93/2010 provides limited income tax deductions for persons or entities that provide contributions to national disaster relief, research and development, educational facilities, sports facilities, or social infrastructure development. The procedures to receive these deductions, however, are complicated and subject donors to the risk of inspection by tax officers.

Associations may not engage in economic activities. Foundations may only engage in economic activities by setting up business entities or putting shares in enterprises. The profit from a foundation's economic activities is taxed and must be used entirely for program sustainability and the financial independence of the organization.

MOHA Regulation No. 38 of 2008 regulates the procedures for public organizations to receive assistance from foreign parties. The regulation specifies that a public organization must be registered in the Department of Home Affairs or other government agencies and/or local governments in order to receive foreign assistance. MOHA approves the plan for accepting foreign assistance. However, these rules are not fully implemented and most CSOs do not follow them, although a few donors do require their grantees to receive government approval. In 2019, for example, it took Konsil LSM Indonesia eight months to receive a letter of approval from MOHA to accept funding from the Ford Foundation.

Article 40 of MOHA Regulation No. 38 of 2008 requires organizations to report on the implementation of activities funded through foreign assistance within fourteen days of implementation. Few CSOs adhere to this rule strictly, with most CSOs only publishing information about their activities and funding in their annual reports.

Presidential Regulation No. 16 of 2018 concerning Procurement of Goods and Services, commonly known as the Type 3 self-management mechanism, created opportunities for CSOs to participate in the procurement of government goods and services. CSOs that have successfully obtained such contracts include the SMERU Research Institute, Article 33, Center for Innovation Policy and Governance (CIPG), and Institute for Research and Empowerment (IRE). The Knowledge Sector Initiative reports that one of the obstacles CSOs face in participating in these procurements is that many CSOs do not undergo annual audits by public accountants, which is a requirement of such procurements.

A number of CSOs at the national and regional levels have sufficient capacity to represent CSOs in legal proceedings. These include the Indonesian Legal Aid Foundation at the national level and fifteen Indonesian Legal Aid Foundation Offices in the provincial capitals.

ORGANIZATIONAL CAPACITY: 3.9

Organizational capacity was the only dimension of CSO sustainability that deteriorated in 2019. While there is no data about the number of CSOs that went bankrupt or ceased operating in 2019, the difficulties that CSOs face are demonstrated in the fact that 25 percent of the members of the Indonesian NGO Council were inactive during the year.

ORGANIZATIONAL CAPACITY IN INDONESIA

2015: 3.8 2016: 3.8 2017: 3.8 2018: 3.8 2019: 3.9

There are still significant gaps in organizational capacity between CSOs at national and regional levels, with most strong CSOs based in Java. These CSOs generally have greater capacities to obtain funding from donors and to build partnerships with government and corporate institutions, most of which are also based in Jakarta.

Staffing is a particular concern among CSOs. Many CSOs work on a project basis. As a result, once a project is complete, CSOs do not have the ability to retain staff. Many CSO staff members instead choose to work with international NGOs, which offer better salaries and job stability. Many CSOs try to eliminate "burn out" among their staff by organizing family gatherings and other outdoor events with a more relaxed atmosphere to build a sense of solidarity.

A number of CSOs engaged in grassroots community organizing involve their beneficiaries in the preparation of strategic plans and annual evaluations in order to ensure that their long-term programs are in line with beneficiary needs. As member-based CSOs, associations generally have stronger constituency systems that ensure the participation and representation of their members in processes to select and establish the executive and board leaders and to draft and change the articles of association, bylaws, and long-term plans. Due to limited funding, however, forums face challenges in inviting their members to meet regularly.

CSOs' strategic planning and internal management structures did not change significantly in 2019. More developed CSOs engage in strategic planning to determine their directions, visions, and missions, but not all CSOs use their strategic plans to guide their work because of their dependence on project-based funding. Most CSOs have flexible internal management structures based on program needs and try to have clearly separate responsibilities for decision making, implementation, and control. CSOs do not have the resources to measure their success through the use of external evaluators but do put together internal teams to conduct evaluations. Some CSOs are able to engage local, national, and international volunteers. According to the Charities Aid Foundation's 2019 World Giving Index, which reports on giving trends over the past decade, an average of 40 percent of respondents in Indonesia reported having taken part in volunteer activities over the past ten years, placing it at seventh place among the 126 countries covered in this study.

Many local CSOs have limited access to computer equipment and lack skills to use software. However, CSOs increasingly rely on social media and many of them use their websites to share information about their programs and to raise funds. The abundance of information that can now be found on these sources has increased the

transparency and accountability of CSOs. The Indonesian NGO Council reports that the number of CSOs that participated in webinars and virtual discussions increased significantly in 2019, indicating that CSOs' access to information and communications technology (ICT) has increased. Many CSOs use WhatsApp for internal discussions.

FINANCIAL VIABILITY: 4.3

FINANCIAL VIABILITY IN INDONESIA

CSOs' financial viability improved slightly in 2019. In the past, CSOs relied almost entirely on foreign funding. Since Indonesia entered the G20 in 2008, foreign assistance has declined. While this has challenged CSOs, it also presented them with an opportunity to diversify their funding sources, either by accessing available funds from the public sector, companies, and individuals, or generating their own income. Financial viability improved in 2019 as a result of increased funding from these local sources.

CSOs have access to diverse funding sources, including internal resources (such as staff donations and the sale of goods and services) and external sources (including local and international donors, the government, community donations, and corporate social responsibility (CSR)).To get funds from the state and regional budgets, a CSO must be a legal entity and have an SKT. To collect public donations, a CSO must obtain permission from the Ministry of Social Affairs and publish it on its website or social media account with the title "donation receipt."

Local philanthropy continues to grow, especially in the religious field. In 2019, the National Zakat Agency (BAZNAS) raised between IDR 9.6 and 10.07 trillion (approximately $672 million to $705 million), an increase of 25 percent over the previous year. This increase was enabled by BAZNAS' innovative multiplatform digital fundraising approach, which included forty-one digital channels, including online shops, financial technology, a virtual assistant zakat game, and augmented reality. In 2019, Dompet Dhuafa, an Islamic philanthropic institution that focuses on empowering the poor through philanthropic activities and prophetic social entrepreneurship, collected over IDR 1.2 trillion (approximately $84 million) through charitable donations made at twelve different activities, including the Smart Tahfidz School, Indonesian Child Cancer Care, Dhuafa Parcel, Independent Diffable, and Tough Woman.

Other CSOs such as the Indonesian Red Cross (PMI), Muhammadiyah, and Nahdatul Ulama (Association of Muslim Scholars, NU) also receive funds from the public in person and through online systems. In July, YBH-Justice Indonesia South Halmahera (Hal-Sel) Branch, Makassar Hal-Sel Student Alumni Association, and Indonesian Democracy Assembly Institute organized a fundraising campaign for earthquake victims in Halmahera district, North Maluku. Funds were raised both from people who sent donations to the office and through charity boxes circulated at ports and ships. Precious One NGO, Sayap Ibu Banten Foundation, and the Pita Kuning Foundation collaborated with Blibli.com to raise funds through Kitabisa.com. According to the 2019 World Giving Index, Indonesians are among the most generous people in the world, with an average of 69 percent of respondents over the past ten years indicating that they have donated money to charity.

Philanthropic institutions continue to develop as foreign funding declines. While the Indonesian Philanthropy Association (PFI) does not provide direct assistance to CSOs, it acts as a bridge to connect CSOs with other funding sources. Several companies (both private and state-owned) have established foundations, including the Sampoerna Foundation. However, these foundations often compete with CSOs for foreign funding. There are also other grantmaking foundations such as Yayasan Keragaman Hayati Indonesia (Indonesian Diversity Foundation, KEHATI), and Dompet Dhuafa that award funds to CSOs.

CSR is growing in Indonesia, but primarily supports physical construction, rather than development and empowerment programs. Other CSR initiatives only support social activities surrounding their business locations. Most local CSOs do not fulfill the criteria to receive this support.

Government funding for CSOs is very limited. MOHA has a small budget for CSOs. This funding is generally only accessible by national CSO with good access to MOHA. Presidential Regulation (Perpres) No.16/2018 provides CSOs with the opportunity to compete for the procurement of government goods and services. However, CSOs are generally unable to compete with companies in the bidding process.

Foreign donors continue to be an important source of funding for legally registered CSOs, although the amount of foreign funding decreased in 2019. For example, funding from Australia for programs in the country, including those that benefit CSOs, decreased from A$331.3 million in 2018 to A$298.5 million in 2019. Nevertheless, CSOs still received funding from several countries during the year. The government of Japan provided support for programs in Indonesia implemented by both the government and CSOs in the amount of IDR 3.37 billion (approximately $236,000). Australia's Department of Foreign Affairs and Trade supports programs in Eastern Indonesia through the Empowering Indonesian Women for Poverty Reduction (MAMPU) and Governance for Growth (KOMPAK) programs. In 2019, Indonesian CSOs could also apply for grants from the Toyota Foundation in the amount of $89,000 for two-year programs or $44,500 for one-year programs.

CSOs increasingly sell their products and services to help cover their operational costs. For example, Yayasan Kristen untuk Kesehatan Umum (Christian Foundation for Public Health, YAKKUM) develops products such as handicrafts and traditional batik through a social entrepreneurship unit. Intermediary support organizations (ISOs) earn income by selling services. For example, SMERU charges fees for its training and research. Konsil LSM Indonesia (Indonesian NGOs Council), Resources Management and Development Consultant (REMDEC), SATUNAMA Foundation, and Forum Indonesia untuk Transparansi Anggaran (Indonesian Forum for Budget Transparency, FITRA) earn revenue by providing training and serving as resource persons for the government, companies, and CSOs. Most CSOs still sell their products and services through traditional means, as opposed to online.

Most CSOs are able to practice adequate financial management. Financial management systems are improving, especially among CSOs that benefit from donor-funded capacity-building programs, which often include a focus on financial management. The Law on Foundations requires foundations that have received donations from the state, overseas parties, or third parties totaling IDR 500 million (approximately $34,500) or more to be audited by a public accountant and to have their annual report summaries published in an Indonesian-language daily newspaper. However, some CSOs cannot afford the fees of public accountants. Some funding agencies provide assistance to CSOs to conduct financial audits. Many CSOs publish their annual financial reports on their websites.

ADVOCACY: 3.2

Advocacy is the strongest dimension of CSO sustainability in Indonesia and improved further in 2019 as CSOs engaged in more advocacy at both the national and local levels. Many of these campaigns were successful.

CSO coalitions have increased their ability to lobby and advocate for various national and local strategic issues. For example, in 2019 over forty CSOs, including Jakarta Legal Aid Foundation (LBH Jakarta), Indonesian Legal Aid Foundation (YLBHI), and ICW, objected to the Bill of Omnibus Law on Job Creation, which was detrimental to labor groups. The Coalition 18+, a coalition of over fifty CSOs including the Indonesian Family Planning Association (PKBI), Fatayat NU, Indonesian Women's Coalition (KPI), and Women's Journal, successfully

ADVOCACY IN INDONESIA

2015	2016	2017	2018	2019

3.6, 3.5, 3.4, 3.3, 3.2

pushed for the Constitutional Court to conduct a judicial review of the 1974 Law on Marriage, which led to the adoption of a new marriage law (Law No. 16 of 2019) in 2019. One of the purposes of the judicial review was to increase the minimum age of marriage from sixteen years to over eighteen years; the final version of the law increased the minimum age of marriage for a woman to nineteen years and for a man to twenty-one years. Civic Engagement Alliance (CEA) Indonesia offers training to CSOs to strengthen their ability to engage in lobbying and

advocacy, specifically on how to approach the government and business sectors on their implementation of UN Guiding Principles on Business and Human Rights.

CSOs are often involved in the process of designing policies and regulations at the national and local levels. Because of CSOs' increased skills in lobbying and advocacy, many of the regulations, policies, and laws that they advocated for in 2019 were included in the national legislation program. For example, CSOs took the initiative to propose drafts of the Elimination of Sexual Violence Bill, Bill of Indigenous Peoples, and amendments to the Societal Organizations Bill and Bill of the Juvenile Justice System. CSOs submitted their initiatives to the legislature in 2019 and they are now priority items on the 2020 National Legislation Program.

CSOs also review and provide feedback on bills initiated by the government or legislature, particularly those that will have a negative impact on the community. In 2019, CSOs analyzed and submitted the results of their review on bills related to natural resource management, the environment, palm oil, job creation, and others. CSOs also played a key role in advocating around the Criminal Code Bill, which the government proposed to update the Criminal Code, which is still based on Dutch colonial laws. CSOs objected to several of the bill's provisions, including the fact that a number of articles contain penalties for corruption that are lower than those specified in the Corruption Act; the definition of treason, which could be used to suppress freedom of expression; and articles on abortion. CSOs conducted studies on these issues and organized large demonstrations. The Criminal Code Bill was still pending at the end of 2019.

CSOs exert massive pressure on the government when it fails to organize public consultation processes. In 2019, CSOs expressed their objections to the fact that the government failed to provide opportunities to the public to express their opinions on the amendment to the Corruption Eradication Commission (KPK) Law.

CSOs strengthened their participation in the development of medium and short-term development plans through Development Planning Conferences (MUSREMBANG), which now reaches the village levels, in addition to sub-district, regency/city, provincial, and national levels. In late 2019, CSOs were also involved in the preparation of the National Action Plan for Human Rights for the 2020-2024 period. The final National Action Plan for Human Rights included important issues proposed by CSOs, including issues affecting women, children, disability, and society customary (traditional community groups in Indonesia that maintain the culture and customs of their indigenous tribes), as well as business and human rights.

In 2019, the Freedom of Association Coalition (KKB) proposed amendments to the Societal Organization (Ormas) Law to revoke requirement for CSOs to have SKTs to prove their registration; decrease government control over CSOs; increase government transparency, accountability, and proportionality in CSOs' data collection policies; and provide access to resources for CSOs. KKB further proposed to repeal the Ormas Law and replace it with an Association Law that would distinguish more clearly between foundations and associations. According to a researcher from the Center for Law and Policy Studies (PSHK), the Ormas Law should be revised as it uses a political approach to CSOs, while CSOs are humanitarian, religious, and social organizations.

SERVICE PROVISION: 3.6

CSO service provision improved in 2019, driven by increases in the number of CSO service providers and the quality and range of services provided.

CSOs provide a range of services that benefit local communities. For example, PKBI provides sexual and reproductive health services through its branches in twenty-six provinces. The One Vision Alliance (ASV), which has twenty members across ten provinces, also provides services related to sexual and reproductive health, as well as gender-based violence. CSOs also provide a great deal of educational services, including scholarship programs for poor children and victims of violence. Some CSOs provide education or training to strengthen communities. Women's Ship Institute (Kapal Perempuan Institute) runs women's schools that have been replicated in two provinces (East Java and West Nusa Tenggara), as well as water and sanitation services, advisory services for women and children victims of violence, and legal aid services.

An increasing number of CSOs provide legal assistance for the poor in an inclusive manner. CSOs that are verified by the Ministry of Law and Human Rights are entitled to receive financial assistance to provide legal services to the poor; in 2019, 524 CSOs were verified for the period 2019 to 2021, an increase from 310 organizations in 2018.

SERVICE PROVISION IN INDONESIA

2015	2016	2017	2018	2019
3.9	3.9	3.8	3.7	3.6

CSOs also provide critical services to victims of violence, especially women and children and victims of sexual violence, the number of which increases every year.

CSOs have developed various models of participatory service approaches, such as participatory rural assessments (PRA) and social mapping, to identify community needs and important actors in the community that can be involved in projects.

CSOs usually provide services to the poor free of charge, but charge fees to those who can afford to pay. For example, the PULIH Foundation provides psychological counseling services to the public for a fee, while it provides free legal services to victims of violence, especially women and children. Even when fees are charged, they are usually insufficient to cover the costs of providing services. Some CSOs have formed micro-enterprises or offer paid services to cover some of their costs. FITRA and the Center for Regional Information and Studies Foundation (PATTIRO) provide training and fee-based technical assistance on budgeting to the government and CSOs in several provinces and districts/cities. Several other institutions, including Konsil LSM Indonesia and Open Data Lab (ODL) assisted village governments in Pontianak, Banda Aceh, Jakarta, and Bandung with various technical tasks such as accounting and building digital village information systems. CSOs such as Lembaga Pengkajian dan Pemberdayaan Masyarakat (Institute for Community Assessment and Empowerment, LP2M) in West Sumatra also assist in the formulation of village maps, create the concepts for village-owned enterprises (BUMDES), formulate ideas for village thematic issues, and facilitate the strengthening of women's participation in gender-responsive rural development.

In Banten, a local organization called Perhimpunan Hanjuang Mahardika Nusantara (National Liberation Front, PHMN) established the Hanjuang Cooperative that brings together forest honey farmers in Pandeglang-Banten district. In Bali, Kopernik CSO is developing a variety of new technologies with simple principles based on the needs of rural communities or remote areas.

The government generally appreciates the role that CSOs play in providing services to the community. In 2019, MOHA provided awards to several CSOs, including Selamat Pagi Indonesia (Good Morning Indonesia) for educational programs, Perkumpulan Kapal Perempuan for women's empowerment programs, and Association for Election and Democracy for governance initiatives. CSO collaboration with the government on the provision of services improved in 2019 when MOHA asked each region to establish an integrated center for services for women and children (P2TP2A). The government will certify these institutions, and CSOs will provide legal, psychological, and economic services.

SECTORAL INFRASTRUCTURE: 4.0

In 2019, the infrastructure supporting the sector improved slightly.

CSOs at the national level continue to act as resource centers, grant providers, and intermediaries channeling international funds to CSOs in the regions. Some of the organizations that provide training and technical assistance are the Cooperative for Civil Society Resources Development (CIRCLE) Indonesia, SATUNAMA Foundation, Indonesian Center for Law and Policy Studies, SMERU, MDF Indonesia, IDEP Foundation, Penabulu Foundation, and YAKKUM. In 2019, the USAID-funded MADANI program successfully selected nineteen organizations to provide services to other CSOs. These include AKATIGA, FITRA Indonesia, Konsil LSM Indonesia, Komite Pemantau Legislatif (Legislative Monitoring Committee, KOPEL), Public Policy Study Institute-Makassar, Patnership-ID, Resources Management and Development Consultant (REMDEC), YAPPIKA, Penabulu Foundation, PATTIRO, Persemaian Cinta Kemanusiaan (Institute for Social Research, Democracy, and Social Justice, PERCIK), SPEK-HAM, SATUNAMA Foundation, International NGO Forum on Indonesia (INFID), Transparency International Indonesia, SARASWATI, and Communication for Change (C4C).

CSOs have access to training in such areas as organizational and financial management, monitoring and evaluation, strategic planning, accounting, fundraising, advocacy, gender analysis, law and human rights, law making, and research methods. During 2019, the MADANI program focused on strengthening CSOs' capacity in three main topics: legality, recognition, and sustainability. Other organizations providing training include CIRCLE Indonesia, SATUNAMA Foundation, Indonesian Center for Law and Policy Studies, SMERU, MDF Indonesia, IDEP Foundation, Penabulu, and C4C. Most of the training is provided on a paid basis, although some is provided for free with donor funding. For example, C4C provides training with funding from the Ford Foundation. Training is rarely available in volunteer management, constituency development, or board development.

SECTORAL INFRASTRUCTURE IN INDONESIA

Several local organizations provided grants to CSOs in 2019. Tifa Foundation distributed grants to CSOs for projects focused on equality and citizen participation in economic governance at the local level. In 2019, KEHATI Foundation distributed funding from Conservation International's Blue Abadi Fund to twenty CSOs working in West Papua Province. Dompet Dhuafav awarded grants to four CSOs through a call for proposals in 2019.

CSOs frequently share skills and knowledge amongst themselves, especially on cross-cutting issues such as gender, children, human rights, and climate change, digital literacy, accountability, and governance of CSOs. CSOs increasingly formed coalitions in 2019, particularly to pursue advocacy goals. Three new coalitions were formed in West Sumatra in 2019: Child Care Coalition, Human Rights Defenders Coalition, and Disability Concern Coalition. In Jakarta, LGBTI organizations, HIV/AIDS groups, religious groups, priests, and psychologists established the Sahabat Kita Forum to serve as a liaison between LGBTI groups and other groups that can provide legal aid services, psychological counseling, and health services. Sahabat Kita also provides LGBTI communities with assistance in accessing HIV testing, continued treatment of people living with HIV/AIDS, and counseling. CSOs and media formed the Fact Check Coalition to check the candidates' statements during the presidential candidate debate; the coalition continues to provide other fact-checking services.

Multi-stakeholder collaboration between the government, CSOs, and the business sector is also increasing, including on programs related to achieving sustainability development goals (SDGs), poverty alleviation, and inclusive development. CSOs increasingly collaborate with the government to improve services to the community, especially in the regions. For example, in 2019 the Yogyakarta District Court of the Special Region of Indonesia cooperated with Sentra Advokasi Perempuan Difabel Dan Anak (Advocacy Center for Disabled Women and Children, SAPDA), Rifka Annisa, and Perhimpunan Advokat Indonesia (Indonesian Advocates Association, PERADI) to improve its core business services in the field of case resolution and to create a court that is friendly to the community. CSOs also work with businesses to achieve common aims. For example, Indonesian Grab works closely with the Service Provider Forum (FPL) to prevent sexual violence and assist victims of sexual violence. Grab also conducted a donation campaign for FPL on the Grab Rewards platform, collecting approximately IDR 109 billion (approximately $7.6 million) between December 2019 and January 10, 2020. These funds were used for the economic empowerment of women survivors in Java, Sumatra, Kalimantan, and Eastern Indonesia.

PUBLIC IMAGE: 4.1

The public perception of Indonesian CSOs did not change notably in 2019.

CSO services and community development activities are rarely covered in traditional and online media at the local or national levels, while CSO advocacy activities received more coverage. The advocacy activities that received the most coverage in 2019 included those focused on anti-corruption, human rights and women's rights, violence against women and children, gender equality, and issues related to pluralism and tolerance. CSO advocacy supporting the draft sexual violence law draft, for example, was covered in forty-five publications in forty-three

PUBLIC IMAGE IN INDONESIA

online media outlets. Advocacy for revision of the KPK Law was also very widely covered by online, print, and television media. On the other hand, many media outlets still cover incidents of violence without regard to the negative psychological impact on the victim's children or family. In response to these conditions, in 2019 the Press Council issued Regulation No.1/Regulation-DP/II/2019 concerning Guidelines for Child-Friendly Reporting.

The perception of CSOs by the government and business sector, which used to be characterized by low trust, is gradually improving, as demonstrated by the increasing number of CSOs and activists whose expertise the government and business sector are using.

CSOs' relationship with the community did not change significantly in 2019. A small number of CSOs that are popular at the national level, including CSOs working on anti-corruption issues, legal assistance, human rights, violence against women, trade unions, and the environment, have the trust and support of the public and the media. According to Edelman Trust Barometer, 68 percent of respondents indicated that they trust CSOs in 2019, compared to 67 percent in 2018. Trust in CSOs is still significantly lower than that in business (79 percent), government (75 percent), and media (70 percent).

The use of social media among CSOs continues to increase. An increasing number of CSOs publish information about their activities on Facebook, WhatsApp, Twitter, and Instagram. CSOs use social media to promote organizational activities, give statements and press releases, share knowledge, and build networks. The appearance and content of CSO websites are also increasingly interesting and updated. Some CSOs are able to form relationships with journalists and mainstream media. For example, CSOs and journalists cooperate through the Alliance of Independent Journalists (AJI).

Many CSOs have codes of ethics, but most fail to apply and enforce them consistently. In the 2019 elections, a number of activists who were running for legislative offices failed to resign from their organizations or otherwise become inactive, in violation of the principle of nonpartisanship. In 2019, the Women Human Rights Defender (PPH) created a code of ethics to serve as a guideline for human rights defenders; the code covers such issues as gender sensitivity, economic empowerment and strengthening, welfare, and recovery for human rights defenders.

Only a small fraction of CSOs publish annual reports on their organizational websites and social media accounts. Others fail to publish annual reports regularly and some active CSOs have not published annual reports in several years.

NEPAL

OVERALL CSO SUSTAINABILITY: 4.3
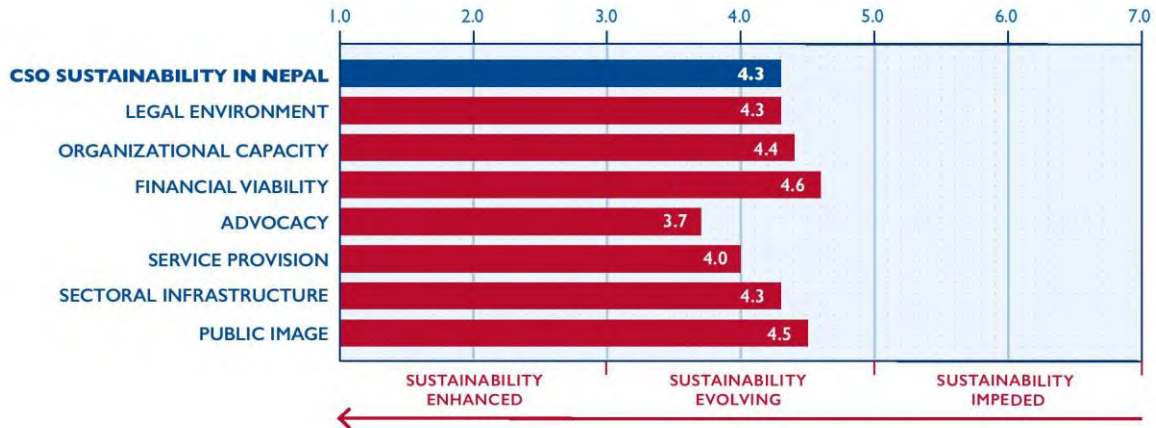
Nepal had a stable government in 2019—one of the first in several decades—which was formed in February 2018. The ruling Communist Party of Nepal (CPN) had an almost two-thirds majority in parliament. Despite this stability, several notable political developments took place in 2019.

CK Raut, a prominent secessionist leader who had demanded a separate Madhes State for nearly a decade, reached an agreement with the government in March in which he pledged to honor the "sovereignty" and "territorial integrity" of the country, thereby averting a potential conflict. Also in March, the government banned the CPN Maoist party. In September, the speaker of the House of Representatives resigned after a staff member accused him of attempted rape. In November, the president sacked all seven chiefs of state (also known as provincial governors) on the recommendation of Prime Minister KP Sharma Oli. Oli experienced serious health problems in the last few months of the year. On November 20, he reshuffled his cabinet and replaced eight ministers. The next day, he handed over his executive role in the party to his co-chair Pushpa Kamal Dahal, known as Prachanda. In December, a by-election was held, through which sixteen new members were elected to the National Assembly.

Throughout 2019, Nepal continued to implement the new federalist system mandated by the 2015 constitution, with all three levels of government—federal, provincial, and local—engaged in related law-making processes. Although the Federal Parliament was expected to amend more than 174 laws to align them with the constitution by March 2019, it had only passed fifty-four laws by the end of the year.

There were several threats to the constitutionally-guaranteed freedom of expression in 2019. In May, the government submitted the Media Council Bill 2019 to the Upper House of the Federal Parliament. Critics believe the bill would curtail freedom of speech, as it gives the government the authority to impose heavy fines on journalists and more power to appoint Council members. The government also pushed for the adoption of the Information Technology (IT) Management Bill (previously referred to as the IT Bill), which would give sweeping powers to the authorities to block social media platforms that do not register in Nepal. Both bills were heavily criticized and neither had been passed by the end of the year. In addition, the government increasingly used the Online Media Operation Directive, 2016 to control online media during the year. This directive requires all locally-operating online news sites, including opinion websites, to register with the government, and authorizes the relevant government agency to block websites for publishing content that lacks an authoritative source, creates misconceptions, or negatively affects international relationships.

Journalists faced intimidation from the police and government officials during the year, leading to an increase in self-censorship. According to media reports, around 100 court cases were filed against journalists and comedians under the controversial Electronic Transaction Act, 2017. Section 47 of the Electronic Transaction Act prohibits electronic publication or display of material deemed illegal under existing laws, including vaguely defined material "which may be contrary to the public morality or decent behavior or any types of materials which may spread hate or jealousy against anyone or which may jeopardize the harmonious relations subsisting among the peoples of various castes, tribes and communities." In April 2019, the editor of Tandav News was arrested on a cybercrime charge for reporting on alleged fraudulent business practices in Pokhara. In June, a ward chairperson from Birgunj attacked right to information (RTI) campaigner Piraj Yadav for requesting road construction costs under the RTI Law.

A destructive windstorm hit Bara and Parsa districts at the end of March 2019, killing 27, injuring more than 400, and leaving hundreds of families homeless. The National Reconstruction Authority (NRA) continued to oversee recovery operations for the 2015 earthquake. By the end of 2019, NRA had approved grants to rebuild 780,421 houses; 493,375 of these had been built, while the rest were under construction. In July 2019, NRA handed over all earthquake response activities to the respective local governments. As a result, CSOs and international NGOs (INGOs) are slowly phasing out their support for the reconstruction efforts.

The overall sustainability of the CSO sector in Nepal did not change notably in 2019. CSOs increasingly engaged with the government in law-making processes and discussion platforms at the federal, provincial, and local levels, driving an improvement in advocacy. At the same time, however, the legal environment deteriorated as the implementation of existing laws became more restrictive and bureaucratic.

Most CSOs register as associations with one of the seventy-seven district administration offices (DAOs) under the Association Registration Act (ARA). However, the DAOs do not make CSO registration data available. CSOs must additionally affiliate with the Social Welfare Council (SWC) in order to receive foreign resources. As of the end of 2019, a total of 50,393 CSOs were affiliated with SWC, an increase from 48,273 in 2018. Given the bureaucratic obstacles to registering under the ARA, a growing number of CSOs are registering as not-for-profit foundations under the Company Act. At the end of 2019, there were 2,721 not-for-profit foundations registered with the Company Registrar Office, a 19 percent increase from 2018.

No new forest users groups were registered in 2019, as the government was preparing a new draft Forest Act that included restrictive provisions. Therefore, the number of forest user groups remained at 22,266. There are also 5,000 water and sanitation user committees, 3,200 irrigation and water user committees, and 283 community electricity user committees. These user committees have their own federations and rely on membership fees. By the end of 2019, there were 32,276 community-based organizations (CBOs) mobilized through the Poverty Alleviation Fund (PAF). Despite the decision to scrap the PAF after federalism was adopted, it continues to exist and now runs climate change programs under the Ministry of Finance's "green climate fund."

The number of CBOs registered with different federal, provincial, and local councils is unknown. In 2019, 34,763 cooperatives were registered with the Department of Cooperatives under the Cooperative Act, an increase of 251 from 2018. As per the constitution, cooperatives registered at the federal level are now under the purview of the country's 753 local governments.

LEGAL ENVIRONMENT: 4.3

The legal environment governing CSOs deteriorated slightly in 2019. Though there were no changes made to CSO-related laws in 2019, the implementation of existing laws became more restrictive and bureaucratic.

The main laws governing CSOs continue to be the ARA, SWC Act, Company Act, Forest Act, Cooperative Act, PAF Act, and National Directive Act (NDA). CSOs are regulated by the federal Ministry of Home Affairs (MoHA), Ministry of Federal Affairs and General Administration (MoFAGA), Ministry of Industry, Commerce and Supplies (MoIC&S), Ministry of Women, Children and Senior Citizens (MoWCSC), Ministry of Forest and Environment (MoF&E), and Ministry of Land Management, Cooperatives, and Poverty Alleviation.

Most CSOs register as associations with a DAO under the ARA. In general, the government does not directly reject CSOs' registration applications, but instead delays the process by demanding additional documents, including intelligence verifications from police and recommendations from relevant government ministries and departments.

LEGAL ENVIRONMENT IN NEPAL

2015	2016	2017	2018	2019

4.1 — 4.2 — 4.2 — 4.2 — 4.3

The penalty for operating a CSO without registration is a fine of up to NPR 2,000 (approximately $17). A foreign citizen cannot register a CSO but can be an honorary member. To renew its registration, which must be done on an annual basis, an association must receive approval from its respective DAO, which requires a tax clearance certificate and recommendations from the municipality ward where projects are implemented. An association that fails to renew its registration for up to five years is delisted or considered dormant. For example, Doti DAO delisted 423 associations in fiscal year 2018/19, leaving just 187 in the district.

As per the SWC Act 1992, a CSO that intends to receive donor funding including technical assistance must be affiliated with SWC and get approval for each project. SWC affiliation must be renewed on an annual basis. Out of 50,393 CSOs affiliated with SWC, only 5,977 had renewed this status by the end of 2019. During the project approval process, SWC requires approval from all local councils and wards where projects will be implemented. Rights-based CSOs, including those focused on human rights and governance, continued to face more bureaucratic hurdles when seeking project approval from SWC in 2019, while the process for infrastructure and welfare-based projects was more flexible. INGOs must receive approval from SWC before operating in Nepal and must work with local CSOs to implement their activities.

In 2019, SWC issued a CSO/INGO Coordination Policy focused on project design and implementation, including monitoring and evaluation. In accordance with the policy, CSOs and INGOs must first get grant approval from the federal government, then approach the provincial government to determine the thematic area of the project and its location, and finally approach the local government where the project is to be implemented. Once this process is completed, a CSO must work with the local government to identify needs and sign a pre-consent agreement with the local body. Then, the CSO/INGO should present SWC with the project proposal in the prescribed format to get final project approval. However, this process did not function effectively in 2019 due to a lack of institutional infrastructure at the local government level.

In 2018, the government drafted a new Social Organization Act (SOA) that would replace the ARA, SWC Act, and NDA. The government said that the proposed law would help to develop a one-door policy to streamline CSOs/INGOs into specialized sectors to fulfill government priorities. However, many stakeholders, including domestic CSOs, INGOs, and officials at MoWCSC, objected to the draft law, which was prepared without properly consulting CSOs. According to an analysis of the draft law prepared by the International Center for Not-for-Profit Law (ICNL) in February 2019, the law, "if enacted, would restrict the existence and operations of Nepali civil society organizations (CSOs)." Some of the main concerns included the fact that it introduces a "one-size-fits-all legal regime;" limits eligible founders and members of a CSO; introduces barriers to registration while also making registration mandatory; imposes strict conditions related to CSOs' internal governance and permissible activities; imposes restrictions on the registration and operations of foreign and international organizations; imposes barriers on access to resources; and provides for severe penalties for violations of provisions of the law. As a result of these objections, various efforts were undertaken to revise the draft law, which were still underway at the end of the year.

As per the constitution, all seven provinces and 753 local governments are empowered to adopt laws aligned with the federal law, including laws related to CSOs. In addition, the Local Government Operation Act, which was adopted in 2017, mandates municipal and rural councils to coordinate with CSOs on the implementation of projects. In September 2019, however, MOHA issued a circular restricting the provinces and local governments from making any new laws related to CSOs/INGOs because Article 58 of the Constitution gives sole law-making authority on issues related to foreign aid to the federal government. As a result, those local governments that had drafted or issued CSO-related laws had to withhold or suspend implementation of these laws until the federal parliament promulgated a new law.

The government drafted a Forest Act Amendment Bill in 2019 that would impose heavy taxes on forest user groups. The Federation of Community Forestry Users Nepal (FECOFUN) and other forest user groups launched a campaign against this provision, which would threaten their ability to protect the forests.

In accordance with the recommendation of a high-level Public Trust Land Encroachment Commission led by a former Supreme Court Judge, MoHA issued a circular that blocks CSOs from selling their land and other fixed assets until public land encroachment investigations are completed. As a result, CSOs were unable to sell their fixed assets during the year. The Office of the Auditor General Nepal also issued a report to increase CSO monitoring and financial discipline.

In 2019, DAO Kathmandu received thirteen complaints against CSOs, down from thirty-two in 2018; complaints focused on issues such as misappropriation of funds or failure to hold annual general meetings. Ten CSOs received warnings, while the other three complaints were still under investigation at the end of the year. SWC received twenty-seven complaints in 2019 related to financial irregularities by CSOs and illegal religious activities. SWC recommended action against ten of these CSOs, while the other seventeen were still under investigation at the end of the year.

CSOs are generally allowed to engage in economic activities, such as charging for services. CSOs registered in the value-added tax (VAT) system can compete for government contracts. CSOs are allowed to seek funding from business entities. The Donation Act 1970 requires CSOs to obtain approval from MoHA before engaging in public fundraising activities.

Despite ardent lobbying from CSOs, tax offices continued to refuse to issue tax clearance certificates to CSOs in 2019. Existing laws exempt CSOs from customs duties on specific imports. Individuals and corporations do not receive tax benefits for donations to CSOs.

Legal expertise is available in all provinces and district headquarters. Some CSOs including Forum for Protection of Consumer Rights-Nepal and Justice and Rights Institute Nepal (JuRI-Nepal) provide legal expertise and administrative support to CSOs. However, CBOs and small CSOs at the local level may not have sufficient resources to hire qualified lawyers.

ORGANIZATIONAL CAPACITY: 4.4

Organizational capacity did not change significantly in 2019.

Several foreign donors invest in initiatives to build the organizational capacity of CSOs. In 2019, the USAID-supported Civil Society: Mutual Accountability Project (CS:MAP), implemented by FHI360 and the International Center for Not-for-Profit Law (ICNL), continued to work with more than two dozen CSOs, including NFN, GoGo Foundation, Samudayik Sarathi, and Freedom Forum, to build their understanding of governance, constituency building, and other aspects of organizational capacity. The Swedish International Development Cooperation Agency (Sida) continued to support CSO capacity development through training and policy advocacy on issues affecting the CSO sector. Most

ORGANIZATIONAL CAPACITY IN NEPAL

2015	2016	2017	2018	2019
4.5	4.4	4.4	4.4	4.4

donors target capacity-building assistance to their own programs rather than the long-term sustainability of CSOs. For example, the European Union's Provincial and Local Governance Support Program includes some capacity-building for CSOs involved in its activities.

Nepal's transition from a unitary to a federal political structure has created new opportunities for local CSOs to collaborate with INGOs. For example, in December 2019, Karuna Foundation Netherlands and Karuna Foundation Nepal signed a five-year tripartite cooperation agreement with Province-1 valued at $1.7 million for the Inspire2Care program. While the program is focused on preventing disabilities and developing "disability inclusive societies," it will also include opportunities for local CSOs to improve their organizational capacities and increase their access to ICT.

Due to their reliance on project-based donor funding, most CSOs pursue funding in a diverse range of programmatic areas, rather than specializing in specific areas. As a result, few CSOs have been able to develop
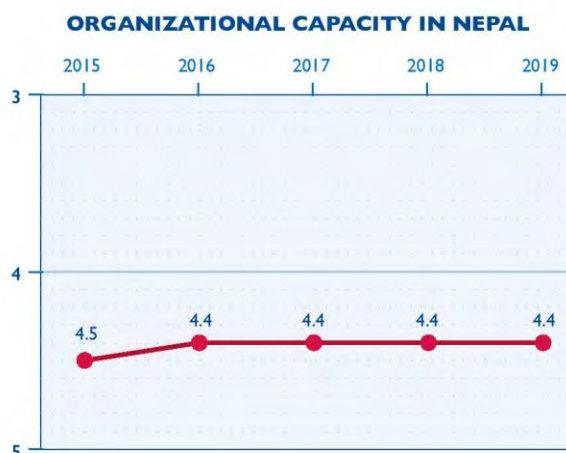
strong constituencies. However, some national-level CSOs have developed stable constituencies. These include Local Initiatives for Biodiversity, Research and Development (LI-BIRD, agriculture), KOSHIS (mental health), Informal Service Center (INSEC, human rights), National Election Observation Committee (NEOC, election monitoring), JuRI-Nepal (legal), and Dalit Welfare Organization (DWO, Dalit advocacy).

For the most part, only established Kathmandu-based CSOs have developed visions and strategies and formal administrative and financial structures with written internal governance policies addressing such issues as inclusion, gender, children, anti-corruption, and conflict of interest. Small, rural organizations are more focused on their survival than adhering to their missions, and therefore frequently adjust their strategic plans to reflect donor priorities. Donors prefer to support organizations that have governance policies in place, thereby encouraging local CSOs to develop such policies. In 2019, the GoGo Foundation drafted various CSO-related policy frameworks addressing such issues as anti-corruption, harassment, and complaint redress for more than four dozen CSOs. Through CSMAP, NFN has drafted CSO institutional governance standards and distributed them among its members. NFN plans to get the government to accredit these standards to increase their credibility and applicability to the broader CSO sector.

Due to the project-based nature of funding, most CSOs cannot hire long term-staff. National-level CSOs retain minimal core staff to handle administrative, financial, and custodial responsibilities. A CSO is required by law to have an executive committee elected by its general members, organize an annual general meeting and periodic general elections, and have a treasurer's signature on its bank account. Due to its volunteer nature, the members of executive committees usually play a minor role in organizations. Some CSOs mobilize volunteers to participate in their activities by offering them incentives. According to the Charities Aid Foundation's 2019 World Giving Index, which provides aggregate data from the last ten years, an average of 26 percent of respondents in Nepal have volunteered over the past decade.

Some CSOs with limited resources share office space with other organizations, primarily in urban areas. Most CSOs in urban areas have adequate information and communications technology (ICT). Larger CSOs have also expanded their online presence through their official websites and social media platforms like Facebook, Twitter, and Instagram. Some CSOs like Dhurmush Suntali Foundation (DSF) use social media to raise funds. However, rights-based CSOs are reluctant to use social media to address social issues due to concerns about the cybercrime law, as well as unclear communications policies within organizations.

FINANCIAL VIABILITY: 4.6

FINANCIAL VIABILITY IN NEPAL

2015	2016	2017	2018	2019
4.7	4.6	4.6	4.6	4.6
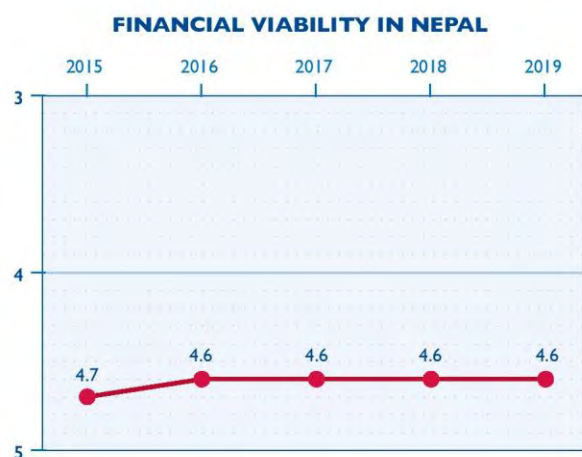
CSO financial viability remained largely stable in 2019.

Foreign funding continues to be a significant source of support for CSOs. Foreign funding increased slightly in 2019. During the year, SWC approved 1,064 foreign-funded projects by 763 CSOs with a total value of nearly NPR 18 billion (approximately $162 million), a slight increase from 2018 when NPR 17.5 billion ($157 million) in projects was approved. SWC also granted approval to forty-eight INGOs for projects valued at approximately NPR 26.2 billion (approximately $238 million), a significant increase from the approximately $166 million approved in 2018.

In 2019, seven INGOs—Search for Common Ground, Tevel B'Tzedek, SNV Netherlands, Center for Reproductive Rights, Johanniter International, Malteser International, and the Mountain Institute—closed their country offices in Nepal, while two INGOs—Qatar Charity and KTK Belt—were newly affiliated with SWC. In total, 245 INGOs were affiliated with SWC at the end of 2019.

Government funding to the CSO sector increased in 2019. MoWCSC provided NPR 253.7 million (approximately $2.3 million) in funds to ninety-four CSOs mainly working in the disability, senior citizen, women, and child welfare sectors in 2019, a significant increase from the approximately NPR 100.9 million awarded in 2018, but roughly on

par with the NPR 221 million awarded in 2017. The Ministry of Youth and Sports also provided some funds to CSOs. However, neither SWC nor PAF, both of which had provided some funding to CSOs in 2018, provided any project funds to CSOs in 2019 mainly because the government is planning to restructure both entities. Government line agencies also provide funding to forest, agriculture, and women's groups to implement targeted programs. Local CSOs benefit from funds from provincial and local governments, including the Local Infrastructure Development Partnership Program. Local governments also provide significant funding to user committees, usually for infrastructure projects, although no data is available about the total amount of funds provided. CSOs also receive funds from rural municipalities, but data on actual amounts are not available. CSOs often criticize government offices for not having transparent selection processes.

The Company Act, 2006 includes provisions on corporate social responsibility (CSR). In 2019, Rastra Bank, the central bank of Nepal, issued CSR guidelines that made it mandatory for the banking sector to donate 1 percent of annual profits to the social sector. By the end of 2019, the Banker's Association had collected NPR 720 million (approximately $6.5 million); however, no funds had been distributed by the end of the year as it had not yet developed proper guidelines. A number of corporations have also created their own foundations under the Company Act 2006. In 2019, the National Planning Commission (NPC) organized a policy debate among corporate leaders at which GoGo was invited to present a paper on CSR.

More than thirty banks and private corporations provided financial support to CSOs, health institutions, and schools in 2019. For example, Global IME Bank provided NPR 10 million (approximately $90,000) to DSF to build a cricket stadium, and Bank of Kathmandu provided NPR 10 million (approximately $90,000) to the Kathmandu Institute of Child Health. Siddhartha Bank provided NPR 500,000 ($4,545) to Teach for Nepal and NPR 1,000,000 ($9,090) to Apanga Baal Hospital, while Machapuchre Bank provided NPR 700,000 ($6,367) to Swetashree Foundation to build houses for earthquake victims. CG Food Enterprises, NADA Automobiles, World Link, and Sipradi Motor Company provided scholarships, clothing, furniture, and computers to various organizations under their CSR programs. A growing number of CSOs actively seek CSR funding. For example, Nepal Society of the Disabled (NSD) submitted a proposal to Prabhu Bank and received some funding for its disability activities.

Some individuals make philanthropic donations, primarily to religious organizations or for welfare causes. However, CSOs have not been able to tap this potential resource in a meaningful way. According to the 2019 World Giving Index, an average of 33 percent of respondents in Nepal have donated money over the last ten years. A few CSOs use social media for their fundraising activities. For example, DSF has raised funds from college students, the diaspora, and others through social media to build a cricket stadium.

CSOs do not earn a significant amount of revenue from their members. While some CSO networks, alliances, and cooperatives collect annual membership fees, these are designed more to indicate the members' support than to be a source of income.

Some CSOs such as VDRC, Nawalparasi, and the National Land Rights Forum in Chitwan rent out their meeting halls and facilities and offer fee-based services in order to generate revenue.

Some national CSOs have sound financial management systems including accounting software and accountants trained by donors, while small, rural CSOs keep their accounts manually. By law, CSOs are required to hire independent auditors to conduct annual financial audits. CSOs must submit these audit reports, along with the management reports, to DAO and SWC to renew their registrations. If they fail to submit such reports, executive committee members can each be fined up to NPR 500 ($4.50), although there are no known instances of these penalties being imposed. Active CSOs generally fulfill these requirements.

ADVOCACY: 3.7

CSO advocacy improved slightly in 2019. CSOs increasingly engaged with the government in law-making processes and discussion platforms at the federal, provincial, and local levels. As in previous years, national-level CSOs are more involved in policy advocacy, while CSOs at the local level are focused primarily on public service delivery and self-governance. CSOs such as the GoGo Foundation, Freedom Forum, and JuRI continued to advocate for the rule of law, transparency, and accountability in order to promote good governance, and also increasingly advocated for compliance with standards and principles developed by the international humanitarian community. For example, the Commission for the Investigations of Abuse of Authority (CIAA) has formed Citizen Juries (anti-corruption

support groups) in fourteen districts, although these structures are not institutionalized. The National Land Rights Forum is involved in a land rights policy campaign to ensure women's property rights.

The constitution envisions a "participatory principle" in nation-building and guarantees the freedoms of association and expression as fundamental rights. CSOs use the RTI Act, the Good Governance Act, and the Local Government Operation Act to hold the government accountable as well as to collaborate with government bodies to advance citizen interests at various levels. In 2019, Freedom Forum filed forty-six RTI requests to local councils, Tribhuvan University, and provincial governments seeking information on their programs, budgets, and monitoring reports. However, some government officials, particularly district administration officials, are reluctant to provide such information. Bageswori Ashal Sashan Club (BAS) in Banke, Province-5, Information and Human Right Research Center (IHRC) in Nepalgunj, and Media for Development and Social Change (FMDC) in Kailali also worked on RTI issues.

ADVOCACY IN NEPAL

2015	2016	2017	2018	2019
4.0	4.0	3.9	3.8	3.7

CSO leaders are increasingly involved in committees formed by government institutions. For example, the executive directors of the GoGo Foundation and Freedom Forum were appointed as members of the Citizen Participation in Auditing Process Committees formed by the Office of the Auditor General of Nepal. CSOs are also involved in the Sustainable Development Goals (SDG) Forum led by NFN and have worked closely with NPC to prepare the SDG Voluntary National Review process, which was planned for July 2020. At the local level, Neelakantha Municipality in Dhading formed an Open Government Partnership (OGP) Committee comprising representatives of CSOs, the private sector, and the government. In practice, however, federal-and provincial-level CSO leaders have little access to parliamentarians and local elected representatives.

On April 20, 2019, NPC released the Five-Year National Plan (2019-24) with a twenty-five-year vision to realize the national goal of Prosperous Nepal, Happy Nepali. CSO leaders were formally engaged in discussions about the plan and provided sectoral inputs. CSOs also continued their advocacy on anti-corruption and the OGP. For example, Freedom Forum organized discussions advocating for the government to join this mechanism, although these efforts did not result in any concrete achievements in 2019.

In June 2019, the government tabled the Guthi Bill (Trust Bill) at the parliament without proper consultation. The proposed bill would have nationalized both public and private trusts and regulated all religious sites under a powerful commission. After a huge citizen protest was organized against the bill in Kathmandu, the government was compelled to withdraw the bill.

CSOs increasingly collaborated with local governments in 2019. For example, GoGo Foundation drafted policy guidelines at the request of local rural councils in Gajuri, Khanibash, and Gangajamuna. These guidelines, which aim to improve citizen participation and improve public services, were formally issued by the respective local governments in 2019 and have now been replicated in more than half a dozen local governments in Bagmati Province. In addition, Samudayik Sarathi helped the Roshi Rural Council and Panchkhal Municipality to draft governance, alcohol control, and pesticide control policies, and Gramin Bikash Sanstha drafted complaint redress guidelines for the local council of Gulmi District of Provice-5.

In 2019, CSOs lobbied for CSO-specific laws and continued to advocate for wider civic space as guaranteed by the constitution of Nepal. NFN, the Federation of Nepali Journalists (FNJ), GoGo Foundation, Freedom Forum, and JuRI Nepal organized a series of discussions between CSO leaders, parliamentarians, and government officials from MoHA, MoWC&SC, Ministry of Information and Technology, and SWC focused on the concerns of CSOs and the media on government-drafted bills, including the SOA, Media Council Bill 2019, and IT Management Bill. FECOFUN launched a campaign against proposed amendments to the Forest Act that would increase taxes by the federal, provincial, and local government on forest products. None of these campaigns had concrete successes in 2019.

SERVICE PROVISION: 4.0

SERVICE PROVISION IN NEPAL

2015	2016	2017	2018	2019
4.2	4.2	4.2	4.0	4.0

CSO service provision remained stable in 2019. Nepalese CSOs offer diverse services in areas such as humanitarian aid, livelihood development, relief, environment, human rights, governance, health and sanitation, education, and agriculture. They also provide communities with capacity development, networking, and awareness building on their rights and responsibilities. Several CSOs provide notable services. For example, the Early Childhood Development Center (ECDC) supports kids whose parents are in prison. Shakti Samuha received the Hero Acting to End Modern-Day Slavery Award in 2011 and the Ramon Magsaysay Award in 2013 for its anti-trafficking work. Child Workers in Nepal (CWIN) supports street children, including those involved in child labor and sexually exploited and victimized by violence. These organizations also provide legal support to individuals and communities.

As required by donors, CSOs generally conduct needs assessments before launching new projects, with the majority of CSOs conducting community consultations and involving community leaders in their program selection, implementation, and evaluation of their project activities. They also seek moral support, collaboration, and cost sharing from local governments. Although some small projects do not involve such assessments, they still respond to community needs.

Most CSOs rely on foreign donations to provide services. Nepalese CSOs have very limited capacity to recover costs from their services, as they do not have effective marketing strategies or long-term visions for their service delivery. However, some CSOs, such as Tilanga Eye Hospital, do charge fees for their services.

Because of donor regulations, CSOs generally cannot sell their publications. CSOs freely distribute their knowledge products during workshops and other programs to government officials, academia, business executives, and religious representatives.

As required by law, CSOs offer their goods and services without discrimination regarding race, gender, ethnicity, or sexual orientation. However, it is difficult to determine if some CSOs discriminate based on political affiliation.

Government appreciation of CSOs varies across government agencies and elected representatives at various levels. However, in general, government officials at all levels tend to be more supportive of service-providing CSOs than organizations advocating in the areas of human rights and good governance. For example, CSOs providing services find it easier to register and renew their registrations and most government funding goes to humanitarian and welfare-based CSOs. In September 2019, President Bidya Devi Bhandari awarded the Prime Minister National Talent Award-2075, including a cash prize of NPR 500,000 ($4,500), to Dr Sunduk Ruit of Tilganga Eye Hospital for his contribution to the field of ophthalmology in Nepal.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting CSOs in Nepal did not change substantially in 2019. CSOs can access capacity-building trainings in the capital from organizations such as SWI, Nepal Participatory Action Network (NEPAN), Samuhik Abhiyan, Vijaya Development Resource Center (VDRC), and Media House. These institutions provide a range of trainings in areas such as advocacy, networking, log-frame development, human rights, and gender. Most training programs are sponsored by donors. A range of research organizations like Nepal Development Research Institute, Nepal Policy Research Network, KTM Research Center, Social Science Baha, and Martin Chautari have modest information resources that CSOs can access. Membership-based organizations like FECOFUN, NFN, and FNJ provide services to their members.

In 2019, INGOs including IM Swedish, Center for International Studies and Cooperation (CECI), FHI360, and DanChurch Aid issued grants to local CSOs to engage in policy advocacy on issues such as RTI, CSO governance, livelihood, and humanitarian activities. These projects helped grantees to build their capacities in project management and operations. Likewise, in 2019, DFID provided funds through Mott MacDonald to more than a dozen local CSOs under the Purnima Project, which aims to Leave No One Behind in four earthquake-affected districts of Nepal. No local CSOs have grantmaking capacity, but some organizations are increasing their capacities to distribute modest-sized grants.
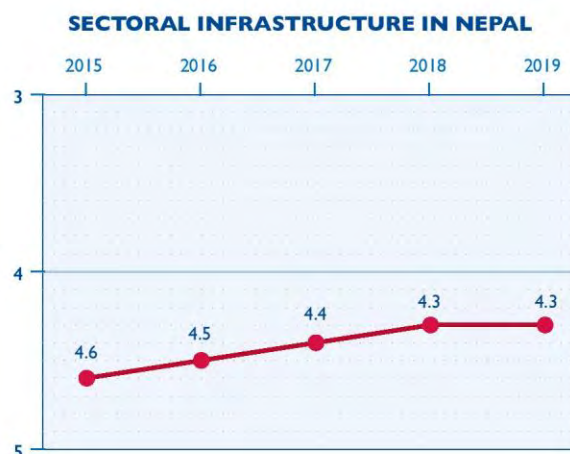
SECTORAL INFRASTRUCTURE IN NEPAL

2015	2016	2017	2018	2019

4.6   4.5   4.4   4.3   4.3

CSOs have gradually developed a coalition culture to increase the strength of their advocacy. In 2019, thirty-three CSOs formed the Economic, Social and Cultural Rights Network (ESCR-N) to engage in effective policy advocacy on ESCR issues in Nepal. They drafted network operation guidelines and JuRi-Nepal was designated as the ECSR-N secretariat. The CSO Alliance for Social Accountability Nepal (CSO-SAAN), which unites fifteen CSOs, continued to advocate on social accountability issues in 2019. Several sector-wide networks and alliances also continued to operate. These include NEOC, NFN, Human Rights Alliance, FECOFUN, Dalit NGO Federation, and networks of youths, senior citizens, and women.

CSOs have access to training, much of which is provided by national training consultants. Training packages are relatively affordable for CSOs. As staff turnover is very high in the sector, CSOs need regular training for their staff members. Training materials, including printed and audiovisual resources, are generally available in both Nepali and English.

CSOs continue to work in partnership with the government on many initiatives. The government engages CSOs in joint monitoring of the quality of goods and services and invites CSOs to share their knowledge and experience in different forums. In 2019, the Social Development Ministry of Province-1 and Karuna Foundation Nepal (KFN) signed a cooperation agreement valued at $16.9 million to implement the Prevention of Disability and Rehabilitation Program in 137 local councils. The number of CSO partnerships with banks and other companies also increased in 2019. For example, more than two dozen banks and businesses supported CSOs and public schools through their CSR programs. In addition, some bigger corporations like airlines, banks, and insurance companies have started to send their employees to training organized by CSOs on governance, human rights, and leadership. For example, in 2019, GoGo Foundation provided expert services to the National Management Services (NMS) on governance, RTI, and leadership development. CS:MAP continued to advance CSO collaboration with media, the private sector, and the government to advocate on laws like the SOA, Media Council Bill 2019, and IT Management Bill.

PUBLIC IMAGE: 4.5

CSOs' public image remained unchanged in 2019.

Media coverage of CSOs continued to be mixed in 2019. While national mainstream media highlight the overall funding amounts that CSOs receive from foreign donors, they fail to cover the impact and work of CSOs. Local media, on the other hand, frequently highlight CSO activities.

In 2019, the Foundation for Development Management (FDM) conducted a Public Perception Survey for Measuring the Level of Public Understanding and Confidence in the Role of CSOs and Media in Nepal in ten districts among 1,612 respondents. According to the survey, 67.17 percent of government respondents expressed satisfaction with CSOs, while only 55 percent were satisfied with the media. However, only 33.84 percent of government respondents expressed satisfaction with CSOs' internal governance and self-regulation, while 65.12 percent were satisfied with the media's internal governance and self-regulation. The survey also inquired about public perception of CSOs, finding that 37.9 percent of respondents were confident in CSOs and that 48.6 percent of respondents are aware of CSOs working in the communities and their contributions. However, there continue to be public

PUBLIC IMAGE IN NEPAL

2015	2016	2017	2018	2019

4.6   4.5   4.5   4.5   4.5

concerns about CSOs' poor internal governance, partisanship, and lack of transparency in their funding and programming.

The business community's perception towards CSOs is still unknown. However, as noted above, companies have increased their CSR funding for CSOs, although this support still goes primarily to service-providing CSOs rather than rights-based organizations. In June 2019, GoGo Foundation organized a dialogue on CSR to foster relations between CSOs and corporations.

In 2019, government officials, federal and provincial parliamentarians, and local council representatives openly appreciated CSOs' contributions to sustaining democracy in Nepal at various CSO forums. Some MoHA and local government officials also regularly recognize CSO leaders for their contributions to society. However, other government officials continuously question CSOs' contributions towards development in the country.

CS:MAP initiatives helped to advance CSO-media relationships in 2019. Most urban-based CSOs issue occasional press releases, organize forums, and develop personal relationships with media personnel to promote their causes and organizations. CSOs increasingly use social media and organizational websites to promote their work.

In 2019, CSOs continued to promote self-regulation in order to improve their transparency and accountability. Donors also promote such efforts through the due diligence they engage in when approving projects. All registered CSOs are required to submit annual reports along with audited financial statements to renew their registration. However, a decreasing number of CSOs publish hard copies of their annual reports, as an increasing number rely instead on Facebook and their websites to attract donors and other stakeholders. NFN encourages all CSOs to adhere to the codes of conduct it has adopted for its members.

CS:MAP has promoted a CSO Accreditation tool to improve self-regulation. GoGo Foundation, NFN, Freedom Forum, JuRI, and CS:MAP partners continued to promote CSO self-regulation in 2019 by organizing several national and provincial level dialogues on CSO self-regulation and accreditation.

THE PHILIPPINES

OVERALL CSO SUSTAINABILITY: 3.5
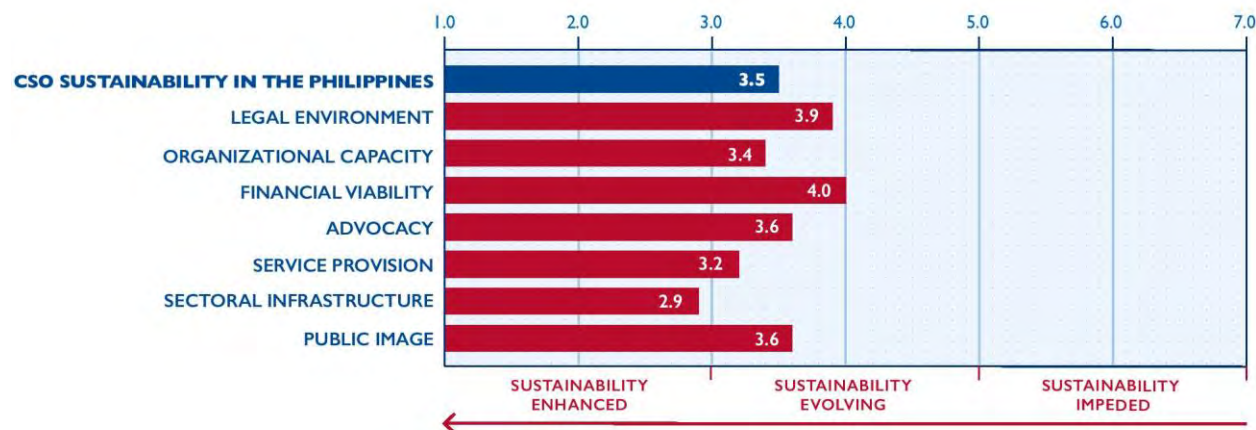
The Philippines held senatorial, congressional, and local elections on May 13, 2019, the midpoint of President Rodrigo Duterte's six-year term. The Philippine Democratic Party (PDP)-Laban, the ruling party led by Duterte, won the biggest share of seats in the House of Representatives, followed by three parties allied with PDP: the Nacionalista Party, Nationalist People's Coalition, and National Unity Party. Together, these parties comprised 62 percent of the seats in the lower chamber, giving them a supermajority. Half of the seats in the Senate were up for election. Duterte's former aide and the former police chief who led the war on drugs were among those elected to the Senate. No opposition candidates were elected to the Senate, thus also creating a supermajority in the Senate, with only three members from the opposition and three members as independent candidates. Given the legislative composition, some advocacy CSOs struggled to find legislative champions to support their causes after the elections.

A climate of violence and harassment persisted in 2019 in both the political and social spheres. Extrajudicial killings related to the war on drugs continued, especially in the National Capital Region, although they received less media attention. At the end of 2019, the Philippine Drug Enforcement Administration (PDEA) reported that 5,552 people had been killed in drug operations during the year. However, Human Rights Watch put the death toll at 27,000, based on estimates from local human rights groups. In July 2019, twenty-one farmers and peasant leaders were killed during police operations in Negros Oriental, in the central part of the Philippines. *The State of Philippine Media Report* produced by the Freedom for Media, Freedom for All network reported heightened attacks on the media during the year. Sedition charges were filed against Vice President Leni Robredo, the Chair of the opposition Liberal Party, members of the opposition, and religious leaders.

The Philippine economy remained strong in 2019, although growth slowed to 5.8 percent, its lowest level in eight years, according to the World Bank. Inflation was only 1.7 percent, and the job market was solid. The poverty rate continued to decline steadily during the year.

The overall sustainability of the Philippine CSO sector was unchanged in 2019, although negative developments were noted in two dimensions. The legal environment deteriorated moderately mainly because of a rise in reports of state harassment and stricter scrutiny of CSOs. The government's continued vilification of the sector, combined with a drop in public trust, also contributed to a deterioration in public image.

A total of 357,337 CSOs are registered in the Philippines, including an estimated 179,000 non-stock, nonprofit organizations as of 2019; 18,065 cooperatives (11,138 of which filed their reports as of 2018; 11,061 homeowners' associations as of 2018; and 84,278 labor organizations and 64,933 workers associations as of 2018. Although these

figures represent a considerable increase over numbers reported in last year's *CSO Sustainability Index* report, this is likely caused by the fact that the various agencies that register CSOs are not consistent in their reporting. The actual number of CSOs is thought to have only increased slightly over the past year.

LEGAL ENVIRONMENT: 3.9

LEGAL ENVIRONMENT IN THE PHILIPPINES

The legal environment for CSOs continued to deteriorate in 2019, for the fifth consecutive year, as reported incidents of state harassment increased and scrutiny of CSOs, particularly those involved in advocacy or that are critical of the government, intensified. Overall, CSOs felt that government agencies sought to control rather than support them.

CSOs register and annually update their registration with the Securities and Exchange Commission (SEC) in the case of non-stock, nonprofit organizations, which include non-governmental organizations (NGOs), foundations, and some people's organizations (POs, a form of membership organization). Cooperatives register with the Cooperatives Development Authority (CDA), while homeowners' associations register with the Housing and Land Use Regulatory Board (HLURB). Labor organizations and workers associations register with the Department of Labor and Employment (DOLE).

In early 2019, various CSO networks, foundations, and human rights groups sought clarification from the SEC about two memorandum circulars it issued in late 2018. SEC Memo 2018-15 stipulates that CSOs must disclose their funding sources, financial transactions, and program activities so that the SEC may undertake risk assessments for money laundering and terrorism financing. Based on concerns that these disclosures could be used to target legitimate organizations, CSOs lobbied SEC to suspend its implementation of the memo until the risk assessment process was clarified. In response, SEC revised the guidelines, extended the deadline for submitting mandatory disclosure forms to early 2020, and revised the risk assessment provision to clarify that the assessments are an internal SEC process, thereby assuring CSOs that the mandatory disclosure forms will not be made public.

SEC Memo 2018-17 requires CSOs to declare their beneficial owners. This created confusion about who CSOs' beneficial owners are, especially for corporate and family foundations. When Memo 2018-17 took effect in 2019, many CSOs sought to comply with the new guidelines by declaring their boards of trustees or persons exercising governance roles in their organizations as their beneficial owners despite the fact that by definition, non-stock, nonprofit corporations are governed by individuals in trust and are not owned by their incorporators. In case of dissolution, they must distribute their assets to similar nonprofit organizations or public entities.

CSOs were subject to additional administrative burdens in 2019. Some foundations reported that SEC began to require additional supporting documents with their General Information Sheets (GIS) in 2019. For example, CSOs that declared program operations in several municipalities in a single province had to submit accreditations from each municipality rather than a single accreditation from the province. SEC also started requiring CSOs to secure certificates of no derogatory record every time they secured certified true copies of their documents from SEC for any other legal or registration purposes. The Bureau of Internal Revenue (BIR) and DOLE conducted more random checks of CSOs, especially corporate foundations, in 2019.

State harassment of CSOs, particularly human rights organizations and advocacy groups, increased in 2019. The Global Witness Report 2019 cited the Philippines as the most dangerous country in the world for environmental defenders, with thirty defenders killed in 2018 alone. The police conducted warrantless searches of the offices of several human rights groups and activists in Metro Manila and in the Mindanao region. Websites of human rights defenders and media outfits, including PhilRights, Bulatlat, AlterMedia, Karapatan, HR Online PH, and National Union of Journalists of the Philippines, were attacked and disabled. According to *the State of Philippine Media Report*, the number of killings, attacks, and threats targeting journalists increased from 99 in 2018 to 128 in 2019, while police visits to and other intimidation of media agencies increased from 6 to 16 cases. Human rights defenders

were also subject to charges of sedition, terrorism, and criminal offenses. In an intelligence briefing for lawmakers in November, an officer of the Armed Forces identified eighteen CSOs as "communist terrorist groups." Most of those thus accused were humanitarian, human rights, and advocacy CSOs, including the National Council of Churches in the Philippines (NCCP), Citizens' Disaster Response Center (CDRC), and Farmers Development Center (Fardec). In the same briefing, about thirty international CSOs, including Oxfam, Save the Children, Caritas Australia, Switzerland, and Belgium, and the Swedish Red Cross, were named as "providing funds wittingly or unwittingly" to these groups. The groups identified were outraged by the charges, and many CSOs viewed the action as malicious, careless, and endangering their partner communities. Finally, several lawyers were reported murdered in 2019, bringing the total number of lawyers killed between July 2016 and September 2019 to at least forty-one, according to the Integrated Bar of the Philippines and Human Rights Watch. The lawyers mostly represented human rights defenders, journalists, political opposition leaders, government critics, and persons accused of drug-related crimes.

Since 2017, schools for indigenous people of the Davao region in Mindanao operated by the nonprofit Salugpongan Ta'Tanu Igkanogon Community Learning Center have been subject to harassment by the military and police. For example, they have reported heavy military presence during school openings, military interrogation of volunteer teachers, and soldiers going house to house to warn parents that these schools are not recognized by the Department of Education (DepEd). In October 2019, DepEd issued a suspension order to fifty-five schools run by Salugpongan, stating that the schools were using unapproved curriculum and were teaching leftist ideology. The Commission on Human Rights urged DepEd to re-examine its decision, expressing concern that it may be a case of disenfranchisement and a violation of indigenous children's rights to education. In addition, President Duterte threatened to bomb tribal schools, accusing them of teaching students to become communist rebels.

The Tax Reform for Acceleration and Inclusion Act, which took effect in 2018, was expected to increase donations to CSOs by reducing donors' tax from 30 to 6 percent. However, no benefits had been felt yet in 2019. While CSOs' income is generally tax exempt, revenue from income-generating activities is subject to tax, regardless of the disposition of income.

CSOs may earn income through the provision of goods and services, as long as such activity is stipulated in their bylaws. CSOs can compete for government contracts and projects provided they are accredited by the government agencies issuing contracts. CSOs must register their public fundraising initiatives with the Department of Social Welfare and Development (DSWD). CSOs may accept funds from foreign donors, although new anti-money laundering and counter-terrorism financing regulations require banks to exercise scrutiny over all financial transactions between domestic and foreign CSOs.

CSOs' need for legal support increased in 2019, particularly because of the harassment of human rights organizations and activists. CSOs also needed legal support to understand and comply with new regulatory requirements and data privacy laws. In particular, MVGS Law, a private law firm, provided free corporate legal assistance and helped draft position papers for CODE-NGO and other human rights groups engaged in discussions with the SEC about various SEC policies. However, legal services are generally accessible only in the capital, Manila, and key cities.

ORGANIZATIONAL CAPACITY: 3.4

Organizational capacity in the CSO sector did not change significantly in 2019. Larger CSOs, organizations with complex programs, corporate foundations, and cooperatives generally have greater organizational capacities and more sophisticated organizational systems in place than smaller organizations, community-based groups, and POs.

Many NGOs continued to work with partner POs and community leaders to solidify community support for their program interventions in 2019. For example, the Partnership for Philippine Support Service Agencies (PHILSSA), a network of CSOs focused on sustainable urban development, continued to provide technical assistance and capacity development support for its partner PO network Aksyon Para sa Kahandaan sa Kalamidad at Klima (Action for Preparedness for Disaster and Climate Change, AKKMA), which is composed of associations of the urban poor in seven regions across the country. Because of this support, trained AKKMA leaders were able to articulate their advocacy objectives, as well as those of PHILSSA, in various local, national, and even international dialogues and events in 2019.

In 2019, some donor-dependent organizations folded or shifted their focus to areas in which more funding was available, such as disaster preparedness or humanitarian aid. Christian Aid, for example, announced that it would close its operations in the Philippines in March 2020 after nearly forty years of presence in the country.

As in previous years, larger CSOs, organizations with complex programs, corporate foundations, and cooperatives have greater capacity to engage in strategic planning. Such organizations usually craft strategic plans to guide their operations for periods of three, five, or ten years and review them periodically. They usually report on their progress in implementing their strategic plans in their annual membership meetings. On the other hand, smaller organizations and CSOs with a narrow programmatic focus usually only develop annual activity plans.

ORGANIZATIONAL CAPACITY IN THE PHILIPPINES

Similarly, larger CSOs, cooperatives, and corporate foundations typically have more sophisticated internal management systems, including detailed governance, human resource, financial management, and fundraising systems, policies, and processes. Smaller CSOs and community-based organizations have simpler systems, including board elections and terms of office, that still allow them to practice appropriate decision-making processes.

Larger CSOs generally have clear human resource policies and are able to maintain regular staff and employ, retain, or consult lawyers and accountants. In contrast, smaller NGOs and POs have lean staffing structures and are supported largely by volunteers with whom they have informal personnel arrangements. CSOs have difficulty maintaining staff because they are only able to offer limited salaries and training opportunities. CSO staff turnover seems to be higher among millennials and Generation Z, even at corporate foundations offering higher salaries, because younger people tend to have higher expectations for salaries and promotions after relatively short periods on the job, especially when comparing their benefits to those of their cohorts working in other sectors.

CSOs regularly use email and mobile phone devices to communicate with their members and use desktop or laptop computers at work. Organizations commonly provide their staff with computers but not mobile phones, therefore, CSO staff often use their personal mobile phones for official tasks. Although internet connectivity is still limited in some parts of the country, CSOs increasingly rely on the internet to communicate and promote their activities. They are also starting to become more adept at using social media platforms like Facebook, Twitter, and Instagram to promote their organizations' activities.m porttitor pulvinar ante id malesuada. Duis tincidunt ante quam, at rhoncus elit egestas sed. Suspendisse ac ligula

FINANCIAL VIABILITY: 4.0

FINANCIAL VIABILITY IN THE PHILIPPINES

CSOs' financial viability did not change in 2019. Corporate foundations and cooperatives, especially those offering savings and credit programs, continue to be financially sustainable, while grant-dependent CSOs struggle to sustain themselves. Many organizations remained committed to delivering services to their members and partners but did so in a more limited way in 2019, sometimes relying on volunteers or even operating at a deficit. POs, especially those that continue to operate as associations of volunteers, found it particularly difficult to sustain their operations unless they transform into cooperatives or social enterprises with livelihood and economic objectives for their members.

Shifts in both foreign and local donors' funding levels and priorities in recent years continued to make it difficult for local Philippine CSOs to raise funds in 2019. In addition, a number of international CSOs have registered branch offices locally to raise funds from local sources, thus competing directly with local CSOs.

Section 71 of the General Provisions of the government's General Appropriations Act (GAA) of 2019 allows for fund transfers to CSOs under strict conditions. For example, CSOs must be accredited by the agency from which such funding is sourced, jointly implement the specific project or program with the agency, and be in good standing with the government agencies with which they work. CSOs can bid for government contracts under the same terms that apply to corporations, including filing of performance bonds.

Local funding institutions, such as the Peace and Equity Foundation and Foundation for Sustainable Society, Inc., decreased their loans and grants to CSOs in 2019 because of poor market conditions and lower interest earnings from their endowment funds in the previous year. Businesses continued to provide regular funding to their own corporate foundations, and some companies encouraged employees to give to their corporate foundations or other CSOs as part of the companies' corporate social responsibility (CSR) programs. The League of Corporate Foundations organized its annual CSR Expo in 2019, featuring new startups, innovative programs, and volunteer opportunities, from which corporate foundations could select partner nonprofits to support. However, corporate foundations have yet to develop strategic partnerships with a broad swath of CSOs and community programs, as many CSOs are unable to meet corporate foundations' due diligence requirements or grant giving criteria.

Cooperatives have better financial prospects than other types of CSOs, as they are managed in a more professional manner. According to Pambansang Kilusan ng Samahang Magsasaka (the National Farmers' Union Movement, PAKISAMA), a confederation of small farmers, fishers, indigenous people, and rural women and youth organizations, international agricultural funding organizations and agencies, such as AgriCord Agriterra, and the International Fund for Agricultural Development, prefer to offer direct support to well-managed farmers' associations and producers' cooperatives. This preference suggests that there will be a diminishing role for intermediary CSOs in this sector.

A few organizations have explored alternative funding sources, such as fee-based training, consultancies, and platform-based social enterprises, but these have yet to produce reliable income streams. CSOs are generally hesitant to test fundraising alternatives such as crowdfunding. In 2019, Aboitiz Foundation, a corporate foundation, created an online crowdfunding platform called KINDer, which invites smaller organizations to submit stories about their work or fundraising campaigns for promotion on the platform with minimal administrative fees.

In general, CSOs have financial management practices that are adequate in accordance with their size and level of development. Larger CSOs and networks, cooperatives, and corporate foundations tend to have more sophisticated financial management systems. Many small organizations have simple systems, and instead of certified public accountants, rely on bookkeepers or administrative personnel to manage their finances.

ADVOCACY: 3.6

CSOs advocacy did not change in 2019. Despite the difficult climate for advocacy, CSOs were able to organize broad-based, cross-sectoral campaigns on a number of important issues.

CSOs' engagement with the government on policy issues varies from the national to local levels. At the national level, issue-specific coalitions engage directly with relevant agencies. For example, the Civil Society Network for Education Reforms works with DepEd on the implementation and review of the agency's Education for All commitments and Alternative Learning Systems, as well as the United Nations (UN) Sustainable Development Goal 4, which calls for inclusive and equitable education for all. The Philippine Open Government Partnership (OGP) organized broad

ADVOCACY IN THE PHILIPPINES

2015	2016	2017	2018	2019
3.0	3.3	3.5	3.6	3.6

consultations with CSOs during the development of the country's Fifth National Action Plan (NAP) 2019–2021. The Philippine OGP Fifth NAP commits ten national government agencies to OGP principles of transparency, accountability, use of technology, and civic participation in the implementation of their programs, with their CSO counterparts committing to either co-implement or monitor the government's implementation of these programs. The House Committee on Participation invites CSOs as resource persons in technical working group meetings or committee hearings on bills that may impact the regulation of CSOs. Other national government processes, particularly the Marawi Rehabilitation program and the flagship "Build, Build, Build" infrastructure program, remained opaque.

Data from the Department of Interior and Local Government suggests that CSOs' engagement with local governments remained strong in 2019, with 11,000 CSOs registered as members of local development councils (LDCs). LDCs formulate the annual and medium-term socio-economic plans and policies of local government units. Based on initial assessments, CSOs are particularly effective in disaster preparedness and response, social protection, and monitoring of government projects.

CSOs did not engage in visible national advocacy on issues such as democracy, human rights and peace in 2019. However, several cross-sectoral campaigns enjoyed notable success. For example, POs, faith-based groups, farmers, urban poor, and labor groups mobilized for the People's Journey (Lakbay ng Taumbayan) in May, an eighteen-day caravan across the Philippines ending at the People Power Monument in Manila. The marchers called on lawmakers to stop trying to change the constitution to extend their term limits and undermining provisions mandating socialized housing, human rights, and asset reform. The march culminated in calls supportive of opposition candidates in the May elections.

CSOs found it more difficult to lobby for their legislative agendas in 2019 because the supermajorities created in both Houses of Congress meant there were not enough votes to pass more "democratizing" legislation. However, many CSOs' lobbying efforts were still successful in 2019. For example, HealthJustice Philippines, a think tank and advocacy group with legal expertise on tobacco control and health promotion, worked with the World Health Organization to lobby for passage of the Universal Health Care Act, which was enacted in March. In response to an alarming increase in the number of cases of abuse of children in conflict situations, UNICEF, Child Rights Network, Council for the Welfare of Children, and Philippine Legislators' Committee on Population and Development campaigned for enactment of the Special Protection of Children in Situations of Armed Conflict Act, which was adopted in early 2019. Philippine affiliates of IndustriALL, a global alliance of workers in the mining, energy, and manufacturing sectors, supported the Expanded Maternity Leave Law. The Philippine Commission on Women organized nationwide consultations on the development of guidelines to implement the 2018 Safe Space or Lewdness Prohibition (Bawal Bastos) Act, which criminalizes sexual and gender-based harassment. Several advocacy groups continued to lobby for passage of long-standing bills, including the Freedom of Information (FOI) Bill, Coconut Farmers Trust Fund Bill, and National Land Use Bill. Human rights groups continued to push for a human rights defenders law and against reinstatement of the death penalty and the reduction of the minimal age for criminal responsibility to twelve.

The Right to Know Right Now Coalition (R2KRN), a network of more than a hundred organizations and civil society leaders pushing for the passage of the FOI Bill, also reported on the status of information requests under President Duterte's Executive Order on FOI. While finding new champions for the FOI Bill among newly elected legislators in 2019, R2KRN members focused on documenting the process of requesting data and the replies of specific agencies using the government's FOI online portal. Some examples of information requested in 2019 were Statements of Assets and Liabilities of President Duterte and project documents for the proposed Kaliwa Dam and other projects reportedly funded by loans from China.

CSOs also advocated in 2019 to improve the regulatory policies that affect the sector, with a focus on revising the SEC's Memorandum Circulars 2018-15 and 2018-17. With pro bono legal support from MVGS, a group of CSOs including CODE-NGO, Philippine Alliance of Human Rights Advocates (PAHRA), and Ateneo Human Rights Center, among others, sought a dialogue with representatives of the SEC enforcement and investor protection department. The CSOs raised concerns about the unclear risk assessment process in the mandatory disclosure guidelines, as well as their apprehensions that the mandated disclosures might lead to legitimate organizations being targeted. In addition, the Philippine Council of NGO Certification (PCNC) and Association of Foundations (AF) organized information sessions with SEC on the guidelines on the mandatory disclosures and declaration of beneficial owners for nonprofits. SEC eventually revised these guidelines.

SERVICE PROVISION: 3.2[1]

SERVICE PROVISION IN THE PHILIPPINES

2015	2016	2017	2018	2019

3.0   3.0   2.9   3.2   3.2

CSO service provision did not change in 2019. CSOs continued to offer a diverse range of services in such areas as training and education, health and nutrition, livelihood development, cooperative development, social services, and lending and microfinancing.

CSOs are responsive to community needs, although few CSOs have evaluative measures to determine the adequacy of their planning and programming. CSOs continue to gain competencies in disaster preparedness and humanitarian programming. Development-oriented CSOs are becoming more equipped to deliver humanitarian response interventions adhering to the widely used Core Humanitarian Standards, facilitate disaster risk reduction and management planning for local government units and communities, and contribute to relevant policies, programs, and actions.

Some human rights organizations and faith-based groups continue to provide social protection, legal, and psycho-social services, and case documentation to the families of those killed in the government's war on drugs. Lawyers and human rights organizations offering these services became overextended during the year, as there are not enough lawyers working in this area.

Cooperatives often partnered with other institutions to expand their services to members in 2019. For example, Lamac Multipurpose Cooperative, an award-winning cooperative in Cebu with over a billion pesos in assets, partnered with Jollibee Group Foundation to train more farmers on agro-entrepreneurship. The National Confederation of Cooperatives, Philippine Family Farmers' Agriculture Fisheries Forestry Cooperative Federation (AgriCOOPh), and Partnership for the Development of Human Resources in Rural Areas partnered with the Philippine Cooperative Center and national government agencies to develop the competencies of agricultural cooperatives and enhance the competitiveness of their products. Cooperatives also provided services to the larger communities in which they operated through the Community Development Fund (CDF), which receives 3 percent of cooperatives' net surpluses. A few large cooperatives, such as the Oro Integrated Cooperative in Cagayan de Oro City, have established their own foundations to provide community services beyond the cooperative's members.

Cost recovery continues to be a challenge for many CSOs, especially those that are dependent on donor funding. Many CSOs are reluctant to charge fees for their services or engage in consultancy services, as they have a mindset that their services should be free. Others are simply not aware of how to go about charging for some or all of their services. In other cases, CSOs' funding agencies will not allow them to charge for these services.

Some government agencies continue to recognize the value of CSOs as providers of capacity-building and research services, policy advocacy, and the monitoring and evaluation of government programs by consulting them or involving them in the implementation of their programs. These include the Department of Interior and Local Government, DSWD, Department of Budget and Management, Presidential Communications Operations Office–Freedom of Information Office, and Commission on Audit.

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[1] The Service Provision score was recalibrated in 2018 to better reflect the situation in the country and to better align it with other scores in the region. The score does not reflect a deterioration in Service Provision, which remained largely the same in 2018 as in 2017.

SECTORAL INFRASTRUCTURE: 2.9

The infrastructure supporting the CSO sector in the Philippines did not change in 2019.

Intermediary support organizations and CSO resource centers, such as Venture for Fundraising and Fundraising Philippines, continued to provide training on fundraising for CSOs. In 2019, the League of Corporate Foundations and League of Accountants for Development reactivated their training services on proposal writing and accounting for non-accountants, not only for their members but for other CSOs. Private consulting firms, such as Meraki Consulting and Technopoly Inc., also provide consultancy services to CSOs, including at negotiated rates reflecting organizations' capacity to pay.

SECTORAL INFRASTRUCTURE IN THE PHILIPPINES

	2015	2016	2017	2018	2019
	2.9	2.9	2.9	2.9	2.9

Many CSOs and sectoral organizations[2] belong to formal or informal provincial, regional, or national networks and federations. CSO networks continued to provide training to members and other CSOs in 2019. The Association of Foundations' LEAD to Serve program provided training on CSO leadership; the League of Corporate Foundations offered workshops on resource mobilization and proposal development; Philippine Coalition on Volunteerism Inc. launched the Global Standard for Volunteering for Development; the Center for Humanitarian Learning and Innovation hosted training in business continuity planning for CSOs and cooperatives; and PAKISAMA and the Philippine Family Farmers' Agriculture Fisheries Forestry Cooperatives Federation (AgriCOOPh) offered technical extension training, as well as governance and management courses, to their member organic rice cooperatives. Social welfare and development agencies are required to attend at least 70 percent of DSWD's training and other DSWD activities in order to renew their registration.

In a year in which POs found it particularly challenging to sustain their operations, members of the PO network AKKMA network benefitted from technical assistance offered by the full-time staff of the Partnership of Philippine Support Service Agencies network. Among the PO networks that continue to thrive are those with full-time, professional staff, such as PAKISAMA (federation of farmers association), SENTRO (federation of labor associations), and Kilos Maralita (federation of urban poor groups).

New intersectoral partnerships emerged in 2019. For example, faith-based organizations, farmers' associations, indigenous people's associations, urban poor groups, human rights groups, and the media joined forces to stop the Kaliwa Dam project in Quezon Province, which is expected to displace indigenous farming and fishing communities and threaten lives and livelihoods in the area. Philippine Business for Social Progress launched an initiative to rehabilitate Marawi City called United for Marawi in partnership with CSOs, the government, business groups, and the United Nations Development Programme. Philippine Business for Education and Teach for the Philippines called on stakeholders to support DepEd after the country ranked last in the 2018 Program for International Student Assessment.

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[2] Sectoral organizations include those working with basic sectors such as women, children, elderly, indigenous peoples, urban poor, formal and informal labor, children and youth, and persons with disability. The Philippines has a law defining these fourteen basic sectors, which are convened through the National Anti-Poverty Commission.

PUBLIC IMAGE: 3.6

PUBLIC IMAGE IN THE PHILIPPINES
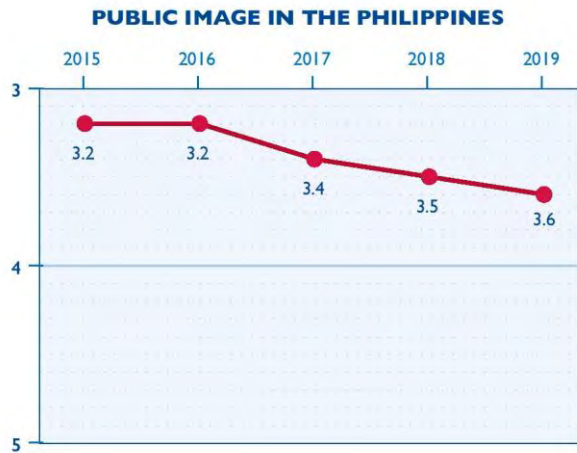
CSOs' public image deteriorated slightly in 2019 as public trust in CSOs dropped and the government continued to vilify CSOs.

The Philippine Trust Index 2019 reports that Filipinos' overall trust in institutions has dropped since 2017, with the sharpest decline in trust in NGOs, which dropped 22 points from 59 percent to 37 percent in a two-year period. This is probably because the public has limited awareness of the NGO sector; 35 percent of respondents to the Trust Index reported that they do not know what NGOs are.

Government perceptions of CSOs vary. The president continues to view human rights activists and CSOs as critics of his pronouncements and policies. The military and police accused some peace advocates and humanitarian organizations of being "communists" and therefore "terrorists." However, key national government agencies, such as the Department of Interior and Local Government and DepEd, and local government offices continued to regard CSOs as sources of credible information and rely on them as contractors for government projects. Businesses generally view CSOs as partners for their CSR programs. Some businesses, however, think that CSOs lack the management and financial capacities needed to implement projects that corporations can support.

While CSOs generally have weak relations with media, specific advocacy efforts in 2019, including the People's Journey march and the Stop Kaliwa Dam! campaign, received positive local and national media coverage that increased public knowledge about these issues. In addition, several members of the R2KRN advocacy coalition are independent media groups and investigative journalists that feature CSO stories in mainstream media. CSOs do not pay for media coverage as they are generally unable to afford to do so.

Organizations that rely on public donations or individual giving, such as Greenpeace Philippines and Philippine Animal Welfare Society, appear to do a better job at promoting their work to the public than grant-dependent organizations, which communicate mainly with donors and community partners. Cooperatives are also good at promoting their work to their members, and corporate foundations usually receive public relations and communications support from their head corporations. CSOs increasingly rely on digital technologies to promote their work and communicate with their audiences. While Facebook is the most widely used platform, corporate foundations also use Viber, Telegram, and LinkedIn, while younger staff use Instagram. Some CSOs use Messenger, Skype, or Zoom for meetings to minimize travel costs. Some also have started using YouTube to share recorded events or Facebook Live to stream live events. Human rights organizations and advocacy groups are concerned about digital security because of government harassment. Data privacy is especially important for corporate foundations.

Larger CSOs, CSO networks, and corporate foundations publish their annual reports in print or post them online on their websites. By the end of 2019, PCNC, a self-regulating body for the sector, had certified 460 CSOs. CSO networks and other membership-based organizations have developed their own codes of ethics. International humanitarian CSOs and UN agencies are beginning to introduce safeguarding practices, which call on CSOs to ensure that their programming does not result in abuse or neglect of any beneficiaries, especially children and at-risk adults. Local partner CSOs are sometimes mandated to develop such policies.

SRI LANKA

OVERALL CSO SUSTAINABILITY: 4.6
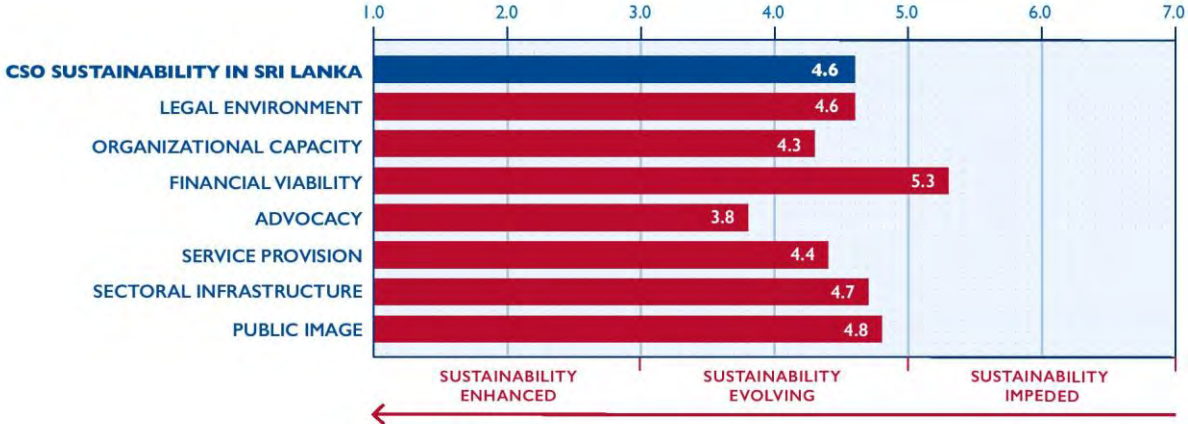
A series of coordinated suicide bombings hit three luxury hotels in Colombo and three Christian churches in Colombo, Negombo, and Batticaloa on Easter Sunday, April 21, 2019, killing more than 250 people and injuring hundreds more. The Islamic State of Iraq and Syria initially claimed responsibility for the attacks via the news outlet Amaq. Following a parliamentary investigation, however, it was determined that the National Thowheeth Jamaath, an Islamist militant group, was responsible. On April 22, President Maithripala Sirisena declared a state of emergency under the Public Security Ordinance that gave the police and military wide powers of detention, search, and entry. Parliament renewed these emergency regulations monthly for a period of four months before discontinuing them on August 22, 2019. However, President Sirisena issued an order through a gazette on August 22 to ensure that the military remained deployed across the country to assist the police in maintaining law and order.

CSOs responded to community needs immediately following the Easter Sunday attacks. For example, the Family Planning Association (FPA) deployed a team of counsellors to carry out general health assessments and screenings to assess trauma and post-traumatic symptoms of the communities affected by the terror attacks. CSOs also worked to curb widespread disinformation and hate speech propagated on social media platforms. For instance, Watchdog Sri Lanka and Hashtag Generation engaged in fact checking of information shared through social media. Despite these efforts, there was a rise in anti-Muslim sentiment in Sri Lanka after the attacks. Several incidents of mob violence against Muslim places of worship, businesses, and residences took place in Kurunegala and Gampaha in May 2019. In response, the government declared a countrywide curfew and blocked certain social media platforms, presumably to prevent the circulation of content inciting violence against the Muslim community.

In 2019, the good governance coalition formed by United People's Freedom Alliance (UPFA) and United National Front for Good Governance (UNFGG) entered their fifth and final year in power. Following presidential elections held on November 16, 2019, former Secretary of Defense Gotabaya Rajapaksa from the Sri Lanka Podujana Peramuna (SLPP) was sworn in as the seventh executive president of Sri Lanka. Immediately following his appointment, President Rajapaksa appointed his brother, former President Mahinda Rajapaksa, as the Prime Minister of Sri Lanka.

In early 2019, the coalition government made limited progress on its main promises such as constitutional reform and its anti-corruption campaign. In January, Prime Minister Wickremesinghe presented a report prepared by an expert panel that supported the drafting of a new constitution. However, the constitutional reform process failed to gather momentum throughout 2019. President Sirisena meanwhile publicly attributed Sri Lanka's 2018

constitutional crisis[1] to the nineteenth amendment to the Constitution, which attempts to reduce the powers of the presidency and restore the independence of commissions, including the Elections Commission, Public Service Commission, and National Audit Commission. He further blamed non-governmental organizations (NGOs) for this amendment, which was adopted in 2015.

Several key anti-corruption measures were launched in 2019, including through the Open Government Partnership (OGP). Sri Lanka's ranking on Transparency International's Corruption Perceptions Index dropped from 89th in 2018 to 93rd in 2019. Poor progress on the regulation of campaign financing and public access to politicians' assets and liabilities declarations contributed to this decline.

The government also made marginal progress on post-war reconciliation and accountability during the year. The Office on Missing Persons (OMP) opened four regional offices and continued to provide monthly relief to families of missing persons who had obtained certificates of absence, and the Office for Reparations began operations in 2019. The draft Counterterrorism Act (CTA) was under consideration by the parliament sectoral oversight committee on international relations, but little progress was made towards its enactment in 2019. In January, President Sirisena announced his intention to implement the death penalty for drug-related offenses and later declared that he had signed warrants ordering the executions of four prisoners. This action was challenged by twelve fundamental rights petitioners before the Supreme Court in July 2019.

Overall CSO sustainability declined slightly in 2019. The legal environment deteriorated moderately because of ongoing challenges with registration and a considerable rise in state scrutiny and harassment following the Easter Sunday attacks. CSOs' public image worsened significantly as prominent government representatives made hostile statements about CSOs, especially during the presidential election. On the other hand, CSOs' organizational capacity showed slight improvement as their use of information and communications technology was more effective, and advocacy also improved as CSOs engaged effectively on legal reforms and used online and traditional methods to influence public opinion on a wide range of issues. CSOs' financial viability, service provision, and sectoral infrastructure showed little change in 2019.

The Non-Governmental Organization (NGO) Secretariat maintains a directory of NGOs registered under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 (VSSO Act). As of December 2019, the directory listed 1,638 NGOs, eighteen of which were newly registered in 2019.

LEGAL ENVIRONMENT: 4.6

LEGAL ENVIRONMENT IN SRI LANKA
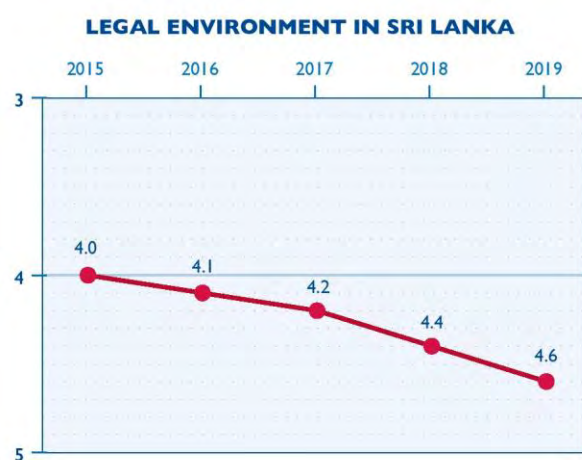
The legal environment for civil society deteriorated moderately in 2019, mainly because of challenges associated with registration and increased state scrutiny and harassment following the Easter Sunday attacks.

CSOs may register through six legal instruments: the Societies Ordinance of 1892; Companies Act, No. 07 of 2007; Trusts Ordinance of 1917; Co-operative Societies Act, No. 05 of 1972; Voluntary Social Service Organizations Act (VSSO), No. 31 of 1980; and an Act of Parliament sponsored by a Member of Parliament through a private member's bill. Regardless of the category of registration, in practice, most CSOs also register as voluntary social service organizations under the VSSO Act.

Several bureaucratic procedures continue to create delays in the registration process in 2019. For example, the NGO Secretariat forwards all applications that it

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[1] The constitutional crisis entailed a series of events triggered by the breakdown of the coalition government in October 2018, and President Sirisena's subsequent attempt to appoint former President Mahinda Rajapaksa as prime minister, a move disputed by the sitting Prime Minister Ranil Wickremesinghe. The crisis was further aggravated when President Sirisena dissolved parliament in November 2018. The Supreme Court issued an interim order suspending the dissolution of the parliament.

receives to the Ministry of Defense; the ministry then makes recommendations to approve or reject registration. In 2019, most CSOs continued to prefer to register as companies. However, following the Easter Sunday attacks, several CSOs that were registered under the Companies Act were requested by their respective banks to also register with the NGO Secretariat under the VSSO Act. In addition, banks exercised additional scrutiny over the financial transactions of CSOs with existing accounts, due to terrorist financing concerns.

The NGO Secretariat oversees CSOs in Sri Lanka. The NGO Secretariat remained under the Ministry of National Co-Existence, Dialogue, and Official Languages until December 2019, when, following the election of President Rajapaksa, it was placed under the purview of the Ministry of Defense. In 2019, CSOs continued to oppose a draft amendment to the VSSO Act that would broaden the NGO Secretariat's powers over CSOs. In August, the NGO Secretariat called for final consultations on the draft amendment, after which the bill was withdrawn. In November 2019, the NGO Secretariat reissued a statement requiring all CSOs to submit information such as registration numbers and personal and contact details for executive directors and board members in order to update the directory of active organizations.

CSOs also raised concerns in 2019 about the proposed CTA, particularly a section on "proscription orders" that could adversely affect CSOs, especially after former Prime Minster Wickremasinghe expressed the government's intention to expedite the proposed legislation in the aftermath of the Easter Sunday Attacks. Nonetheless, no significant developments took place to pass the proposed legislation during the year.

Following the Easter Sunday attacks, state scrutiny and surveillance of CSOs, particularly those that work with the Muslim community, increased. The United Nations (UN) Special Rapporteur on the rights to freedom of peaceful assembly and association noted that surveillance of CSOs was particularly prevalent in the north and east. For instance, security forces were reported to have intimidated activists and others associated with the Mothers of the Disappeared who were organizing memorial ceremonies for missing loved ones. CSOs' financial transactions were also subject to increased state surveillance in 2019. For instance, the Financial Crimes Investigation Division (FCID) summoned seventeen organizations connected to Mothers of the Disappeared in the north for questioning.

According to the Inland Revenue Act, No. 24 of 2017, which became operational in 2018, 3 percent of funds received by CSOs from grants, donations, or contributions are subject to a 28 percent tax. Tax reductions and exemptions are available for CSOs engaged in rehabilitation, livelihood support, infrastructure facilities for displaced persons, and humanitarian relief, with no exemptions on earned income. Value-added tax (VAT) was reduced in 2019 from 15 percent to 8 percent, benefiting organizations that provide goods and services, including CSOs that operate social enterprises.

CSOs may compete for government contracts and procurements but sometimes experience bureaucratic delays in the procurement process and payments. CSOs are allowed legally to earn income from the provision of goods and services by charging fees and establishing social enterprises. CSOs can accept funds from foreign donors.

Lawyers and organizations such as iProbono and Women in Need (WIN) continued to provide limited legal assistance to CSOs in 2019. Most grassroots organizations lack access to legal assistance.

ORGANIZATIONAL CAPACITY: 4.3

The organizational capacity of CSOs improved slightly in 2019 as CSOs increased their use of social media platforms such as Facebook, Twitter, and WhatsApp to build constituencies. During the presidential campaign in September, for instance, CSOs' social media activity played a pivotal role in raising concerns on thematic areas such as environmental policies and women's rights. The March 12 Movement led by the People's Action for Free and Fair Elections (PAFFREL) promoted the first public presidential debate to be held in the history of Sri Lankan electoral policies. CSOs also engaged in more traditional activities to build constituencies. For instance, women's rights CSOs conducted island-wide consultations on reproductive health. Youth-led CSOs such as the National Youth Model UN (NYMUN) organized workshops in all nine provinces on youth empowerment and capacity building.

Most organizations have strategic plans and visions. However, smaller CSOs are predominantly reliant on project-based donor funding and therefore do not invest too much effort in creating strategic plans since their focus is primarily on their financial sustainability.

Most CSOs continued to lack formal structures and internal governance systems in 2019. Larger CSOs such as Sarvodaya, the Centre for Equality and Justice, and the Centre for Environmental Justice have functioning boards of directors and some urban CSOs have dedicated departments for human resources and finance. In 2019, NYMUN and Watchdog made efforts to improve their organizational structures by appointing permanent staff members, creating boards of directors, and formulating constitutions outlining rules for operation. Some grassroots organizations were able to expand their operations in 2019. For example, the Mothers of the Disappeared formed partnerships with twelve organizations in the north. In addition, some informal movements operated more independently of their founders. For example, the Puttalam Youth Model UN (PYMUN), which was established by the Colombo-based NYMUN in 2017, began to conduct independent activities in 2019.

ORGANIZATIONAL CAPACITY IN SRI LANKA

2015	2016	2017	2018	2019
4.6	4.6	4.6	4.4	4.3

CSOs continued to find it difficult to retain permanent staff in 2019 because they are unable to offer competitive wages. In addition, CSOs struggle to find staff with the required skills. CSOs faced delays in training and mobilizing staff during the four-month state of emergency. To overcome staffing challenges, CSOs increasingly engage volunteers. For example, youth-led organizations such as NYMUN, PYMUN, and Arka Initiative rely on volunteers to carry out many of their activities. In June 2019, the organization Room to Read, which focuses on education, girls' life skills, and children's reading, became the first CSO in Sri Lanka to be certified as a "great workplace" by the Great Place to Work Institute.

Internet facilities generally are accessible throughout the country through state-owned and private service providers. CSOs increased their use of internet-based technologies in 2019. For instance, Sarvodaya adopted geographic information system (GIS) open source software to support its programming and trained its staff in its use.

FINANCIAL VIABILITY: 5.3

FINANCIAL VIABILITY IN SRI LANKA

2015	2016	2017	2018	2019
5.4	5.4	5.3	5.3	5.3

CSOs' financial viability remained unchanged in 2019. CSOs continue to depend mainly on foreign donor funding, with limited access to domestic sources of funding.

Foreign donors continued to support CSOs in 2019. USAID provided $27 million to Sri Lanka, an increase over $23 million in 2018; of this amount, $8 million was allocated to democratic participation and civil society. According to the Australian Department of Foreign Affairs and Trade, the Australian government provided a total of $28.6 million in overseas development assistance to Sri Lanka in 2018–19 and $27.1 million in 2019–20. In December 2019, the European Union (EU) delegation to Sri Lanka and Maldives provided approximately $4.4 million to seven new CSO-led projects under the European Instrument for Democracy and Human Rights and the Civil Society Organizations and Local Authorities thematic instrument to support human rights and CSOs in Sri Lanka.

CSOs' access to domestic sources of funding, including from the private sector and the government, remained limited in 2019. Companies usually prefer to fund initiatives with tangible outcomes, such as service provision and livelihood development. Most companies do not partner with local CSOs but instead establish separate entities

within their corporate structures to run their corporate social responsibility initiatives. For instance, the Dilmah Ceylon Tea Company has established the MJF Charitable Foundation and Hemas Holdings PLC has established the Hemas Outreach Foundation.

CSOs find it challenging to raise funds from their communities and constituencies, although small CSOs sometimes receive individual donations. For example, Room to Read Sri Lanka encourages donations of one dollar and receives $50 a month from some donors to teach children to read and write. Youth-led organizations such as the Arka Initiative encourage material donations such as sanitary pads for women.

CSOs may compete for government contracts and procurements. Sarvodaya Enterprise, a sister organization of Sarvodaya, has won contracts to build child development centers. Only a few CSOs earn income through service provision. FPA uses social media to market its family planning products, which provide 86 percent of its total revenue, while Sarvodaya charges nominal fees for training, workshops, and other facilitation services.

The lack of adequate financial management systems continued to be a challenge for CSOs in 2019. Most large urban CSOs maintain financial records and routinely conduct independent financial audits, which they publish online. Some smaller CSOs also operate in a transparent manner to comply with donor requirements. After the Easter Sunday attacks, many CSOs took additional steps to maintain financial records in order to avoid undue scrutiny from the state related to terrorist financing.

ADVOCACY: 3.8

CSOs' advocacy was slightly stronger in 2019 as they engaged effectively with the government and the public in areas such as legal reform, transitional justice, and gender rights.

In 2019, the Commission to Investigate Allegations of Bribery or Corruption (CIABOC) consulted with CSOs such as Transparency International Sri Lanka and Law Society and Trust on its draft National Action Plan for Combatting Bribery and Corruption. CSOs also worked with other independent commissions, such as the Police Commission and Human Rights Commission of Sri Lanka (HRCSL). CSOs such as Law Society and Trust, Mannar Women's Development Federation, and Families of the Disappeared continued to advocate for the establishment of the Office for Reparations, which was

finally launched in April. Several organizations continued to advocate for government action on transitional justice and reconciliation in 2019. For example, CSOs such as the Mannar Women's Development Federation and Families of the Disappeared supported public consultations by the Secretariat for Coordinating Reconciliation Mechanisms and OMP regional offices on reconciliation mechanisms. In December, following the discovery of a mass grave in Mannar, CSOs worked closely with the OMP to consult with involved families. FPA supported an AIDS walk organized by the Ministry of Health in November and conducted public workshops on the need for comprehensive sex education.
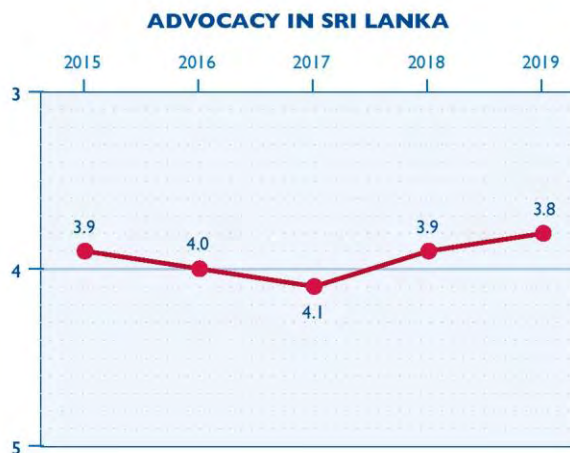
CSOs successfully held political actors to account in 2019. In February, five members of parliament (MPs) published their financial statements after Transparency International Sri Lanka publicly called on them to uphold their commitments to open democracy. Several CSOs used the Right to Information (RTI) Act to access information about government activities. For example, Mothers of the Disappeared filed RTI requests with the HRCSL to obtain information about the status of complaints it had lodged with the commission six years earlier.

CSOs' participation in policy advocacy was stronger in 2019. For example, CSOs such as the Movement for the Defense of Democratic Rights and Institute of Social Development organized protests to support tea plantations workers, leading to a 40 percent wage increase in February. The Centre for Environmental Justice organized a "climate strike" to raise awareness about climate change, and youth-led organizations such as Hashtag Generation engaged in policy dialogues on technology-based violence against women and girls. Women's groups and activists

continued to campaign for legal and policy reforms to curb sexual exploitation and sexual bribery, and their campaigns led to the inclusion of sexual bribery in CIABOC's National Action Plan. In September, Sri Lankan CSOs took part in the global Sixteen Days of Activism Against Gender-Based Violence (GBV) campaign to raise awareness about sexual harassment on public transport.

CSOs engaged on social media to combat a wave of online disinformation and hate speech after the Easter Sunday attacks. For example, the CSO Watchdog combatted false rumors by fact checking and verifying information in the media, including a video that made false claims against Muslim-owned restaurants. WIN launched the #WhatNow social media campaign to raise awareness about GBV. During the presidential campaign in September, CSOs used social media to influence discussions of the environment, women's rights, and other policy issues.

Research also played a key role in advancing CSOs' advocacy efforts in 2019. For example, in November, FPA collected data on female circumcision through a series of consultations with a diverse group of women. FPA's study, which was published in December 2019, is expected to inform future advocacy efforts.

During the aftermath of the terrorist attacks, there was also a brief rise in militant nationalist advocacy groups that propagated anti-Muslim sentiments by staging protests and organizing social media campaigns.

CSOs continued to lobby actively on several key issues in 2019. CSOs including Hashtag Generation, Muslim Personal Law Reform Action Group (MPLRAG), Muslim Women's Development Trust, Eastern Social Development Foundation, and Women's Action Network helped secure cabinet approval of proposals to amend the Muslim Marriage and Divorce Act (MMDA). However, as several discriminatory provisions were retained in the proposed amendment, CSOs continued to advocate for substantive reforms. In November, Hashtag Generation and MPLRAG urged the government to remove the MMDA's ban on women serving as *quazi* (judicial officers appointed under the MMDA). Organizations such as the Mannar Women's Development Federation continued to lobby parliamentary oversight committees to reform the minimum age for marriage. CSOs also lobbied for reform of environmental laws and policies. For instance, the Centre for Environmental Justice conducted public discussions to promote legal and policy reform to prevent lead poisoning of water.

CSOs mobilized against regressive policies and proactively drove legal reform affecting the sector in 2019. For instance, CSO advocacy efforts contributed to the withdrawal of the draft amendment to the VSSO Act.

SERVICE PROVISION: 4.4

SERVICE PROVISION IN SRI LANKA

| 2015 | 2016 | 2017 | 2018 | 2019 |
| 4.5 | 4.4 | 4.4 | 4.4 | 4.4 |
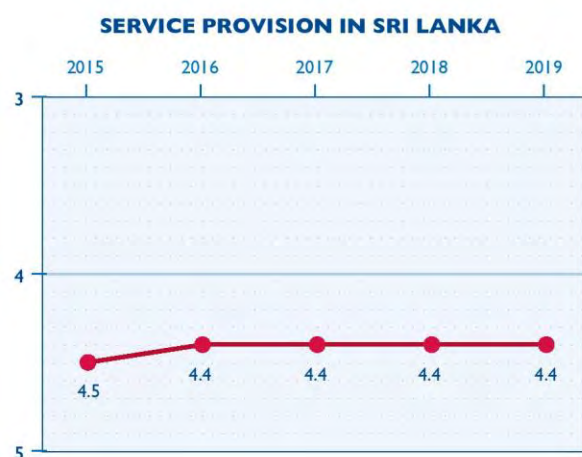
CSO service provision remained unchanged in 2019. Although CSO services are limited, organizations continued to provide basic goods and services in areas such as health care, education, livelihoods, and disaster relief. For instance, Room to Read Sri Lanka provided educational facilities to nearly 1,000 girls through its Our Girls program, which aims to ensure that girls complete secondary school. The Arka Initiative supplied women in rural communities in Kalutara and Kandy districts with sanitary products through its new Sustainable Sanitation project, and the Women's Development Federation continued to provide microfinance and social advancement services in Southern Province.

CSO were responsive to community needs in 2019. In the aftermath of the Easter Sunday attacks, FPA deployed a counselling unit to carry out health assessments and screenings for trauma in an affected community in Negombo, and Sarvodaya offered support to affected populations in Negombo and Colombo. With funding from the Sarvodaya Development Finance Ltd., Sarvodaya-Colombo provided support to persons identifying the dead and transporting bodies from the morgue. While larger urban CSOs identify community needs by organizing consultations and meetings, smaller, rural CSOs usually rely on their proximity to and knowledge of beneficiaries to identify community needs.

CSOs continued to provide goods and services to beneficiaries beyond their own memberships in 2019. Some CSOs provide capacity building, including training on environmental impact assessments, free of charge. Youth-led CSOs usually charge subsidized participation fees for their events and conferences. For instance, in 2019, NYMUN charged participation fees for its conferences and workshops on youth, peace, and leadership.

CSOs receive limited recognition from the government for their service provision. In 2019, Grassrooted Trust worked with the National Police Commission and Government Medical Officers' Association to provide services to victims of cyber-violence. Some CSO activities in areas such as reproductive health rights, women's rights, and sex education were stopped in 2019 because of pressure from government and religious leaders.

SECTORAL INFRASTRUCTURE: 4.7

The infrastructure supporting the CSO sector was unchanged in 2019. There continued to be a lack of resource centers supporting the sector. Several CSOs re-granted foreign donor funds to smaller organizations during the year. For instance, with funding from the US Embassy, Sarvodaya launched the Small and Mighty Grants program, which offered funding to smaller organizations and individuals, focusing on CSOs with the ability to lead and develop programs but perhaps lacking the capacity to compete for funds. Search for Common Ground re-granted donor funds to youth-led organizations for programs to combat hate speech.

Although issue-based coalitions are largely reactive and short-lived, several CSO coalitions were active in 2019. For instance, Voices of Humans (VOH) collaborated

SECTORAL INFRASTRUCTURE IN SRI LANKA

2015	2016	2017	2018	2019
4.8	4.8	4.8	4.7	4.7

with WIN on the latter's Safe City project, and, with the support of CSO movements such as XRebellionLK, environmental activists worked to increase awareness of the climate crisis. Both coalitions conducted events in public areas of Colombo. During the presidential election campaign, CSOs such as Transparency International Sri Lanka, the Center for Policy Alternatives (CPA), Rights Now Collective for Democracy, and Sarvodaya worked together in PAFFREL's March 12 Movement to sponsor a public debate with candidates. Several informal CSO coalitions addressed GBV, cyber-violence, and sexual harassment on public transportation.

There was no marked change in training opportunities available to CSOs in 2019. Most training is focused on smaller CSOs. For instance, Sri Lanka Preparedness Partnership offered training on effective roles for local CSOs in disaster preparedness, response, and recovery. Such training programs are often offered in the framework of specific programs and do not address CSOs' broader management needs. CSOs continued to lack access to training on human resource, financial, and knowledge management and technology.

CSOs' partnerships with the government and businesses improved slightly in 2019. The Centre for Equality and Justice signed a memorandum of understanding with the Ministry of Women and Child Affairs to train officials on sexual harassment. VOH conducted capacity-building and positive-thinking workshops for employees of the Western Province Waste Management Authority and, as a part of its MenEngage campaign to end GBV, conducted workshops for officers in several divisional secretariats. CSOs continued to support reconciliation projects nationwide, including engaging in capacity-building workshops for employees of the Office for Reparations. Following the Easter Sunday attacks, youth-led organizations such as NYMUN collaborated with government bodies such as the National Youth Services Council to design and implement de-radicalization programs in local communities. Businesses such as HNB partnered with Sarvodaya Development Finance to support innovative and sustainable products developed by local entrepreneurs.

PUBLIC IMAGE: 4.8

PUBLIC IMAGE IN SRI LANKA

2015	2016	2017	2018	2019
4.3	4.4	4.5	4.6	4.8
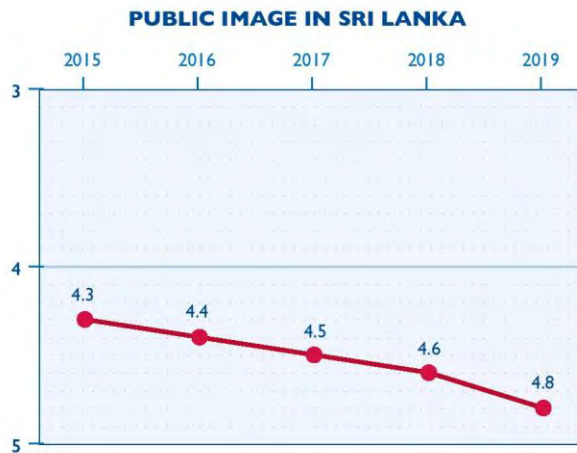
The CSO sector's public image experienced a catastrophic deterioration in 2019 because of heightened government scrutiny after the terror attacks and an increase in negative rhetoric from key politicians during the presidential elections.

Media coverage of most CSO advocacy efforts, including CSOs' criticism of the government, continued to be largely positive in 2019. Prominent newspapers such as the *Sunday Observer*, *Thinakaran*, *Resa*, and *DailyFT* provided positive coverage of CSO advocacy on the MMDA reforms, and the *Daily News*, *DailyFT*, and *Ada Derena* reported on CSOs' efforts to raise awareness of such issues as abortion and reproductive health. However, after the Easter Sunday attacks, negative media coverage of CSOs increased. For instance, Wedi Vistara (More Information), a Sinhala-language online media platform, stated that local and foreign NGOs—referring to donor-funded organizations— "damaged and continue to threaten the national security of the country."

Statements criticizing CSOs by the central government intensified in 2019. In comments on the death penalty, former President Sirisena framed human rights organizations and activists as being lenient towards drug dealers. The former president also blamed the enactment of the nineteenth amendment of the Constitution on civil society, claiming that it was drafted to "please NGOs." An increase in negative rhetoric from key politicians during the presidential elections were observed. For instance, presidential candidate Gotabaya Rajapaksa's manifesto stated that he would not pander to the needs of NGOs in his policy to achieve "National Unity through Democratic Governance." In November 2019, President Rajapaksa further stated that he would not submit to pressure from NGOs. Service-providing CSOs continued to be viewed positively by local government officials.

Public perception of CSOs declined in the latter half of 2019. Political actors referred to CSOs as organizations that are purely motivated by dollars, which increased negative public perceptions of CSOs. Similar sentiments were expressed by the public during the presidential election campaign period. Private sector perceptions of CSOs did not improve in 2019.

CSO's public outreach improved marginally in 2019, with the majority of CSOs effectively using social media for public outreach.

CSOs do not have a formal code of ethics. Only larger CSOs continue to publish annual reports.

THAILAND

OVERALL CSO SUSTAINABILITY: 5.0

CSO SUSTAINABILITY IN THAILAND: 5.0
LEGAL ENVIRONMENT: 5.6
ORGANIZATIONAL CAPACITY: 4.3
FINANCIAL VIABILITY: 5.3
ADVOCACY: 5.2
SERVICE PROVISION: 4.5
SECTORAL INFRASTRUCTURE: 4.7
PUBLIC IMAGE: 5.1

After five years of military rule by the National Council for Peace and Order (NCPO) and six postponements, elections finally took place in Thailand on March 24, 2019. Prior to the elections, the Constitutional Court ordered the opposition Thai Raksa Chart party dissolved after it nominated the king's elder sister as its prime ministerial candidate, stating that it had done so in order to protect "the neutral status of the monarchy." In addition, the National Broadcasting and Telecommunications Commission suspended the independent Voice TV for fourteen days because of "provocative content." After the elections, the opposition Future Forward Party (FFP) and its leader were charged with violating election laws and seeking to overthrow the monarchy. In May, the Election Commission (EC), which was widely criticized for voting irregularities and unfair elections, announced that the elections were won by the Palang Pracharath Party (PPP), which consists largely of former NCPO members. The NCPO was dissolved in July, and the PPP formed a government under the leadership of Prime Minister Prayuth Chan-O-Cha.

Restrictive laws and policies introduced by the NCPO remained in force under the new government. Moreover, in September 2019, the newly elected government granted the Internal Security Operations Command (ISOC), the political arm of the Thai military, more power and duties, putting it in charge of internal security operations in the post NCPO-era. ISOC also has control over social and political affairs and the power to implement laws, including those under Thailand's Twenty-Year National Strategy, which has primacy over all laws. Several new political forces and youth movements emerged to challenge the government in 2019, but they were held in check by conservative, anti-democratic, pro-junta, and pro-monarchist forces. To maintain its hold on power, the PPP blamed the opposition for disseminating "fake news" aimed at turning the younger generation against the military.

The armed conflict in Thailand's Deep South between the insurgent group Barisan Revolusi Nasional (BRN) and the authorities continued unabated in 2019. Human Rights Watch documented at least twenty-one attacks, allegedly by the BRN, between May 6 and June 5. In addition, on November 5, 2019, BRN staged its deadliest attack since late 2001, when twenty gunmen attacked a security checkpoint in Yala province, killing fifteen people. The attack was thought to have been motivated by the death of a Malayu Muslim who died in custody after he was detained, for which no officials have been held accountable. Thai security forces continued to commit human rights abuses in the form of extrajudicial killings, enforced disappearances, and torture of suspected insurgents. For example, in December 2019, three unarmed civilians were shot dead by a security task force in Narathiwat province. The personnel responsible for these abuses have yet to be prosecuted. No meaningful progress was made during the year in peace talks between the government and Mara Patani, an umbrella organization of

separatist groups in the Deep South, as the latter suspended its meetings with the government until after the elections.

The growth of Thailand's gross domestic product (GDP) slowed to 2.5 percent in 2019, according to the World Bank. The slowdown was caused by decreases in business confidence, private investment, exports, domestic consumption, and public spending. During the year, the government focused mainly on developing the Eastern Economic Corridor (EEC)—a special economic zone along the country's eastern seaboard that the government hopes to turn into a hub for technological manufacturing and services—and implementing policies supportive of Thailand 4.0, the national development policy. While it is expected to contribute to economic growth, many people view the EEC as a violation of the human rights of affected communities, since they were not consulted about the plan and some were forced off their land to make way for EEC infrastructure projects. In addition, the registration of migrant workers became harder, as the government introduced online registration systems to implement Thailand 4.0 that many migrant workers were unable to access as they lack internet access.

Overall CSO sustainability in Thailand deteriorated slightly in 2019. The legal environment worsened with increased state harassment of organizations with views conflicting with those of the government. CSOs' financial viability deteriorated as CSOs reported that they had less access to funding. The funding declines undermined CSOs' organizational capacity, as CSOs found it increasingly difficult to hire and maintain paid staff. The government's lack of openness to dialogue and harassment of human rights activists impeded CSOs' advocacy efforts. The sector's public image was damaged by government criticism of CSOs and media offering information that was not flattering to the government. The infrastructure supporting the CSO sector, on the other hand, improved as local groups and networks and grassroots organizations received increased assistance from larger CSOs. Service provision remained largely unchanged despite the decline in funding.

The CSO sector in Thailand includes both registered and unregistered organizations. Foundations are the most common type of registered organization. Other organizational types include associations, clubs, social enterprises, community-based organizations (CBOs), and grassroots movements. There was no reliable data on the total number of registered and unregistered CSOs in Thailand in 2019. However, according to a report by the Ministry of Interior covering the period between October 1, 2016, and March 31, 2017, there were approximately 27,000 foundations and associations registered in the country. Ninety-one new foundations registered in 2019, compared to 102 in 2018.

LEGAL ENVIRONMENT: 5.6

LEGAL ENVIRONMENT IN THAILAND

2015	2016	2017	2018	2019
5.1	5.1	5.1	5.4	5.6
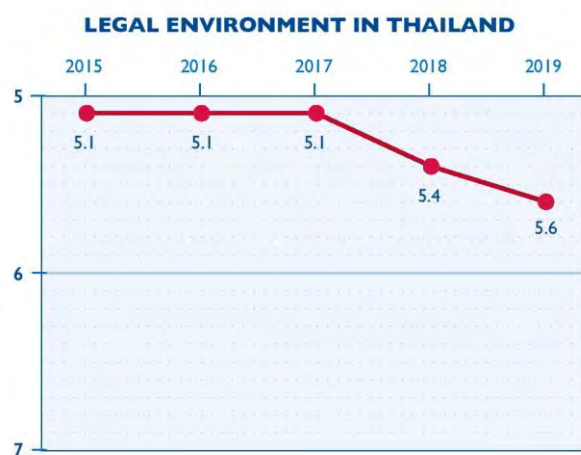
The legal environment for CSOs in Thailand deteriorated moderately in 2019, as the new government prolonged restrictions from the period of military rule and used them to silence civil society actors.

CSOs in Thailand generally operate as foundations. Foundations register with the Ministry of Interior. They must work for the public benefit, have at least three Thai nationals on their boards of directors, provide bank statements showing a balance of at least THB 200,000 (approximately $6,600), and not violate the law, good morals, or national security. CSOs often struggle to meet the funding requirements to register as foundations. In addition, many CSOs, especially those working on politically sensitive issues such as land tenure and peace and security, choose not to register, in part because registered CSOs may be inspected by government authorities at any time, while unregistered organizations are more likely to be able to operate under the government's radar.

In Thailand's Deep South, officials continued to reject registration for CSOs whose names included the Malay word "Patani," which refers to the Malayu Muslim minority in Thailand's Deep South and which the government seemingly associates with the separatist movement. Some international CSOs, which are mostly based in Bangkok, faced difficulty registering their board members and secretaries. For example, when Amnesty International sought

to register a prominent student activist as a board member, registration officials said that he could not be registered because he was "too young," although the law does not prescribe a minimum age for board members.

According to the Civil and Commercial Code Section 131, the government may dissolve a CSO if its operations are against public morals or threaten public order or national security. No data is available on how frequently this happens. In 2019, ISOC officers paid a surprise visit to a private school owned and run by a foundation in Thailand's Deep South, which they suspected of supporting a group the government identifies as a separatist group. After checking the school's documents and financial transactions, the authorities confirmed their suspicion and ordered the school to shut down immediately. This created fear among teachers, students, and parents and discredited private schools run by foundations in the area.

Before its dissolution in July, the NCPO repealed many of its orders and announced that it would stop enforcing Article 44 of the 2014 Interim Constitution, which gave it broad powers to act without oversight. However, the content of many NCPO orders was embedded in other laws to ensure their continued implementation. Human rights defenders, journalists, and protesters were harassed, charged, and imprisoned under the Public Assembly Act of 2015, Computer Crime Act (CCA) of 2017, Penal Code (including Section 116 on sedition, Section 198 on contempt of court, and Section 326 on defamation), and Emergency Decree on Public Administration in the State of Emergency. For example, in February, two political activists hung dried chili and garlic

[1] on the fence of the Government House in response to a speech by the prime minister in which he stated that he did not need to resign from his premiership in order to run in the elections and challenged the public to "Oust me if you dare." Both activists were then charged under the Public Assembly Act for not notifying the government of the assembly. In August, the court fined them THB 2,000 (approximately $64) each. In March, the secretary general of the FFP posted a video of himself reading a party statement on the Constitutional Court's decision to dissolve the Thai Raksa Chart Party earlier in the month. A legal officer of the NCPO filed a complaint against him for contempt of court and violating the CCA for allegedly imparting information that undermines national security through a computer system.

The government also misused environmental laws and policies to silence and harass human rights defenders. For example, the Appeals Court found fourteen villagers of Sab Wai village, located in Sai Thong National Park in northeastern Thailand, guilty of trespassing on national park land and ordered them to serve prison terms, pay high fines, and vacate their land.

From March to June alone, pro-democracy activists were attacked on at least ten occasions. Throughout 2019, more than twenty-five charges were filed against the FFP and its leader. In May, three anti-monarchy activists facing lèse majesté charges of defaming the king disappeared in Vietnam after reportedly being arrested. Similarly, at least six Thai activists who resided in Lao PDR and disappeared in December 2018 were still missing at the time of writing. The government questioned and impeded the work of CSOs in northeastern Thailand working on environmental issues with foreign donor funding, claiming that foreign support threatens the country's national security. The media increasingly engaged in self-censorship, especially after the military sued a media channel in the Deep South for defamation under Penal Code Section 326 for reporting on the fact that the military continued to shoot after CSOs and villagers in the area had requested a ceasefire. Altogether, approximately 230 charges were filed against human rights defenders during the year, compared to 400 charges in 2018.

Companies also sought to silence human rights defenders. For example, Thammakaset Co., Ltd. filed three strategic lawsuits against public participation (SLAPPs) against individuals who had shared information about the working conditions of migrant workers or expressed support for fourteen migrant workers who had filed complaints against the company. In 2019, the Thai court sentenced one of the defendants to two years in prison.

The government also took measures to restrict online civic space in 2019. CSOs view both the National Cybersecurity Act of 2019, which came into force in May, and the Personal Data Protection Act of 2019, which was published in the *Royal Gazette* in May and will come into force in 2020, as violating netizens' fundamental freedom of expression and right to privacy, as enshrined in international human rights law. Critics of the National Cybersecurity Act say that it gives the government virtually unchecked power to monitor online data. The Personal Data Protection Act excludes the "operations of public authorities having the duties to maintain state

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[1] In Thai culture, the ritual of burning chili and salt is used to curse one's adversaries, while in Western culture, garlic garlands are believed to ward off vampires. After his arrest, one of the activists said that the garlands were not meant to curse anyone, but to "ward off evil spirits that are sucking taxpayers' money."

security, including financial security of the state or public safety," from its requirements for data protection, but fails to define these terms. As a result, activists fear that it can be used broadly against anyone the state deems a 'threat.' In November, the government opened its Anti-Fake News Center, where government authorities identify "fake news"—defined by the Minister of Digital Economy and Society as any viral online content that misleads people or damages the country's image—and can potentially censor dissidents and propaganda and restrict online freedoms.

CSOs are allowed to accept funds from domestic and foreign donors, engage in fundraising campaigns, and earn income. CSOs must be registered to be eligible for most funding. Foundations may receive tax-free donations from companies provided they are registered with the Ministry of Finance and produce monthly reports, which is challenging for most organizations because of their limited capacity.

While CSOs are able to apply for tax-exempt status, most are unaware of this possibility and unfamiliar with the process. Any profit earned by foundations and associations is taxed at a rate of 1 percent. Under the Revenue Code, individuals and corporations that donate to foundations and associations can receive tax deductions, at a maximum of 10 percent of income for individuals and 2 percent for corporations.

In February 2019, the Social Enterprise Promotion Act of 2019 was published in the *Royal Gazette* and enforced one day later. The law provides for the establishment of a fund to promote social enterprises and provides individuals with tax deductions on invested amounts according to the Revenue Code. In June 2019, the government set up the Office of Social Enterprise Promotion, which is responsible for promoting and assisting social enterprises and managing the fund. Social enterprises enjoy full tax exemptions if they invest at least 70 percent of their profit in activities for the public benefit. Otherwise, they pay income tax just like regular companies.

CSOs found it more difficult to access legal assistance in 2019, as most CSOs lack funds to pay for legal services and fewer lawyers were willing to work pro bono because of the declining economy. The lawyers that are available to work with CSOs are often young and inexperienced.

ORGANIZATIONAL CAPACITY: 4.3

The organizational capacity of CSOs decreased slightly in 2019, as CSOs faced increasing difficulties hiring and maintaining paid staff and identifying volunteers.

Most grassroots organizations address the needs of their beneficiaries, which are often local communities or members of marginalized groups. However, CSOs struggle to build close relationships with their beneficiaries because of the government's strict monitoring of CSOs and portrayal of them as enemies of the state. Especially in the Deep South, villagers are reluctant to collaborate with CSOs because they assume that CSOs work against the government, making it difficult for CSOs to build trust. Staff members and volunteers of some CSOs working on issues such as peace and security, enforced disappearances, and torture were subject to threats from the authorities, including being followed and questioned, in an effort to discourage CSOs and activists from working on such issues.

ORGANIZATIONAL CAPACITY IN THAILAND

| 2015 | 2016 | 2017 | 2018 | 2019 |
| 4.0 | 4.0 | 4.1 | 4.2 | 4.3 |

Most CSOs have clear mission statements, but few have the capacity to develop and implement strategic plans. In 2019, several CSOs that had operated for decades were closed down because of a lack of financial and human resources; these organizations prefer to remain unnamed. Donors' changing priorities caused other CSOs to change their focus in order to successfully seek funding, sometimes resulting in inconsistent or ineffectual work and a failure to realize core missions.

Most national and local CSOs, especially CBOs and grassroots movements, lack internal management structures, including human resources and accounting systems. Larger organizations, on the other hand, often have such
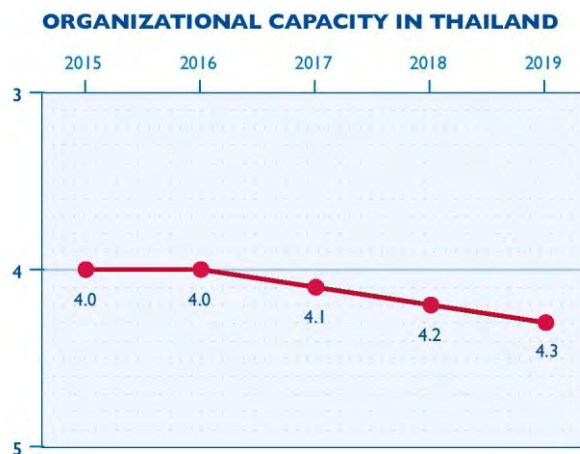
systems, as well as written policies and procedures. For example, they provide contracts for their staff and have internal policies and codes of conduct for them to follow. Organizations that are registered must have at least three board members of Thai nationality who are not staff members. Board members are not involved in daily operations but are involved and consulted when key decisions need to be made.

CSOs found it increasingly difficult to maintain staff in 2019 because of their limited financial resources. For example, the number of personnel working for a foundation in eastern Thailand decreased from twenty in 2018 to five in 2019. CSOs find it especially difficult to attract younger people, who expect salaries that CSOs are unable to pay. Even international CSOs report that they face this problem, since the salaries they offer, while relatively high, are determined locally rather than set to an international scale. In addition, international CSOs found it hard to hire for positions such as advocacy managers, as the increasing number of defamation cases and SLAPPs made prospective Thai employees hesitant to apply. Many CSO staff suffer from burn-out because of heavy workloads, especially at small organizations, where a small number of employees fulfill multiple tasks.

Across the country, organizations found it difficult to find volunteers in 2019, unless the issues they worked on affected volunteers directly. In the Deep South, most volunteers are older people, as younger people are too busy working or studying. Anecdotal evidence indicates that a greater number of volunteers quit in 2019 than in previous years, usually because they were working longer hours at full-time jobs to make ends meet.

CSOs' use of digital technology did not change in 2019. Most CSOs have access to the internet and use it in their work. Grassroots organizations and CBOs use smartphones to communicate via apps such as Messenger and LINE. Larger and wealthier organizations have offices and computers and use digital systems for internal management, including human resources and accounting.

FINANCIAL VIABILITY: 5.3

FINANCIAL VIABILITY IN THAILAND

2015	2016	2017	2018	2019
5.1	5.1	5.1	5.2	5.3

In 2019, CSOs' financial viability deteriorated slightly as CSOs reported that they had less access to funding. As in previous years, many unregistered CSOs were unable to access funding since registration is often a donor requirement.

A number of foreign donors provide support to Thai CSOs. USAID, for example, supports projects in areas such as countering trafficking in persons and conflict mitigation. In 2019, the Embassy of Canada supported ten CSOs all over Thailand under the Canada Fund for Local Initiatives (CFLI). The supported projects responded to floods in the Northeast, improved the rights of migrant workers along the Thai-Myanmar border, and increased the role and participation of women in peace and security in the Deep South. The European Union also provides funding to CSOs. The Japan Grant Assistance for Grassroots Human Security Project Scheme significantly reduced its support for Thailand, which goes partly to CSOs, from THB 19.4 million (approximately $625,000) in 2018 to THB 5.6 million ($180,000) in 2019.

Donors—both foreign and domestic—usually provide limited funding for CSOs' administrative costs, including salaries. Limited funding has increased competition among CSOs for the available funding, often to the disadvantage of grassroots movements and CBOs. In addition, in 2019, donors issued several calls for proposals for larger amounts of money, with strict requirements that grassroots and small CSOs cannot meet. Groups of indigenous women and CSOs in rural areas, for example, found it especially challenging to compete against CSOs with better capacities in areas such as proposal writing and financial reporting.

Little information is available about government funding of CSOs, although there were some examples of this in 2019. For example, the Ministry of Culture provided funding to the Thai Youth Orchestra to travel to Spain to present and perform Thai music and culture, and the Department of Social Development and Welfare under the Ministry of Social Development and Human Security (MSDHS) provided THB 17 million (approximately $546,000)

to temples in order to support the religious project Dhamma Jarik, which aims to spread Buddhism among hilltribes. However, government funding is often subject to strict and sometimes unacceptable conditions. For example, a CSO in northern Thailand seeking to advance the rights of migrant workers declined funding from the Social Security Office (SSO) to organize a workshop for migrant workers, because speakers had to be from the SSO and migrant workers would not be reimbursed for transportation and meals. In northeastern Thailand, ThaiHealth provided grants of THB 120,000 (approximately $3,800) for the development of social community groups. In order to access this funding, however, a community needed the approval of its village leader, which not all communities, such as those living in sub-villages, can obtain.

CSOs' ability to raise funds from local communities worsened in 2019 because of the declining economy, which rendered people unable to support CSOs. Several CSOs in Thailand's Deep South rely on donations of materials, such as office supplies. Some CSOs, such as those representing indigenous groups, generate income by selling handmade clothes and textiles. However, CSOs often lack the skills to run successful businesses.

In 2019, companies continued to engage in corporate social responsibility (CSR) activities. Such efforts, however, are usually driven by a company's desire to enhance its reputation rather than to engage meaningfully with CSOs to achieve social change. Several awards encourage the development of CSR programs. For example, the American Chamber of Commerce in Thailand (AMCHAM) issues the CSR Excellence Awards every year. Although one of the criteria for these awards is strong partnerships with Thai organizations, the 2019 winners of the award were chosen because they brought American knowledge, best practices, and expertise to Thailand, while supporting government objectives.

Most CSOs do not have financial management systems. In particular, grassroots movements and CBOs lack procurement policies and accounting systems.

ADVOCACY: 5.2

CSOs' ability to carry out effective advocacy deteriorated in 2019 as the government largely operated in a non- transparent manner and was not open to dialogue with CSOs. The NCPO passed 220 pieces of legislation in 2019 before it was dissolved in July, 160 of which were passed in May and June alone. Few public hearings took place, and even when consultations were held, CSOs' feedback was rarely reflected in final laws and policies. For example, the Thai Business and Human Rights (BHR) Network and Manushya Foundation submitted suggestions on the final draft of the National Action Plan on BHR, which was opened for public comments in February and March 2019. The BHR Network and Manushya Foundation re-submitted the comments and held a press conference on the issue in June. Despite these efforts, the final version of the NAP

ADVOCACY IN THAILAND

2015	2016	2017	2018	2019
4.8	4.8	4.8	5.0	5.2

launched in December 2019 still failed to reflect any of their comments. Similarly, when members of the grassroots movements P-Move and Assembly of the Poor traveled to Bangkok to provide input into draft legislation and demand compensation for land appropriated for infrastructure projects, they were sent away without being able to meet with members of parliament or ranking government officials, other than low-level officials.

After the formation of the new government, CSOs' communication with the government widened somewhat. In particular, CSOs were able to engage with opposition members of parliament, particularly those from the FFP, who toured the country and listened to local concerns. For example, when residents of Bo Kaew Village in northeastern Thailand faced eviction from their land, they submitted a petition to seven opposition parties and a letter to the Ministry of Natural Resources and the Environment requesting cancellation of the eviction order. FFP representatives agreed to propose a delay in the enforcement of the eviction order and search for solutions for the issue. Manushya Foundation engaged with members of the FFP to amend the newly enacted National

Cybersecurity Act of 2019, which many CSOs view as a threat to human rights. No concrete steps had come of this effort by the end of 2019.

The government continued to strenuously discourage advocacy by CSOs on politically sensitive issues. Numerous human rights defenders, journalists, and activists who engaged in such activities were arrested or harassed during the year. In Thailand's Deep South, for example, human rights defenders who spoke out about refugee issues continued to be threatened and discredited on social media. In the northeast, advocacy activities were monitored by the police, who enforced unlawful measures such as instructing directors of universities about the clothing participants were allowed to wear during protests.

On the local level, the government and businesses were often unwilling to listen to CSOs during planning on economic growth and national security. For example, no public hearing was held before a special economic zone (SEZ) was declared in Chana District in Songkhla Province. The Southern Border Provinces Administrative Center (SBPAC) held meetings to inform local residents about the SEZ only after it was established. Similarly, in eastern and northeastern Thailand, mining companies and sugarcane factories violated communities' right to information and failed to obtain their consent before implementing business plans. Indigenous women were unable to participate in anti-government protests after village heads announced "orders from the district" prohibiting them from attending gatherings outside their villages. Some of the women were monitored and grew more reluctant to engage in activities, as they were worried about their safety.

CSOs use social media in their advocacy campaigns but the effectiveness of these efforts continues to be impeded by government monitoring of social media and laws such as the CCA that empower the government to deem any negative or critical information as "false information." For example, on October 7, pro-democracy activist Karn Pongpraphapan was arrested by the Technology Crime Suppression Division (TCSD) for allegedly violating Article 14 of the CCA, after he posted a reference on Facebook to the historic downfalls of European monarchies, which was interpreted as a threat to the Thai monarchy. Businesses also monitor social media and file charges against those who "discredit" their business. For example, on December 6, Thammakaset Co. Ltd. filed charges against Puttanee Kangkun, an employee of Fortify Rights, for social media posts expressing her support for human rights defenders facing similar lawsuits from Thammakaset. She faces up to twenty-eight years imprisonment and/or a fine of THB 2.8 million ($93,300). Because they fear being prosecuted, many activists and human rights defenders practice self-censorship on social media.

In general, CSOs do not lobby for the reform of specific CSO laws. In the current environment, CSOs fear that any such efforts could make the situation more difficult.

SERVICE PROVISION: 4.5

SERVICE PROVISION IN THAILAND

2015	2016	2017	2018	2019
4.4	4.4	4.4	4.5	4.5
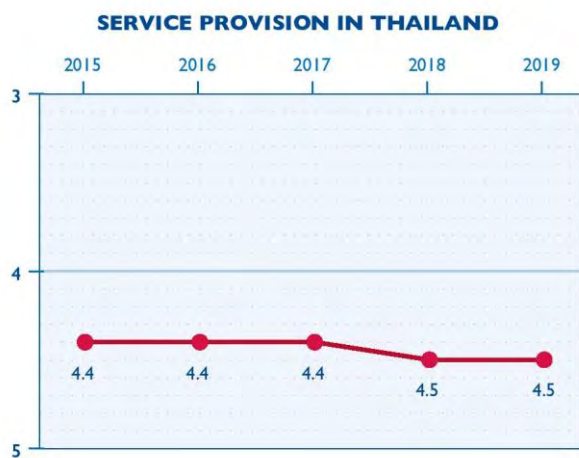
CSOs' ability to provide services was stable in 2019. Thailand's CSO sector offers a wide variety of services, ranging from emergency relief and community empowerment to shelters for victims of domestic violence, health facilities for sex workers, and legal assistance. Different organizations faced different opportunities in terms of their ability to provide services in 2019, depending on factors such as their access to funds, focus areas, and the support of other actors, including other CSOs and the government. For example, CSOs offering legal assistance faced difficulties as fewer lawyers were available to assist communities and CSOs, and people have increasingly lost trust in the judicial system. At the same time, organizations working on land issues, indigenous issues, and migrant workers issues were able to maintain or even increase their service provision. For example, indigenous groups were able to improve their service provision by expanding their networks, providing training, and implementing projects to address women's rights.

CSO services mostly respond to the needs and priorities of communities. CSOs aim to enhance the rights and welfare of their beneficiaries, including indigenous peoples, peasants, farmers, migrant workers, lesbian, gay, bisexual, transgender, and intersex (LGBTI) populations, sex workers, people living with HIV/AIDS, persons with disabilities, children, and the elderly. CSOs also work with communities to address the adverse effects of development projects, land tenure issues, and human rights abuses.

Due to unfair and restrictive laws, numerous human rights defenders, activists, journalists, and members of the public faced charges in 2019, increasing the demand for legal assistance. However, many CSOs did not have the required expertise or sufficient financial resources to provide these services to their beneficiaries. In northeastern Thailand, villagers facing eviction from their land experienced a shortage of legal assistance as lawyers were less willing or able to provide pro bono services due to the declining economic circumstances nationwide. Consequently, one lawyer handled the cases of fourteen Sab Wai villagers.

Some organizations had to cease their services or were forced to close down in 2019. In northeastern Thailand, an organization assisting communities on land rights issues had to suspend its work when the community leader was imprisoned from May until July. The Muslim Attorney Center in Chana District had to close down entirely because of a lack of funding, which was a loss to the community as it was the main agency assisting victims of human rights abuses. Decreased government budgets also limited beneficiaries' access to some required services. In 2019, the National Health Security Office only provided funding for HIV testing in twelve provinces, compared to thirty-five provinces in 2018; as a result, many people in rural areas in need of such services were unable to access them or had to travel far distances. In addition, as CSOs receive tests from government agencies, their ability to provide testing was limited. Because of the stigmatization of HIV in the country, many people are more comfortable being tested at CSOs that they trust rather than at hospitals. There was also less access to safe abortion medicines and services in 2019: medicines were unavailable, and several hospitals required parental consent before performing legal abortions, which is unlawful.

CSOs usually offer their services free of charge as they frequently serve local and marginalized communities with low incomes. While the government encourages the establishment of social enterprises through the Social Enterprise Promotion Act of 2019, few CSOs have the skills to operate successful businesses.

The government recognizes CSOs' contributions. Both the Twelfth National Economic and Social Development Plan (2017–21) and Twenty-Year National Strategy (2018-2037) mention the importance of partnering with civil society to further national development and security. In practice, however, collaboration remains limited because of the two sides' differing goals, conceptual approaches, and working strategies.

SECTORAL INFRASTRUCTURE: 4.7

The infrastructure supporting the CSO sector improved slightly in 2019, as more capacity building and training opportunities were offered and CSO networks worked effectively.

CSO resource centers and intermediary support organizations (ISOs) operating in Thailand include NEEDeed and the Community Organizations Development Institute (CODI), an independent public organization under MSDHS, which provide CSOs with technical assistance and training. However, many CSOs, especially those located outside of urban areas, are unaware of these and do not receive the support they require. Instead, they receive support from larger organizations that do not identify themselves as resource centers or ISOs, such as Manushya Foundation, which provides training, capacity building activities, and sub-grants to local CSOs and groups.

SECTORAL INFRASTRUCTURE IN THAILAND

2015	2016	2017	2018	2019
4.7	4.7	4.7	4.8	4.7

Sub-granting remains a limited but important source of funding for some local CSOs and grassroots movements. For example, with funding from the Environmental Defenders Fund, Internews, and the Embassy of Canada, in

2019 Manushya Foundation provided subgrants to at least ten groups, including environmental defenders in the Deep South and the Indigenous Women's Network of Thailand.

CSOs collaborated effectively in 2019. In Mae Hong Son Province, the Indigenous Women's Network of Thailand added two groups and provided them with training on the United Nations Sustainable Development Goals (SDGs) and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). In Thailand's Deep South, the Saiburi River Basin Youth Network was formed in 2019. In collaboration with the Working Group for Monitoring on International Mechanisms, it conducted community-led research on erosion caused by sand mining in the Saiburi River Basin and developed a report that can be used for future advocacy to stop harmful sand mining in the area.

CSOs have access to training provided by other CSOs, lawyers, and local scholars. In 2019, the Manushya Foundation provided training in digital literacy and security to thirty CSOs, CBOs, and grassroots movements. In northeastern Thailand, academics and lawyers provided CSOs working on issues related to land rights with training on land policies, and in Northern Thailand, the Asia Indigenous Peoples Pact (AIPP) provided training on SDGs to the Indigenous Women's Network of Thailand. However, the training available does not cover all aspects of CSOs' work.

CSOs struggle to develop partnerships with the government. For example, an organization in northern Thailand working with migrant workers sought to cooperate with local police to ensure that an interpreter for migrant workers was present at the police station. The police agreed but were unwilling to pay for the interpreter's services, so the arrangement was suspended. CSOs also rarely form partnerships with businesses due to conflicting perceptions. CSOs treat funding from corporations with suspicion as businesses perceive themselves as facilitators and decision makers in projects, while CSOs believe that businesses should not interfere in projects.

PUBLIC IMAGE: 5.1

PUBLIC IMAGE IN THAILAND

	2015	2016	2017	2018	2019

4.9   4.9   4.9   5.0   5.1

The public image of CSOs worsened in 2019 as media coverage declined, the public remained skeptical of CSOs, and the government continued to discredit CSOs that have critical or dissenting views.

In 2019, the media increasingly engaged in self-censorship and hesitated to cover the work of CSOs. The national media showed a lack of interest in CSOs' work. For example, broadcast media did not cover the fact that several hundred members of the Assembly of the Poor camped near the Government House in Bangkok for nineteen days in October to demand compensation for their displacement and lost land. In a notable exception, calls by LGBTI activists for marriage equality were broadly covered.

Public perceptions of CSOs are highly dependent on the region and area of focus. In the Deep South, CSOs' work is not well understood, and many people are afraid to collaborate with CSOs because they assume that they work against the government. For example, when the Saiburi River Basin Youth Network collected data on the impact of sand pumping in the Saiburi River Basin, villagers were hesitant to provide the requested information. In northern and southern Thailand, indigenous peoples are hesitant to work with NGOs because the term NGO has negative connotations of "danger" and "being monitored." Instead, some CSOs use the term "villagers' representative," which makes it easier for them to build trust with communities. In 2019, supporters of the military and monarchy increasingly used the new term "chung-chart" (nation-hater) to refer to those they deem a threat to national security or whose actions and views clash with those of the government and monarchy, including CSOs, human rights defenders, and political activists. In northeastern Thailand, public perceptions of CSOs improved after fourteen villagers from Sab Wai village working on land rights were imprisoned, causing the public to question the government's intentions.

In general, the government continues to perceive many CSOs as obstacles and enemies of the state. Businesses and the government perceive CSOs and human rights defenders—particularly those advocating against business activities and government-backed development projects or highlighting businesses' labor practices—as obstacles. Consequently, they aim to discourage CSOs and activists from continuing their work by filing lawsuits against them.

Given the hostile environment, CSOs and human rights defenders, especially those that work on politically sensitive issues, often practice self-censorship and do not publicize their work, as this would increase their risk of government monitoring and restriction. CSOs abide by internal codes of conduct or core values that are drafted during the establishment of their organizations. CSOs typically do not produce annual reports, as most lack sufficient resources and staff.

TIMOR-LESTE

OVERALL CSO SUSTAINABILITY: 3.5
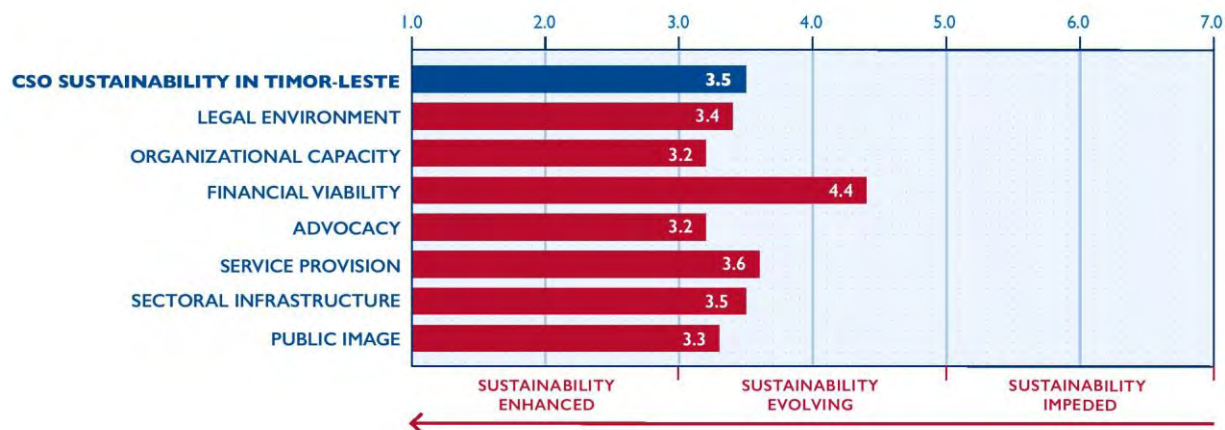
From 1975 to 1999, Timor-Leste was occupied by Indonesia. This period was characterized by conflict between groups fighting for independence and the Indonesian military. The CSO sector began to develop in Timor-Leste during this period, although it consisted of just a few CSOs, including Asosiasaun Hukum, Hak Asasi, dan Keadilan (Association Law, Human Rights, and Justice, HAK), Ema maTa Dalan ba Progresu (ETADEP), Forum Komunikasi Untuk Perempuan Timor-Lorosa'e (FOKUPERS), as well as international CSOs such as Catholic Relief Services (CRS), OXFAM, Red Cross, and CARE International. Many of these CSOs provided humanitarian and technical assistance to communities and worked as partners to the Indonesian government in the development process. There were also several youth and women's organizations working on human rights with a focus on liberating people from colonization.

From 1999 to 2002, Timor-Leste was governed by a United Nations (UN) Interim Administration. In 2002, Timor-Leste gained its full independence. Civil society began to flourish after this, with people creating local and community-based organizations (CBOs). Several international agencies started to support community development in the fledgling country, including through capacity building focused on the development of strategic plans, organizational and financial management, and surveys and assessments. In addition, they continued to support basic community needs such as water and sanitation, education, human rights, youth engagement, and other programs.

The government of Timor-Leste (GoTL) recognizes CSOs as partners in the implementation of the National Strategic Development Plan (NSDP) 2011-2030 and the realization of the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs). In 2007, GoTL established an advisory office under the Office of the Prime Minister to support CSOs and strengthen the partnership between CSOs and the government through the provision of small grants to local organizations in both urban and rural areas. These grants allow CSOs to deliver services and empower communities by acting as a bridge between the government and local communities.

Timor-Leste has a very young population. According to the UN Development Programme's National Human Development Report 2018, Timor-Leste has the fifteenth youngest population in the world, with nearly three-quarters (74 percent) of the population under the age of thirty-five. As such, youth organizations play an important role in the sector and the country's development.

The political situation in Timor-Leste was unstable in 2019. On October 15, the parliament rejected the proposed 2020 budget. Another version of the budget was presented in December, which the parliament also rejected, leaving the country without a budget for 2020.

Overall CSO sustainability in Timor-Leste is evolving. Advocacy is one of the strongest dimensions of CSO sustainability. CSOs actively participate in budgeting processes and provide recommendations to the government, and the government provides CSOs with space to express criticism and engage in public debate. CSOs have formed several networks in the country. On the other hand, financial viability is very fragile, with most CSOs remaining dependent on funding from international donors and the government.

As of the end of 2019, 486 national associations, 82 international associations, and 125 foundations were legally registered with the Ministry of Justice (MoJ). During 2019, 105 national associations and eight foundations newly registered with MoJ.

CSOs in Timor-Leste work in diverse programmatic areas, including human rights, peace building and conflict prevention, gender and social inclusion, youth engagement, agriculture, capacity building, education, monitoring and evaluation, water and sanitation, judiciary, advocacy, humanitarian support, and research. CSOs engage in a variety of activities to empower a range of communities in both urban areas and remote, rural areas.

LEGAL ENVIRONMENT: 3.4

CSOs in Timor-Leste operate under a fairly enabling legal environment. Law No. 5/2005 governs the registration of non-governmental organizations (NGOs) in Timor-Leste. NGOs may be constituted as either associations or foundations. An association is defined as "a corporate body comprised of persons, which does not pursue any profits for its associates and therefore cannot distribute any profits, assets or remainders, or dispose of property owned by the association even in case of winding-up or liquidation," while a foundation is defined as "a non-profit-making corporate body, of social interest and comprised of property." The law is written in Portuguese and translated into Tetun, the country's other official language, as well as English. This creates some problems, as the Portuguese version takes precedence if there is any misunderstanding, while CSOs predominantly use Tetun.

To obtain legal status in accordance with Law No. 5/2005, both associations and foundations register with MoJ. The registration process with MoJ is complicated and bureaucratic. For example, all organizational documents including organizational statutes must be translated from Tetun into Portuguese. The registration process can take up to five years to complete. Organizations awaiting approval of their registration by MoJ can implement programs without any sanctions, although they are unable to receive government grants. In practice, many organizations, including women's organizations that are part of Rede Feto (Women's Network), implement programs without registration. Anecdotal evidence indicates that registration officials at MoJ discriminate against people with disabilities and are more likely to facilitate the process for people they know, including friends and relatives.

International NGOs (INGOs) are also governed by Law No. 5/2005 and register with MoJ through the same process as local associations. Most INGOs engage local lawyers to help them interpret the law; local CSOs, on the other hand, generally lack the funds to engage local lawyers to assist them in the registration process.

Many CSOs, including faith-based organizations, also choose to become members of the NGO Forum Timor-Leste (Forum ONG Timor-Leste, FONGTIL) in order to access information, engage in advocacy, and access capacity-building support. In 2019, approximately 203 national NGOs and 27 international NGOs were registered with FONGTIL. To be an active member in FONGTIL, a national organization must pay a monthly membership fee of USD 5, while membership fees for international organizations are USD 25 a month. According to FONGTIL's internal regulations, organizations that do not pay their membership fees are subject to administrative sanctions. If fees are not paid for more than 120 days, the matter is turned over to FONGTIL's general assembly to make a final decision in the matter.

CSOs in Timor-Leste are generally not subject to harassment by state institutions or groups acting on behalf of the state. CSOs can protest decisions of the government or national parliament through the use of banners and signs, the organization of demonstrations, media appearances, art displays, and sometimes through homilies during religious celebrations. To organize protests or demonstrations, organizers should submit their plan to guarantee peaceful and non-violent actions to the national police at least one week in advance. There are no known instances of the police rejecting such plans in 2019. Demonstrations must be held at least 100 meters from the government office or parliament.

NGOs are prohibited from earning income but can engage in fundraising to support other organizations or their beneficiaries. CSOs can accept funding from the government and foreign donors.

CSOs do not pay taxes on their grant income but must pay tax on imported goods. According to the Law on Taxation, employees who earn more than $500 a month must pay taxes equal to 10 percent of their income. CSOs, primarily local organizations, struggle to adhere to these requirements as they are dependent on donors that often do not allow taxes to be included in the budgets of projects they fund. Therefore, only staff that work for international CSOs and CSOs working at the national level comply with the law.

Asosiasaun HAK and some individuals have the ability and knowledge to provide legal assistance and advice to international, national, and local CSOs.

ORGANIZATIONAL CAPACITY: 3.2

Most CSOs—both those in urban and rural areas—have benefited from some capacity-building support from their partners and donors over the years and as a result have a fair degree of organizational capacity. However, CBOs and youth organizations still have very weak organizational capacities.

CSOs generally have good relationships with their local communities. Although the poor condition of roads and other infrastructure in the country makes it difficult for CSOs to access communities in remote areas, the majority of CSOs' activities are implemented at the community level and directly benefit communities. Normally, before implementing community-based activities, CSOs conduct assessments to ensure that they understand the communities' needs; they then use this knowledge to design appropriate projects. In addition, project coordinators and field staff are generally based at the community or municipal level to support the community through the provision of technical assistance.

Most CSOs have statutes that clearly affirm their visions and mission statements, and most CSOs' activities are in line with these guiding principles. CSOs registered with MoJ must have Portuguese versions of these documents; some have also translated them into English to meet donor requirements. Local and national CSOs often have five-year strategic plans that they share with the government and international donors when applying for funding. Some CSOs have developed strategic plans focused on donors' main interventions in the country in order to facilitate their access to funding. In other cases, local CSOs pursue donor funding for programs and activities even when they contradict their strategic plans in order to sustain their organizations.

CSOs generally have boards, but board members rarely contribute meaningfully to organizational governance or fundraising efforts. The role of board members is generally limited to reviewing an organization's annual reports. According to an assessment conducted by FONGTIL in 2019, about 90 percent of CSOs have internal policies and manuals governing issues such as personnel, finances, and fraud. Although written staff manuals help CSO staff contribute to an organization's mission and vision, FONGTIL's assessment further indicates that just 52.9 percent of CSOs implement these tools in practice.

Management capacity—particularly in terms of financial management—in some CSOs is still limited. Therefore, most donors help build the capacity of their grantees' and partners' local staff by providing training and sharing knowledge and experience in relevant areas. Trainings are offered at the municipal, national, and international levels.

As the majority of CSOs are dependent on international donors and government funds, staff members are generally employed on a project basis. After projects end, staff leave their positions, taking the knowledge they gained by participating in various capacity-building activities during their employment. Then, when the organization receives new funding, it needs to recruit new staff members and provide them with additional capacity building.

Some organizations—both in the capital and at the municipal level—apply for international volunteers to support or provide technical assistance to their staff from organizations such as JICA Volunteers, Australian Volunteers, New Zealand Volunteers, and the Peace Corps. Local people generally do not volunteer with CSOs, although some university and vocational training students seek internships with CSOs.

CSOs across the country generally have access to information and communications technology (ICT). CSOs frequently use Facebook to provide information about their activities and promote their organizations to the public and communicate with each other over WhatsApp and e-mail. Some CSOs in rural areas, however, have extremely limited access to computers and have inadequate funding to procure such equipment as donors do not cover such purchases. Access to electricity and the internet is also an issue for rural CSOs.

FINANCIAL VIABILITY: 4.4

The majority of CSOs in Timor-Leste depend on funding from international donors and the government. Some organizations have funding from multiple donors, including the government, which allows them to sustain their activities and organizations. For example, Belun receives funding from various UN agencies, USAID, the German development agency GIZ, and GoTL, while faith-based organization such as Caritas Diocese Baucau (CDB) receive funding from CRS/Timor-Leste and GoTL.

The Office of the Prime Minister allocates funds for CSOs on an annual basis. In 2019, the state budget for CSOs under the Office of the Prime Minister was USD 6 million. Another USD 1.3 million was allocated under the Ministry of Social Solidarity and Inclusion (MSSI) for organizations working on gender-based violence (GBV), people with disabilities, and domestic violence, bringing total government funding for CSOs in 2019 to USD 7.3 million. These funds are distributed through a competitive process based on CSOs' proposals and action plans. However, the transfer process is sometimes delayed because of government bureaucracy, which affects project timelines. While the budget stalemate did not affect CSOs in 2019, it is expected to delay CSOs' access to funding in 2020.

CSOs in Timor-Leste are highly dependent on foreign donor funding. In 2019, the main donors included Australia's Department of Foreign Affairs and Trade (DFAT), USAID, GIZ, the Japan International Cooperation Agency (JICA), and the UN. Main areas of focus include agriculture, nutrition, women's empowerment, and youth. In 2019, some donors changed the focus of their interventions based on the National Strategic Plan. For example, some donors reduced their funding for programs related to peace building and conflict resolution and capacity building of local staff, and shifted their focus to the agriculture sector, economic diversity, and women's and youth empowerment. In some cases, when donor-funded projects end, CSOs must return assets and terminate the contracts of various staff.

Few CSOs engage in fundraising, as it is easier to seek funding from institutional donors. CSOs do not receive any support—either financial or in-kind—from the private sector.

Some organizations earn money by selling agriculture or handicraft products. For example, women's horticulture groups such as Feto Ortikultura and Feto Agrikultura grow vegetables and have agreements with supermarkets to sell their products. In addition, some youth and women's groups produce handicrafts that they sell at the market or through exhibitions.

According to an assessment conducted by FONGTIL in 2019, the majority of CSOs have internal financial management systems, which donors require of their partners. While CSOs in urban areas may use specialized financial software, other CSOs—primarily those in rural areas—may rely on simple Excel spreadsheets to track their finances. CSOs regularly submit financial reports to their donors. However, some local CSOs do not undergo internal audits or submit financial reports that are not in compliance with their proposed budgets.

ADVOCACY: 3.2

CSOs in Timor-Leste actively engage in advocacy. CSOs are involved in several government decision-making processes and representatives of some CSO networks participate in high-level meetings in the country. For example, Lao Hamutuk actively promotes transparency of the petroleum fund, while Community of Portuguese Language Countries (Comunidade País da Lingua Portugues, CPLP), which works on cultural, political, social, and economic issues in Lusophone nations, works directly with the Ministry of Foreign Affairs and Cooperation to strengthen CSO networking among CPLP countries. CSOs engage in discussions with the government regarding the budgets for agriculture, water and sanitation, and education, but are not present when the parliament votes on the budget.

CSOs have formed numerous networks focused on areas such as human rights, peace building, media, legal issues, women, the lesbian, gay, bisexual, transgender, and intersex (LGBTI) population, policy and research, and social movements to engage in advocacy. In 2019, CSOs advocated to the government and national parliament to integrate the women's platform into the government agenda. As a result of these efforts, the Ministry of Social Solidarity was transformed into the Ministry of Social Solidary and Inclusion in 2019. Other advocacy in 2019 focused on LGBTI issues and ratification of the convention on the rights of people with disabilities; these efforts had not led to any concrete results by the end of the year.

CSOs are compliant with the law governing protests and demonstrations and collaborate with the pertinent institutions when engaging in such actions. In 2019, university students, youth, and CSOs organized demonstrations calling for the approval of the annual budget for 2020 and the Anti-Corruption Law. In addition, demonstrations were organized to oppose efforts to purchase new vehicles for members of the national parliament, despite the fact that they already have vehicles; ultimately, vehicles were only purchased for new members of parliament.

The government views CSOs as partners in community development and therefore involves CSOs in the development of and debates about new laws. The government involved CSOs, including the Land Network, in developing the Land Law, which was passed in June 2017. In 2019, the Land Network educated communities about the law's provisions to reduce the prevalence of land disputes, which are very common in Timor-Leste. CSOs and the government also work together to develop policy papers to include in government plans on topics such as youth in agriculture, LGBTI, people with disabilities, and youth entrepreneurship. In 2019, CSOs worked with the government to develop a paper related to the SDGs.

 CSOs did not engage in advocacy related to the legal and regulatory framework for the CSO sector in 2019. However, some CSOs have argued that it is difficult for them to comply with the provisions in the Law on Taxation that require employees earning a monthly salary of more than USD 500 to pay taxes of 10 percent on their salaries, as they are financially dependent on donors, which often do not cover such expenses.

SERVICE PROVISION: 3.6

CSOs provide a variety of services based on their visions and missions, including in the areas of agriculture, forestry, aquaculture, peace building, water and sanitation, tourism, environment, education, capacity building, health, women and youth empowerment, arts and culture, gender and social inclusion, human rights and justice, and research and policy development. In some areas, such as agriculture and tourism, CSOs provide technical assistance to increase communities' or beneficiaries' income. CSOs are not very active in building infrastructure in the country.

Youth centers in Dili provide trainings and technical knowledge on administration, hospitality, food processing, and other relevant skills to young people, people with disabilities, and widows. Religious organizations provide technical skills to young people focusing on machinery, bakery, and sewing. As a result of these initiatives, some young people have been hired to work in supermarkets, workshops, hotels, and as public servants.

Some CSOs conduct baseline assessments before implementing their programs in order to determine community needs and the best interventions to support the community. CSOs working in the same program areas or targeting the same geographic locations or beneficiaries communicate with each other to integrate their programs. CSOs do not discriminate in the selection of their beneficiaries on the basis of race, culture, religion, or gender.

CSOs generally provide their services for free with funding from international donors or the government.

The government—both at the central and local levels—collaborates with CSOs on community development. During 2019, although the political situation was unstable, the government continued to collaborate with CSOs in the implementation of activities at the community level, including seminars and workshops, and participate in such activities. As described above, the Office of the Prime Minister allocates money to CSOs every year to support service provision.

SECTORAL INFRASTRUCTURE: 3.5

CSOs have access to a fairly robust set of support services, including training, networks, and intersectoral partnerships.

Before international donors provide funding to local or national organizations, they generally do organizational capacity assessments and provide training to program, administrative, and finance staff. Some international donors and agencies also provide counterparts to work with local organizations in order to improve local staff capacity. In addition, national NGOs, such as Belun, Yayasan HAK, AcBit, Alola Foundation, and Legal Assistance for Women and Children (Asistensia Legal ba Feto no Labarik, AlFela), provide capacity building to local organizations at the

municipal level. National NGO networks, including those that bring together organizations focused on women's issues, human rights, and peace building and conflict resolution, also offer capacity building in relevant areas to other CSOs, primarily their members, based on their needs.

During 2019, FONGTIL provided capacity building to CSOs and CBOs across the country. For example, it provided project cycle management training to twelve CSOs in Oecusse, fundraising training to more than seventy CSOs around the country, and training on social auditing to eleven CSOs. These capacity buildings are funded by GoTL through the Office of the Prime Minister. Trainings materials for these sessions are available in Tetun.

No local organizations or foundations provide financial resources to CSOs.

CSOs in Timor-Leste have formed numerous networks to help them achieve their goals. The Human Rights Network has nine CSO members that focus on human rights issues in the country and region. The Land Network unites twenty-five CSO members on issues related to land usage. The thirty-one members of Rede Feto work to promote gender equality and women's empowerment through advocacy, networking, and capacity building. Its member organizations include key players delivering services and carrying out advocacy on issues of concern for women, particularly rural women. In addition to networks based in Timor-Leste, CSOs are part of regional networks that focus on issues affecting Timor-Leste as well as the region, including human rights, women's rights, and peace building and conflict resolution. For example, CSOs from Timor-Leste are part of the ASEAN People's Forum (APF) Network, CPLP, and g7+ network.

CSOs form productive partnerships with the government and private sector. For example, the government has partnered with FONGTIL and its members since 2018 to conduct a social audit for four sectors: agriculture, education, health, and infrastructure. In addition, the Office of the Prime Minister worked with FONGTIL to provide capacity building to CSOs and supported FONGTIL in doing an assessment of FONGTIL's members. CSOs focused on the agriculture sector link farmers to supermarkets and input suppliers with support from the Ministry of Agriculture and Fisheries. Youth movements promote tourism in Timor-Leste by helping the government identify opportunities to develop the tourism sector. Women's groups and community groups sign agreements with private sector actors to supply them with inputs and purchase their products.

PUBLIC IMAGE: 3.3

CSOs find it difficult to get media coverage of their activities, as journalists require per diem, transportation, and production fees, and CSOs generally do not have budgets allocated for these expenses. CSOs in rural and remote areas face additional difficulties in getting media coverage, since most media organizations are based in Dili. Media at the municipal level such as community radio stations and certain newspapers also require such charges. However, CSOs and media act jointly on advocacy campaigns through online media, which does not require payment for coverage, and press releases. As media coverage is difficult to obtain, CSOs primarily publicize their activities on Facebook to ensure public access.

The public perception of CSOs—both urban and rural—is largely positive as CSOs work directly with communities. Communities communicate openly with CSOs and inform CSOs of their concerns so they can be relayed to the government and sometimes prefer CSO services to those provided by the government. For example, some farmers prefer to receive training and technical assistance from CSOs' technical staff rather than government-paid extension staff, who often lack the necessary skills and expertise.

The government at both the central and municipal levels also perceives CSOs positively as CSOs' work, including surveys and assessments, helps the government in its efforts to support the community in urban, rural, and remote areas. The business sector generally perceives CSOs as good partners to link with local communities. For example, CSOs link farmers to input suppliers, supermarkets, and banks.

Most CSOs in Timor-Leste have internal control systems, such as manuals addressing personnel, financial, and procurement issues, to help them ensure good governance and transparency, particularly with partners and donors. CSOs produce annual reports and share them with partners and donors. Most CSOs also have codes of ethics to guide their program implementation.

ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

2019 CSO SUSTAINABILITY INDEX

I.   INTRODUCTION

USAID's Civil Society Organization Sustainability Index (the Index or CSOSI) reports annually on the strength and overall viability of CSO sectors in Africa, Middle East and North Africa (MENA), Central and Eastern Europe and Eurasia, and Mexico. The CSO Sustainability Index is a tool developed by USAID to assess the strength and overall viability of CSO sectors in countries around the world. By analyzing seven dimensions that are critical to sectoral sustainability, the Index highlights both strengths and constraints in CSO development. The Index allows for comparisons both across countries and over time. Initially developed in 1997 for Central and Eastern Europe and Eurasia, the CSOSI is a valued tool and methodology used by non-governmental organizations (NGOs), governments, donors, academics and others to better understand the sustainability of the civil society sector. USAID is continually striving to ensure the cross-national comparability of the Index scores, and to improve the reliability and validity of measurements, adequate standardization of units and definitions, local ownership of the Index, transparency of the process of Index compilation, and representative composition of panels delivering the scores.

Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior USAID/Washington officials. FHI 360 will provide small grants to local CSOs to implement the CSOSI methodology in country, while ICNL will be primarily responsible for editing the reports. Local Implementing Partners (IPs) play an essential role in developing the CSO SI and need a combination of research, convening, and advocacy skills for carrying out a high quality CSOSI.

Local Implementing Partners should please remember:

- Panels must include a diverse range of civil society representatives.
- Panelists should formulate initial scores for dimensions and justifications individually and in advance of the Panel Meeting.
- Discuss each indicator and dimension at the Panel Meeting and provide justification for the proposed score for each dimension.
- Compare the score for each dimension with last year's score to ensure that the direction of change reflects developments during the year being assessed.
- Note changes to any indicators and dimensions in the country report to justify proposed score changes.
- The Editorial Committee will request additional information if the scores are not supported by the report. If adequate information is not provided, the EC has the right to adjust the scores accordingly.

II.   METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed by the IP to assemble the Expert Panel that will meet in person to discuss the status of civil society over the reporting year, determine scores, and prepare a country report for the 2019 Civil Society Organization (CSO) Sustainability Index.

IP selects panelists subject to FHI 360 approval; IP instructs panelists; Panelists provide intial scores to IP

IP facilitates Expert Panel; Panel agrees on scores and key points for narrative; IP submits scores and narrative to FHI 360

ICNL edits narrative reports for EC review; EC reviews and comments on reports and scores

ICNL relays comments to IPs; IP revises report and submits to FHI 360

EC reviews revised reports & scores; EC approves or provides further comments for IP revision

FHI 360 sends final reports to IPs

1. Select Panel Experts. Carefully select a group of at least 8-10 civil society representatives to serve as panel experts. Panel members must include representatives of a diverse range of CSOs and other stakeholders, such as:

- CSO support centers, resource centers or intermediary support organizations (ISOs);
- CSOs, community-based organizations (CBOs), and faith-based organizations (FBOs) involved in a range of service delivery and/or advocacy activities;
- CSOs involved in local and national level government oversight/ watchdog/ advocacy activities;
- Academia with expertise related to civil society and CSO sustainability;
- CSO partners from government, business or media;
- Think tanks working in the area of civil society development;
- Member associations such as cooperatives, lawyers' associations and natural resources users' groups;
- Representatives of diverse geographic areas and population groups, e.g. minorities;
- International donors who support civil society and CSOs; and
- Other local partners.

It is important that the Panel members be able to assess a wide spectrum of CSO activities in various sectors ranging from democracy, human rights and governance reforms to the delivery of basic services to constituencies. CSOs represented on the panel must include both those whose work is heavily focused on advocacy and social service delivery. To the extent possible, panels should include representatives of both rural and urban parts of the country, as well as women's groups, minority populations, and other marginalized groups, as well as sub-sectors such as women's rights, community-based development, civic education, microfinance, environment, human rights, and youth. The Panel should to the extent possible include an equal representation of men and women. If two or more representatives of the same CSO participate in the Panel, they can only cast one vote. It is recommended that at least 70 percent of the Expert Panel be nationals of the country that is being rated.

In countries experiencing civil war, individuals should be brought from areas controlled by each of the regimes if possible. If not, individuals from the other regime's territory should at least be contacted, to incorporate their local perspective.

In some instances, it may be appropriate to select a larger group in order to better reflect the diversity and breadth of the civil society sector in the country. For countries where regional differences are significant, implementers should incorporate, to the greatest extent possible, differing regional perspectives. If financial constraints do not allow for in-person regional representation, alternative, low cost options, including emailing scores/ comments, teleconferencing/Skype, may be used.

If there is a USAID Mission in the country, a USAID representative must be invited to attend the panel. USAID representatives that attend are welcome to provide some words of introduction to open the event, as it is funded by USAID, and they are welcome to observe and participate in the discussion. However, they will not have the ability to cast their vote in terms of scores.

Please submit to FHI 360 for approval the list of the Panel members who you plan to invite at least two weeks before the meeting is scheduled to occur using the form provided in Annex A. It is the responsibility of the IP to ensure that the panel composition, and the resulting score and narrative, are sufficiently representative of a cross-section of civil society and include the perspectives of various types of stakeholders from different sectors and different areas of the country.

2. Prepare the Panel meeting. Ensure that panel members understand the objectives of the Panel, including developing a consensus-based rating for each of the seven dimensions of civil society sustainability covered by the Index and articulating a justification or explanation for each rating consistent with the methodology described below. We encourage you to hold a brief orientation session for the panelists prior to the panel discussion. This is particularly important for new panelists but is also useful to update all panelists on methodology and process changes. Some partners choose to hold a formal training session with panel members, reviewing the methodology document and instructions. Other partners provide a more general discussion about the objectives of the exercise and process to the panelists.

> ### *Definition of CSO:*
> Civil society organizations are defined "broadly as any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more."
>   *- Toward an Enabling Legal Environment for Civil Society, Statement of the 16th Annual Johns Hopkins International Fellows in Philanthropy Conference, Nairobi, Kenya. The International Journal of Not-for-Profit Law, Volume 8, Issue 1, November 2005.*

The overall goal of the Index is to track and compare progress in the sector over time, increasing the ability of local entities to undertake self-assessment and analysis. To ensure a common understanding of what is being assessed, the convener shall provide a definition of civil society to the panel members. The CSOSI uses the enclosed definition to ensure the report addresses a broad swath of civil society.

In order to allow adequate time to prepare for the panel, distribute the instructions, rating description documents and a copy of the previous year's country chapter to the members of the Expert Panel a minimum of three days before convening the Panel so that they may develop their initial scores for each dimension before meeting with the other panel members. It is critical to emphasize the importance of developing their scores and justifications before attending the panel. It is also important to remind panel members that the scores should reflect developments during the 2019 calendar year (January 1, 2019, through December 31, 2019).

We also recommend you encourage panelists to think of concrete examples that illustrate trends, since this information will be crucial to justifying their proposed scores. In countries with closing civic space, the IP should take initiative to ensure that expert panel members do not self-censor themselves, including by taking whatever

measures possible to build trust. The confidentiality of all members must be ensured, and participants must be protected against retaliation; to this end, the IP can choose to enforce Chatham House Rules.

Lastly, it is highly recommended to compile and send to panelists data and information sources to guide them as they score. Recommendations of information sources are listed below under #4.

We are very interested in using the preparation of this year's Index to track lessons learned for use in improving the monitoring process in upcoming years. In addition, we will solicit feedback through regional debrief meetings, and will create an online forum where IPs can share best practices, ask questions, and submit their comments or suggestions. These methods will be supplemented by brief satisfaction surveys that will be used to help evaluate the success of methodological and process innovations.

3. **Convene a meeting of the CSO Expert Panel**.

3.a. We do not require panelists to score individual indicators but only overall dimensions. For each dimension, allow each panel member to share his or her initial score and justification with the rest of the group. (Note: If two or more representatives of the same CSO participate in the Panel, only one vote can be cast on their behalf.) Although scoring will not take place at the indicator level, please be sure that panel members discuss each indicator within each dimension of the CSOSI and provide evidence-based, country-relevant examples of recent or historical conditions, policies, and events within each of the dimension narratives. Please take notes on the discussion of each indicator and dimension, detailing the justification for all dimension scores, in the template provided. These notes must be submitted to FHI 360 with the first draft of the narratives (they do not have to be translated to English if not originally written in English).

At the end of the discussion of each dimension, allow panel members to adjust their scores, if desired. Then, for each dimension, <u>eliminate the highest score and the lowest score</u> (if there are two or more of the highest or lowest scores, only eliminate one of them) and average the remaining scores together to come up with a single score for each dimension. Calculate the average or arithmetic mean

[1] of these scores for a preliminary score for the dimension. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Use a table similar to the one provided below to track panel members' scores without personal attribution.

Panel Member	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Sectoral Infrastructure	Public Image
1							
2							
3							

3.b. Once a score is determined for a dimension, please have panel members compare the proposed score with last year's score to ensure that the direction and magnitude of the change reflects developments during the year. For example, if an improved score is proposed, this should be based on concrete positive developments during the year that are noted in the report. On the other hand, if the situation worsened during the year, this should be reflected in a worse score (i.e. a higher number on the 1-7 scale).

Please note that for countries where a democratic revolution took place in the previous year, the panelists should be conscious to avoid scoring based on a post-revolution euphoria. The score-change framework should be closely followed to avoid panelists scoring based on anticipated changes, rather than the actual level of change thus far.

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[1] Arithmetic mean is the sum of all scores divided by the total number of scores.

A change of 0.1 should generally be used to reflect modest changes in a dimension. Larger differences may be warranted if there are more significant changes in the sector. The evidence to support the scoring change must always be discussed by the panel and documented in the dimension narrative. See **CSOSI Codebook – Instructions for Expert Panel Members** for more details about this scoring scale.

In addition, for each dimension score, review the relevant description of that dimension in "CSOSI Codebook – Tiers and Scores: A Closer Look." Discuss with the group whether the score for a country matches that rating description. For example, a score of 2.3 in organizational capacity would mean that the civil society sector is in the "Sustainability Enhanced" phase. Please read the "Sustainability Enhanced" section for Organizational Capacity in "Ratings: A Closer Look" to ensure that this accurately describes the civil society environment.

If the panel does not feel that the proposed score is accurate after these two reviews, please note this when submitting proposed scores in your narrative report, and the Editorial Committee will discuss whether one or more scores needs to be reset with a new baseline. Ultimately, each score should reflect consensus among group members.

3.c. Discuss each of the seven dimensions of the Index and score them in a similar manner. Once all seven dimensions have been scored, average the final dimension scores together to get the overall CSO sustainability score. Please submit the table with the scores from the individual panelists together with the narrative report. Panelists should be designated numerically.

3.d. Please remind the group at this stage that reports will be reviewed by an Editorial Committee (EC) in Washington, D.C. The Editorial Committee will ensure that all scores are adequately supported and may ask for additional evidence to support a score. If adequate information is not provided, the EC may adjust the scores.

4. Prepare a draft country report. The report should focus on developments over the calendar year 2019 (January 1, 2019, through December 31, 2019).

The draft report should begin with an overview statement and a brief discussion of the current state of sustainability of the civil society sector with regard to each dimension. In the overview statement, please include an estimated number of registered and active CSOs, as well as a description of the primary fields and geographic areas in which CSOs operate. Also include a brief overview of any key political, economic, or social developments in the country that impacted the CSO sector during the year. If this information is not provided, the editor will request it in subsequent rounds, which will require additional work from you.

The report should then include sections on each dimension. Each of these sections should begin with a summary of the reasons for any score changes during the year. For example, if a better score is proposed, the basis for this improvement should be clearly stated up front. These sections should include a discussion of both accomplishments and strengths in that dimension, as well as obstacles to sustainability and weaknesses that impact the operations of a broad range of CSOs. Each indicator within each dimension should be addressed in the report. The report should be written based on the Panel members' discussion and input, as well as a review of other sources of information about the CSO sector including but not limited to analytical studies of the sector, statistical data, public opinion polls and other relevant third-party data. Some international sources of information and data that should be considered include the following:

- CIVICUS Civil Society Index - http://csi.civicus.org/index.php
- CIVICUS Monitor -- https://monitor.civicus.org/
- World Giving Index - https://www.cafonline.org/about-us/publications
- Varities of Democracy (V-Dem) - https://www.v-dem.net/en/analysis/analysis/
- Media Sustainability Index - https://www.irex.org/projects/media-sustainability-index-msi
- Nations in Transit - https://freedomhouse.org/report-types/nations-transit#.VdugbqSFOh1
- Freedom in the World - https://freedomhouse.org/report/freedom-world/freedom-world-2017
- Freedom of the Press - https://freedomhouse.org/report/freedom-press/freedom-press-2017
- ITUC Global Rights Index: https://www.ituc-csi.org/ituc-global-rights-index-2017?lang=en

- ITUC Survey of Violations of Trade Union Rights: https://survey.ituc-csi.org/
- U.S. Department of State Human Rights Report: https://www.state.gov/j/drl/rls/hrrpt/
- ICNL Civic Freedom Monitor: http://www.icnl.org/research/monitor/
- Carnegie Endowment for International Peace: https://carnegieendowment.org/regions
- Afro-Barometer: http://www.afrobarometer.org/

Please limit the draft reports to a maximum of **ten pages in English**. Please keep in mind that we rely on implementers to ensure that reports are an appropriate length and are well written.

While the individual country reports for the 2019 CSO Sustainability Index must be brief, implementers may write longer reports for their own use to more fully describe the substance of the panel meetings. Longer reports may include additional country context information or examples and could be used for a variety of purposes, including advocacy initiatives, research, informing project designs, etc.

Please include a list of the experts who served on the panel using the form provided. This will be for our reference only and will not be made public. Also, **please remember to provide the individual panelists' ratings for each dimension** (with the names replaced by numbers).

Submit the draft country reports with rankings via email to FHI 360 by the date indicated in your grant's Project Description.

5. Initial edits of the country report. Within a few weeks of receiving your draft report, FHI 360 and its partner, ICNL, will send you a revised version of your report that has been edited for grammar, style and content. As necessary, the editors will request additional information to ensure that the report is complete and/or to clarify statements in the report. Please request any clarification needed from the editor as soon as possible, then submit your revised report by the deadline indicated.

6. **Editorial Committee review**. In Washington, an Editorial Committee (EC) will review the scores and revised draft country reports. The EC consists of representatives from USAID, FHI 360, ICNL, and at least one regional expert well versed in the issues and dynamics affecting civil society in the region. A USAID representative chairs the EC. If the EC determines that the panel's scores are not adequately supported by the country report, particularly in comparison to the previous year's scores and the scores and reports of other countries in the region, **the EC may request that the scores be adjusted, thereby ensuring comparability over time and among countries, or request that additional information be provided to support the panel's scores**. Further description of the EC is included in the following section, "The Role of the Editorial Committee."

7. Additional report revision. After the EC meets, the editor will send a revised report that indicates the EC's recommended scores, and where further supporting evidence or clarification is required. Within the draft, boxes will be added where you will note whether you accept the revised scores or where you can provide further evidence to support the original proposed score.

The report should be revised and returned to the editor within the allotted timeframe. The project editor will continue to be in contact with you to discuss any outstanding questions and clarifications regarding the scoring and the report's content. Your organization will be responsible for responding to all outstanding comments from the EC, as communicated by the project editor, until the report is approved and accepted by USAID.

8. Dissemination and promotion of the final reports. After the reports are approved by USAID and final formatting is conducted, the country reports will be grouped into regional reports. Each Implementing Partner will be responsible for promoting both the final, published country report and the regional report. Your organization will conduct activities to promote the Index's use and its visibility. This may include organizing a local public event, panel discussion, or workshop and by making the report available electronically by web posting or creating a social network page for the country report and through the other methods described in your Use and Visibility Plan. Documentation that you have conducted these activities as described in that Plan must be submitted to FHI 360 before it will authorize the final payment.

III. THE ROLE OF THE EDITORIAL COMMITTEE

As an important step in the CSO Sustainability Index process, all country reports are reviewed and discussed by an Editorial Committee composed of regional and sector experts in Washington, DC, and an expert based in the region. This committee is chaired by a USAID Democracy Specialist and includes rotating members from USAID (past members have included experts from regional bureaus, the USAID Bureau for Democracy, Conflict and Humanitarian Assistance's Center of Excellence on Democracy, Human Rights and Governance (DCHA/DRG), the USAID Bureau for Economic Growth, Education and the Environment's Local Solutions Office, and USAID Democracy, Human Rights and Governance foreign service officers). The committee also includes civil society experts from FHI 360 and ICNL.

The Editorial Committee has three main roles. It reviews all reports and scores to ensure that narratives are adequate and compelling from the standpoint of supporting the proposed score and to determine if the proposed change in score is supported by the narrative. A compelling narrative demonstrates that a score results from evidence of systematic and widespread cases and is not based on one or two individual cases. For example, a country environment characterized by a growing number of CSOs with strong financial management systems that raise funds locally from diverse sources is a compelling justification for an elevated financial viability score. A country in which one or two large CSOs now have the ability to raise funds from diverse sources is not. The Editorial Committee also checks that scores for each dimension meet the criteria described in "Ratings: A Closer Look," to ensure that scores and narratives accurately reflect the actual stage of CSO sector development. Finally, the Editorial Committee considers a country's score in relation to the proposed scores in other countries, providing a regional perspective that ensures comparability of scores across all countries.

CSOs are encouraged to remind their panels from the outset that the Editorial Committee may ask for further clarification of scores and may modify scores, where appropriate. **While implementing partners will have the chance to dispute these modifications by providing more evidence for the scores the panel proposed, the USAID Chair of the EC will ultimately have the final say on all scores.** However, by asking panels to compare their scores with last year's scores and "Ratings: A Closer Look" (which is essentially what the Editorial Committee does), it is hoped that there will be few differences between proposed scores and final scores. Ensuring that the narrative section for each dimension includes adequate explanations for all scores will also limit the need for the Editorial Committee to ask for further clarification.

INSTRUCTIONS FOR CSOSI EXPERT PANEL MEMBERS

Introduction

USAID's Civil Society Organization Sustainability Index (the Index or CSOSI) is a tool developed by USAID to assess the strength and overall viability of the CSO sectors. By analyzing seven dimensions that are critical to sectoral sustainability on an annual basis, the Index highlights both strengths and constraints in CSO development.

The Index allows for comparisons both across countries and over time. Initially developed in 1997 for Central and Eastern Europe and Eurasia, the CSOSI is a valued tool and methodology used by non-governmental organizations (NGOs), governments, donors, academics and others to better understand the sustainability of the civil society sector. In 2019 the CSOSI was implemented in 74 countries.

Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. To develop the Index each year, FHI 360 provides small grants to local CSOs to serve as implementing Partners (IPs) that implement the CSOSI methodology in country. ICNL is primarily responsible for editing the country reports once they are drafted by IPs. A senior staff member from both FHI 360 and ICNL serves on an Editorial Committee that reviews all reports, as do one or more senior USAID/Washington officials.

The expert panel members for whom this Codebook is designed participate in in-country panel discussions on the seven dimensions of sustainability covered by the Index. The IP convenes these panel discussions annually to assess the situation of civil society in their countries and determine scores based on an objective analysis of the factual evidence.

The CSOSI team is continually striving to ensure the cross-country and cross-year comparability of the Index's scores, as well as to improve the reliability and validity of measurements, standardization of definitions, local ownership of the Index, and transparency of the Index's methodology and processes.
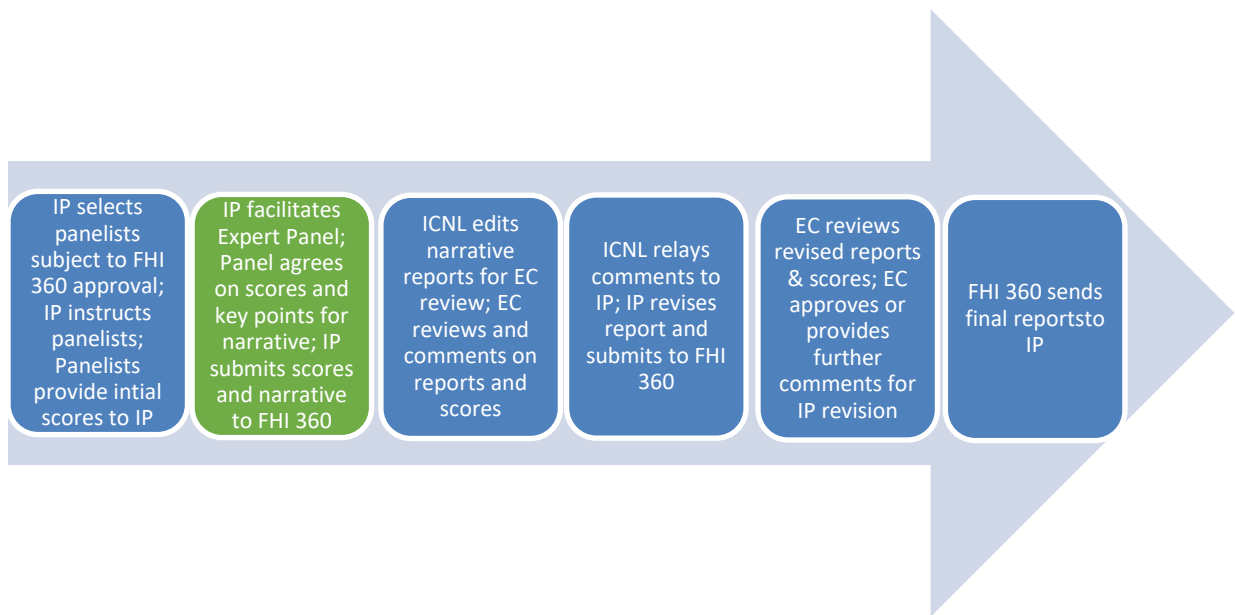
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process, and standardizes the scale to be used when proposing score changes.

This is the first part of the Codebook, providing an overview of the concepts and processes that guide the expert panel members' role in the CSOSI's methodology. The second part of the Codebook provides descriptions, or vignettes, of each score for each dimension, to standardize expert panel members' understanding of the scoring scale and to assist them in ensuring that scores are accurate.

CSOSI Methodology

The CSOSI measures the sustainability of each country's CSO sector based on the CSOSI's seven dimensions: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. Its seven-point scoring scale mirrors those used by Freedom House in its publications "Nations in Transit" and "Freedom in the World."

The Implementing Partner (IP) in each country leads the process of organizing and convening a diverse and representative panel of CSO experts. Expert panels discuss the level of change during the year being assessed in each of the seven dimensions and determine proposed scores for each dimension. The scores are organized into three basic "tiers" representing the level of viability of the civil society sector: *Sustainability Impeded*; *Sustainability Evolving*; and *Sustainability Enhanced*. All scores and narratives are then reviewed by a Washington, D.C.-based Editorial Committee (EC), assisted by regional civil society experts. The graph below summarizes the approach and process.

IP selects panelists subject to FHI 360 approval; IP instructs panelists; Panelists provide intial scores to IP

IP facilitates Expert Panel; Panel agrees on scores and key points for narrative; IP submits scores and narrative to FHI 360

ICNL edits narrative reports for EC review; EC reviews and comments on reports and scores

ICNL relays comments to IP; IP revises report and submits to FHI 360

EC reviews revised reports & scores; EC approves or provides further comments for IP revision

FHI 360 sends final reportsto IP

Definition of Concepts

The overall goal of the Index is to track progress or regression in the CSO sector over time, increasing the ability of local entities to undertake self-assessment and analysis. To ensure a common understanding of what is being assessed, panel members need a shared understanding of the key concepts underlying their assessment.

Civil Society Organization

Civil society organizations are defined:

 "…*As any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more.*"[2]

This definition of CSO includes informal, unregistered groups and movements, but to be included in the CSOSI, the movement must possess the structure and continuity to be distinguished from a single gathering of individuals and from personal or family relationships. In many countries political parties and private companies establish and support CSOs, but these entities are usually either public, for-profit, or not self-governing.

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[2] *Toward an Enabling Legal Environment for Civil Society, Statement of the 16th Annual Johns Hopkins International Fellows in Philanthropy Conference, Nairobi, Kenya. The International Journal of Not-for-Profit Law, Volume 8, Issue 1, November 2005.*

Seven Dimensions of Sustainability

The CSOSI measures sustainability across seven dimensions by analyzing a series of indicators related to each dimension.

1- **LEGAL ENVIRONMENT:** The legal and regulatory environment governing the CSO sector and its implementation

Registration – Legal procedures to formalize the existence of a CSO
Operation – The enforcement of the laws and its effects on CSOs
State Harassment – Abuses committed against CSOs and their members by state institutions and groups acting on behalf of the state
Taxation – Tax policies that affect CSOs
Access to Resources – Legal opportunities for CSOs to mobilize financial resources
Local Legal Capacity – Availability and quality of legal expertise for CSOs

2- **ORGANIZATIONAL CAPACITY:** The internal capacity of the CSO sector to pursue its goals

Constituency Building – Relationships with individuals or groups affected by or interested in issues on which CSOs work
Strategic Planning – Organizational goals and priorities for a set timeframe
Internal Management – Structures and processes to guide the work of CSOs
CSO Staffing – Quality and management of human resources
Technical Advancement – Access to and use of technology

3- **FINANCIAL VIABILITY:** The CSO sector's access to various sources of financial support

Diversification – Access to multiple sources of funding
Local Support - Domestic sources of funding and resources
Foreign Support – Foreign sources of funding and resources
Fundraising – CSOs' capacity to raise funds
Earned Income – Revenue generated from the sale of products and services
Financial Management Systems – Processes, procedures and tools to manage financial resources and operations.

4- **ADVOCACY:** The CSO sector's ability to influence public opinion and public policy

Cooperation with Local and Central Government – Access to government decision-making processes
Policy Advocacy Initiatives – Initiatives to shape the public agenda, public opinion, or legislation
Lobbying Efforts – Engagement with lawmakers to directly influence the legislative process
Advocacy for CSO Law Reform – Initiatives to promote a more favorable legal and regulatory framework for the CSO sector

5- **SERVICE PROVISION:** The CSO sector's ability to provide goods and services

Range of Goods and Services – Variety of goods and services offered
Responsiveness to the Community – Extent to which goods and services address local needs
Constituencies and Clientele – People, organizations and communities who utilize or benefit from CSOs' services and goods
Cost Recovery – Capacity to generate revenue through service provision
Government Recognition and Support – Government appreciation for CSO service provision

6- **SECTORAL INFRASTRUCTURE:** Support services available to the CSO sector

Intermediary Support Organizations (ISOs) and CSO Resource Centers – Organizations and programs that provide CSOs with training and other support services
Local Grant Making Organizations – Local institutions, organizations or programs providing financial resources to CSOs
CSO Coalitions – Cooperation within the CSO sector
Training – Training opportunities available to CSOs
Intersectoral Partnerships – Collaboration between CSOs and other sectors

7- PUBLIC IMAGE: Society's perception of the CSO sector

Media Coverage – Presence of CSOs and their activities in the media (print, television, radio and online)
Public Perception of CSOs – Reputation among the larger population
Government/Business Perception of CSOs – Reputation with the government and business sector
Public Relations – Efforts to promote organizational image and activities
Self-Regulation – Actions taken to increase accountability and transparency

How to Score

The CSO Sustainability Index uses a seven-point scale from 1 to 7. **Lower numbers indicate more robust levels of CSO sustainability**. These characteristics and levels are drawn from empirical observations of the sector's development in the region, rather than a causal theory of development. Given the decentralized nature of civil society sectors, many contradictory developments may be taking place simultaneously. The levels of sustainability are organized into three broad clusters:

Sustainability Enhanced (1 to 3) - the highest level of sustainability, corresponds to a score between 1.0 and 3.0;
Sustainability Evolving[3] (3.1 to 5) - corresponds to a score between 3.1 and 5.0;
Sustainability Impeded (5.1 to 7) – the lowest level of sustainability, corresponds to a score between 5.1 and 7.0.

Sustainability Enhanced	Sustainability Evolving	Sustainability Impeded
1.0 – 3.0	3.1 –5.0	5.1 –7.0

Scoring Process

The primary role of the expert panel is to provide an assessment of the CSO environment based on the seven dimensions mentioned above. During the panel discussion, panel members are tasked with discussing their initial scores for each dimension, including their evidence for these scores, and determining their final proposed scores for each dimension. The overall score for the country will be an average of these seven scores. Below are the steps to be followed by members of the expert panel:

Step 1: Please start by reviewing last year's report and other sources of information about sectoral developments from the last year of which you are aware. Then, rate each dimension on the following scale from 1 to 7, with a score of 1 indicating a very advanced civil society sector with a high level of sustainability, and a score of 7 indicating a fragile, unsustainable sector with a low level of development. Fractional scores to one decimal place are encouraged. See "Scoring based on Level of Change" on page 8 below for guidance on how to determine proposed scores.

When rating each dimension, please remember to consider each indicator carefully and make note of any specific, country-relevant examples of recent or historical conditions, policies, or events that you used as a basis for determining this score.

Step 2: Review your proposed score for each dimension to ensure that it makes sense in comparison to last year's score given the weight of the impact the developments will have at the sector level and the scoring guidance

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[3] The 'Sustainability Evolving' categorization does not assume a direct or forward trajectory. Dimension and Overall Sustainability scores that fall within this category may represent both improvements and regressions.

below. In determining the level of change, look at the evidence of change and the various factors over the year being assessed that led to those changes (events, policies, laws, etc.).

Step 3: Once you have scores for each dimension, average these seven scores together to arrive at an overall CSO sustainability score and provide all these scores to the Implementing Partner before you attend the Expert Panel discussion.

Step 4: Attend the Expert Panel discussion. Listen to other experts describe the justification for their scores. After discussing each indicator in a dimension, you will have the opportunity to revise your proposed score. The Implementing Partner will use the consensus score as the final proposed score. If consensus is not reached during the discussion, the Implementing Partner will average the Expert Panelists' scores, removing one instance of the highest and lowest scores, to arrive at the final scores that will be proposed to the Editorial Committee.

It is very important that the discussion includes specific examples and information that can be used to justify the Expert Panelist's scores. Therefore, please come prepared to share specific evidence of examples to support trends you have noted during the year. **If adequate information is not provided, the Editorial Committee has the right to adjust the scores accordingly.**

Important Note: In countries with disputed territories or areas (e.g. self-declared states, breakaway states, partially recognized states, declared people's republics, proto-states, or territories annexed by another country's government), panelists should score based only on the area under the national government's control. However, these territories' contexts should be discussed, to be referenced briefly in the introduction of the country report.

In countries experiencing civil war (political and armed movements that administer parts of the country, regions governed by alternative ruling bodies), panelists should balance the situation in each of the territories when determining all scores and discuss trends and developments under each regime.

In countries where a great deal of regional autonomy is recognized (e.g. Iraqi Kurdistan), expert panelists should take those areas into account when scoring and compiling examples, and IPs should ensure the situation in these areas are well-integrated into the scoring decisions and narrative report.

For countries with closing civic space, sufficient data and informational sources should be discussed to both acknowledge the changes in civic space and consider its impacts on dimensions. The panelists should respond to published sources and present their evidence to ensure balance between positive and negative developments affecting civil society in their country. To avoid self-censorship and ensure the confidentiality of and non-retaliation against any expert panel member, the IP could choose to enforce the Chatham House Rule.

In countries where a democratic revolution took place in the previous year, the panelists should still closely follow the score-change framework when determining the new dimension-level scores to justify the changes, avoiding exaggerated score increases that may be due to a post-revolution feeling of euphoria. The proposed scores should always measure the actual changes thus far and not anticipated impacts in the near future.

Scoring Based on Level of Change

The level of change in a dimension from one year to the next is determined by assessing the impact of multiple factors including new policies and laws, changes in implementation of existing policies and laws, various organization-level achievements and setbacks, changes in funding levels and patterns, as well as contextual political, economic, and social developments. While individual examples may seem impactful on their own, ultimately a sector's long-term sustainability only changes gradually over time as the implications of these positive or negative developments begin to be felt and their long-term effects take hold. Therefore, dimension-level score changes each year should not in normal circumstances exceed a 0.5-point change from the previous year[4].

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[4] **Note:** This scale has been adjusted for the 2018 CSOSI to more accurately reflect the scale at which trends and developments should impact a score given the definitions of the scoring scale above.

When determining what weight to give different trends and developments in how they affect the scores, consider the relative scope of the changes and the duration of their impacts. Those trends and developments that will have larger and longer-term impacts on the sector as a whole should be weighted more heavily compared to those that affect only limited parts of the sector and are more likely to change from year to year. For example, a demonstrated increased capability to mobilize domestic resources (e.g. through corporate philanthropy or crowdfunding), or a new mechanism for long-term funding of CSOs (e.g. through a basket fund or a tax designation mechanism) would signal a longer-term change in a sector's financial viability than a one-year increase in donor funding to CSOs conducting work around national elections.

In determining how the level of change in the dimension of sustainability should translate into a change in score, the following scale can be used to assist expert panel members' decision making:

What was the overall impact of the change(s) on the dimension?

Deterioration	**Cataclysmic deterioration**: Trends and developments have had a completely transformative negative effect on at least one or two indicators in the dimension and significantly affected other dimensions as well. Example: Legal Environment – A law has banned all international CSOs and their affiliates from the country, as part of the government's systematic crackdown on civil society organizations.	0.5 or
	Extreme deterioration: Trends and developments have had very important negative effects on at least one or two indicators in the dimension. Example: Organizational Capacity – Economic depression and instability have led donor basket funds to close abruptly, leaving many major CSOs without funding for their activities. Outreach efforts to constituencies have been halted due to funding shortages and many major CSOs have lost their well-qualified staff members.	0.4
	Significant deterioration: Trends and developments have had important negative effects on at least one or two indicators in the dimension. Example: Public Image – The government conducts a relentless media campaign to discredit the image of CSOs by calling them agents of foreign actors seeking to destabilize the country. At the same, the government intimidates media outlets and threatens them with retaliation should they partner with or cover CSO activities without prior approval by the government.	0.3
	Moderate deterioration: Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension. Example: Legal Environment – In an effort to increase public revenue, the government has decided to increase fees by 100% for some types of government services, including CSO registration renewal fees, which were already very high according to many CSOs. As a result, some CSOs, particularly community-based organizations (CBOs), had to delay or suspend their activities.	0.2
	Slight deterioration: Trends or developments have had a slightly negative impact on a at least one or two indicators in the dimension. Example: Legal Environment – The government has decided that CSOs should submit their financial statement and annual activity report to the registration agency every year. This may have a long-term positive effect but	0.1

	in the short-term it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials.	
No Change	The country has not encountered any significant trends or developments in the dimension or developments have been both positive and negative in equal measure.	0
Improvement	**Slight improvement**: Trends or developments have had a slightly positive impact on at least one or two indicators in the dimension. Example: Legal Environment – To facilitate CSO registration, particularly for those in rural areas, the government has decided its registration agency will allow the agency to take applications locally and process registration directly at the district level. Now, CSOs in rural areas are not required to travel to the capital to apply. However, this measure is accompanied with a small increase in the registration fee.	0.1
	Moderate improvement: Trends and developments have had a somewhat positive impact in at least one or two indicators in the dimension. Example: Service Provision – To improve the effectiveness of public service delivery, the central government has decided that at least 10% of local government contracts for basic service delivery will be set aside for CSOs. The law is lacking in specificity, particularly around the application process, but it reinforces CSOs' image as credible partners.	0.2
	Significant improvement: Trends and developments have had important positive effects on at least one or two indicators in the dimension. Example: Public Image – There has been a net increase of CSO partnerships with businesses. CSOs have also agreed to and published a general code of conduct for the sector, reinforcing a positive trend of greater transparency and accountability.	0.3
	Extreme improvement: Trends and developments have had very important positive effects on several indicators in the dimension. Example: Organizational Capacity – The government and international donors have launched a five-year multi-million-dollar basket funds to support CSO-led activities and to strengthen CSO capacity, with a special focus on skills training for CSO staff members, particularly those from CBOs.	0.4
	Transformative improvement: Trends and developments have had a completely transformative positive effect on at least one or two indicators in the dimension and will potentially affect other dimensions as well. Example: Legal Environment – A nonviolent revolution that toppled an authoritarian regime and installed a more democratic regime has produced sudden political and legal changes that will protect basic freedoms and human rights.	0.5 or

Instructions for Baseline Recalibration

Background

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) incorporates recalibration as one the pilot activities for 2018 and again in 2019 CSOSI. Recalibration is introduced to adjust dimension-level scores that are not accurate, either because their baseline scores lack accuracy or because they have not moved

significantly enough over time to reflect structural changes in the sector's sustainability. The goal of resetting these scores is to improve the cross-country comparability of scores and to increase the analytical usefulness of the CSOSI to its target audiences. The scores to be recalibrated have been selected after review by the Editorial Committee and verification by regional experts and have been finalized after consultation with the Implementing Partner (IP).

Instructions

1. Communicate with participating expert panel members – The IP communicates to the expert panelists the purpose and the scores that have been selected for recalibration.

2. Use *Sustainability Categories and Scores – A Closer Look* and a comparison to other scores in their region to determine new score(s) – Instead of using the scoring guidance whereby proposed scores are determined by analyzing the level of change from the previous year, the scores identified for recalibration are determined by analyzing where they fall on the one-to-seven scoring scale, as well as a comparison with the other scores for that dimension in the other countries covered by the CSOSI in the region. The expert panelists should review the vignettes and illustrative examples in *Sustainability Categories and Scores – A Closer Look* to familiarize themselves with how various levels of CSO sustainability should correspond to the CSOSI's scoring spectrum. Scores should be proposed based on how well they match the descriptions of the various full-point scores listed in this codebook. To help narrow proposed scores to the tenth decimal point, experts can review other countries' scores listed for that dimension in the most recent regional report (which are provided to the IP with the other scores to be recalibrated removed to avoid confusion).

3. Discuss evidence for recalibrated scores, as well as trends and developments in the past year that led to improvements and deterioration in the dimension – The narrative report should be drafted the same as the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included into the final report that clarifies that the new score for that dimension is based on a recalibration and should not be compared with the previous year's score to make assertions about improvement or deterioration.

Tips

Implementing Partners should communicate with the expert panelists which dimensions have been selected for baseline recalibration at least one week in advance of the panel discussion. This will give the panelists an opportunity to prepare evidence about the status quo in the country under this dimension to inform their selection of a new baseline score.

Instructions for Electronic Questionnaire

Background

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) has incorporated several activities into its annual process in select countries. These new activities respond directly to the methodological

issues identified through the feedback and consultation process conducted with project stakeholders from June to August 2018 and again in July and August of 2019.

One of these activities to enhance the methodology's implementation is to disseminate an electronic questionnaire to a larger group of individuals. The goal of incorporating this questionnaire is to enable new individuals to contribute their perspectives and insights on the CSOSI dimensions, to increase the representativeness and inclusiveness of the process, and increase the amount of data and information Implementing Partners (IPs) receive to use as evidence of the assertions made in their report.

Instructions
1.Identify about 50 additional participants to whom you will send the questionnaire – The IP selects individuals who will expand the scope and diversity of inputs into the process. The selected individuals should include representatives of or specialists in specific sub-sectors of civil society organizations (CSOs), such as labor unions, capacity building organizations, organizations representing marginalized and vulnerable groups, informal movements, community-based organizations, faith-based organizations, intermediary support organizations, resource centers, and research institutes. Emphasis should be placed on selecting individuals who are in other localities of the country and those located in rural areas. The objective is for the IP to select a group of people who would add new perspectives on various aspects of the sector on which the in-person panelists might not have deep expertise, as well as individuals who have broad knowledge but would be unable or available to attend the in-person panel discussion. FHI 360 and the local USAID Mission may request additions to the list of questionnaire recipients from their own network of contacts.

2. Disseminate the electronic questionnaire to your selected additional participants – FHI 360 provides the IP with a link to the questionnaire, which includes both structured and open-ended sections, to distribute to the IP's selected additional participants. Upon request, FHI 360 can send the IP the text of the questionnaire beforehand so the IP can translate it into its local language. The questionnaire is brief and should take no more than 15 minutes to complete, so the IP should ask the additional participants to complete it within a period of two weeks or less.

3. Receive analysis of the questionnaire's results from FHI 360 – FHI 360 compiles the quantitative and qualitative data received and submits it to the IP.

4. Incorporate the findings into the panel discussion – Statistics and examples that are raised through the questionnaire responses should be presented to the in-person panel to serve as an additional data source for the scoring process and the discussion around the relevant indicators.

5. Write the conclusions reached into the narrative report – In addition to discussing these additional inputs in the panel discussion, they should also be incorporated wherever possible into the narrative report. The data and information received from the electronic questionnaire should be incorporated in the same way that the expert panelists' insights are incorporated, in that individual participants should not be attributed, nor should the questionnaire be explicitly cited. Instead, their inputs should simply be mentioned where relevant as evidence of what has changed positively or negatively in ways that affected the sustainability of the CSO sector in the relevant year.

Tips
When selecting additional participants, please keep the following points in mind:
- If you or your organization has partnered with other organizations or individuals in other areas of the country, sending the questionnaire to people with whom you already have a working relationship may increase the response rate;
- Sharing the questionnaire with donor agencies operating in your country and allowing them to propose other individuals to receive the questionnaire can be a useful way of reaching new experts and perspectives outside of your own organization's network;
- Sharing the questionnaire with civil society networks and allowing them to forward it to their member organizations' leaders, or other experts with whom they work, is a useful way of maximizing circulation outside of your network;

- When sending out the questionnaire, it may be useful to commit to sending participants a copy of the final country and regional reports, so they feel a sense of participation in the larger process of developing the CSOSI.
- As a best practice, the IP can compile a written overview of the conclusions and evidence of the additional participants and send it to the expert panel members before the panel discussion, so they can review it. FHI 360 will provide all the results to the IP. If a written overview is sent out before the panel discussion, the IP can ask the expert panelists at the discussion which findings stood out most to them, to spur discussion.
- Pay special attention to geography – if your country has breakaway regions or is experiencing civil war, make extra efforts to reach people in all the relevant areas.
- Convincing the participants that their inputs are confidential is key to obtaining a high participation rate and meaningful findings. Especially in countries where self-censorship might be an issue, be very clear that only your organization and FHI 360 will see their inputs, and no comments made will be personally attributed under any circumstances.

Instructions for University Review

Background

The Civil Society Organization Sustainability Index (CSOSI) measures the civil society sector's sustainability in 74 countries across seven dimensions of sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. The methodology for developing the Index

each year involves working with a local Implementing Partner (IP) in each country to convene a panel of local experts to discuss trends and developments over the past year and re-score the seven dimension-level scores based on a list of indicators. Based on this panel discussion and some additional research, the IP then drafts an eight- to ten-page narrative report summarizing the status of civil society in their country and explaining their evidence and providing examples of how the situation has changed from the previous year.

FHI 360 develops the CSOSI in collaboration with the International Center for Not-for-Profit Law (ICNL), whose editors work with the IP to revise and improve their report. After editing and revision, the report is sent to the local USAID Mission and an Editorial Committee (EC) in Washington, DC that consists of representatives from FHI 360, ICNL, USAID, and a regional expert to further review the content of the reports and the scoring decisions made by the expert panelists.

Purpose of the Review
To enhance its methodology, the CSOSI will incorporate several pilot integration activities into its annual process in select countries in developing the 2019 CSOSI. These pilot activities respond directly to methodological issues identified through a feedback and consultation process conducted with project stakeholders from June to August 2018, and again in summer of 2019.

One of the pilot integration activities to be implemented for the 2019 CSOSI is to work with the local university for its peer review of the draft country report. The goal of incorporating this review is to add a quality control mechanism in which the reviewers have local knowledge, to improve the validity of the narrative reports.

Instructions
1.Read the draft CSOSI country report – The university reviewer(s) read through the draft and note any inaccuracies or overlooked trends and developments for civil society in the country in 2019. Please note that the CSOSI reports on the developments of the previous year.

2.Make comments on the report – Comments should include corrections, additional statistics and information that would be useful for the Implementing Partner (IP) to include, and recommendations of other relevant data sources that the IP could benefit from reviewing. The university reviewers do not propose scores but can provide their thoughts on the IP's proposed scores.

3. Return the report to FHI 360 – The draft CSOSI country reports are returned to FHI 360 within two weeks, so the comments can be reviewed by the Editorial Committee reviewers before they meet to discuss the report and forward it to the IP for consideration. Please note that since the CSOSI country reports are eight to ten pages long, the IP might not be able to fully address the comments from the university reviewers.

Tips
- Ideally, universities should select two to three individuals to review the draft report. This will increase the depth and breadth of inputs without overloading the draft with too many comments.
- Select individuals to review who collectively have broad expertise in civil society in your country, as well as current information on the trends and developments that have affected civil society in the previous year specifically.
- If you identify an inaccuracy, or a statement that lacks neutrality or evidence, please propose a specific phrasing, or example that supports the assertion.

ANNEX B: STATISTICAL DATA

2019 ASIA SCORES

Country	CSO Sustainability	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Sectoral Infrastructure	Public Image
Bangladesh	3.9	4.8	3.3	4.5	3.8	3.3	3.6	3.9
Burma	4.6	4.9	4.1	5.1	4.3	4.2	4.2	5.1
Cambodia	4.6	5.1	4.0	5.2	5.0	4.1	4.2	4.5
Indonesia	3.9	4.4	3.9	4.3	3.2	3.6	4.0	4.1
Nepal	4.3	4.3	4.4	4.6	3.7	4.0	4.3	4.5
The Philippines	3.5	3.9	3.4	4.0	3.6	3.2	2.9	3.6
Sri Lanka	4.6	4.6	4.3	5.3	3.8	4.4	4.7	4.8
Thailand	5.0	5.6	4.3	5.3	5.2	4.5	4.7	5.1
Timor-Leste	3.5	3.4	3.2	4.4	3.2	3.6	3.5	3.3

To further explore CSOSI's historical data and past reports, please visit **www.csosi.org**.

COUNTRIES RANKED BY SCORE

7	6	5	4	3	2	1
Impeded			Evolving		Enhanced	
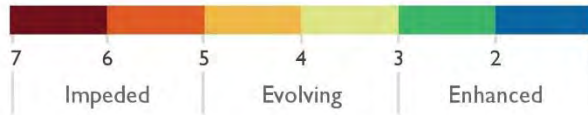
Legal Environment

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Timor-Leste	3.4
The Philippines	3.9
Nepal	4.3
Indonesia	4.4
Sri Lanka	4.6
Bangladesh	4.8
Burma	4.9

SUSTAINABILITY IMPEDED

Cambodia	5.1
Thailand	5.6

Organizational Capacity

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Timor-Leste	3.2
Bangladesh	3.3
The Philippines	3.4
Indonesia	3.9
Cambodia	4.0
Burma	4.1
Sri Lanka	4.3
Thailand	4.3
Nepal	4.4

SUSTAINABILITY IMPEDED

Financial Viability

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	4.0
Indonesia	4.3
Timor-Leste	4.4
Bangladesh	4.5
Nepal	4.6

SUSTAINABILITY IMPEDED

Burma	5.1
Cambodia	5.2
Sri Lanka	5.3
Thailand	5.3

Advocacy

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Timor-Leste	3.2
Indonesia	3.2
The Philippines	3.6
Nepal	3.7
Bangladesh	3.8
Sri Lanka	3.8
Burma	4.3
Cambodia	5.0

SUSTAINABILITY IMPEDED

Thailand	5.2

Service Provision

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	3.2
Bangladesh	3.3
Timor-Leste	3.6
Indonesia	3.6
Nepal	4.0
Cambodia	4.1
Burma	4.2
Sri Lanka	4.4
Thailand	4.5

SUSTAINABILITY IMPEDED

Sectoral Infrastructure

SUSTAINABILITY ENHANCED

The Philippines	2.9

SUSTAINABILITY EVOLVING

Timor-Leste	3.5
Bangladesh	3.6
Indonesia	4.0
Burma	4.2
Cambodia	4.2
Nepal	4.3
Sri Lanka	4.7
Thailand	4.7

SUSTAINABILITY IMPEDED

Public Image

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Timor-Leste	3.3
The Philippines	3.6
Bangladesh	3.9
Indonesia	4.1
Cambodia	4.5
Nepal	4.5
Sri Lanka	4.8

SUSTAINABILITY IMPEDED

Burma	5.1
Thailand	5.1

ANNEX C: REGIONAL MAP
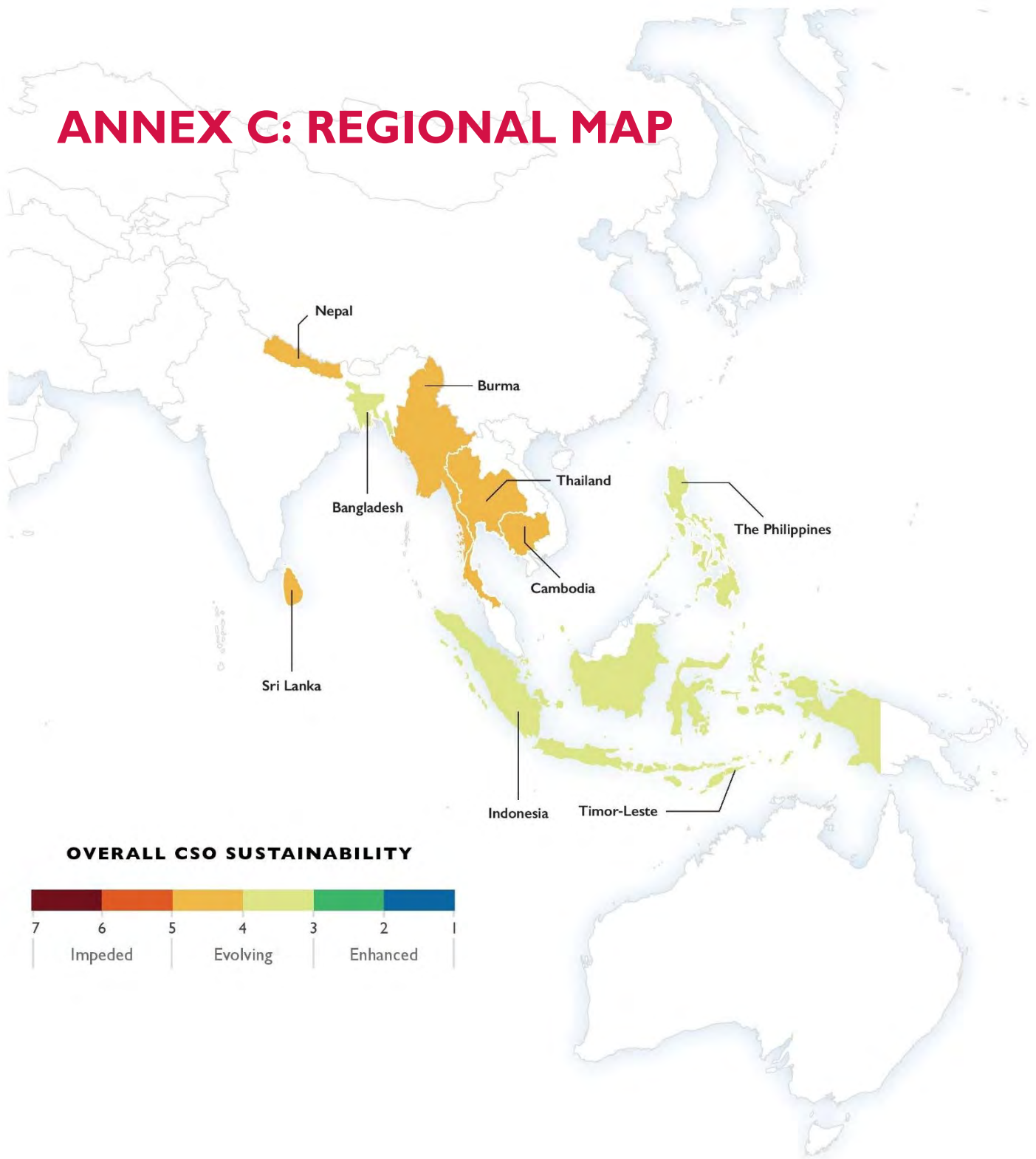
OVERALL CSO SUSTAINABILITY

7	6	5	4	3	2	1
	Impeded		Evolving		Enhanced	

ANNEX C: REGIONAL MAP

OVERALL CSO SUSTAINABILITY

7	6	5	4	3	2	1
Impeded		Evolving		Enhanced		

Map labels: Nepal, Burma, Thailand, The Philippines, Bangladesh, Cambodia, Sri Lanka, Indonesia, Timor-Leste
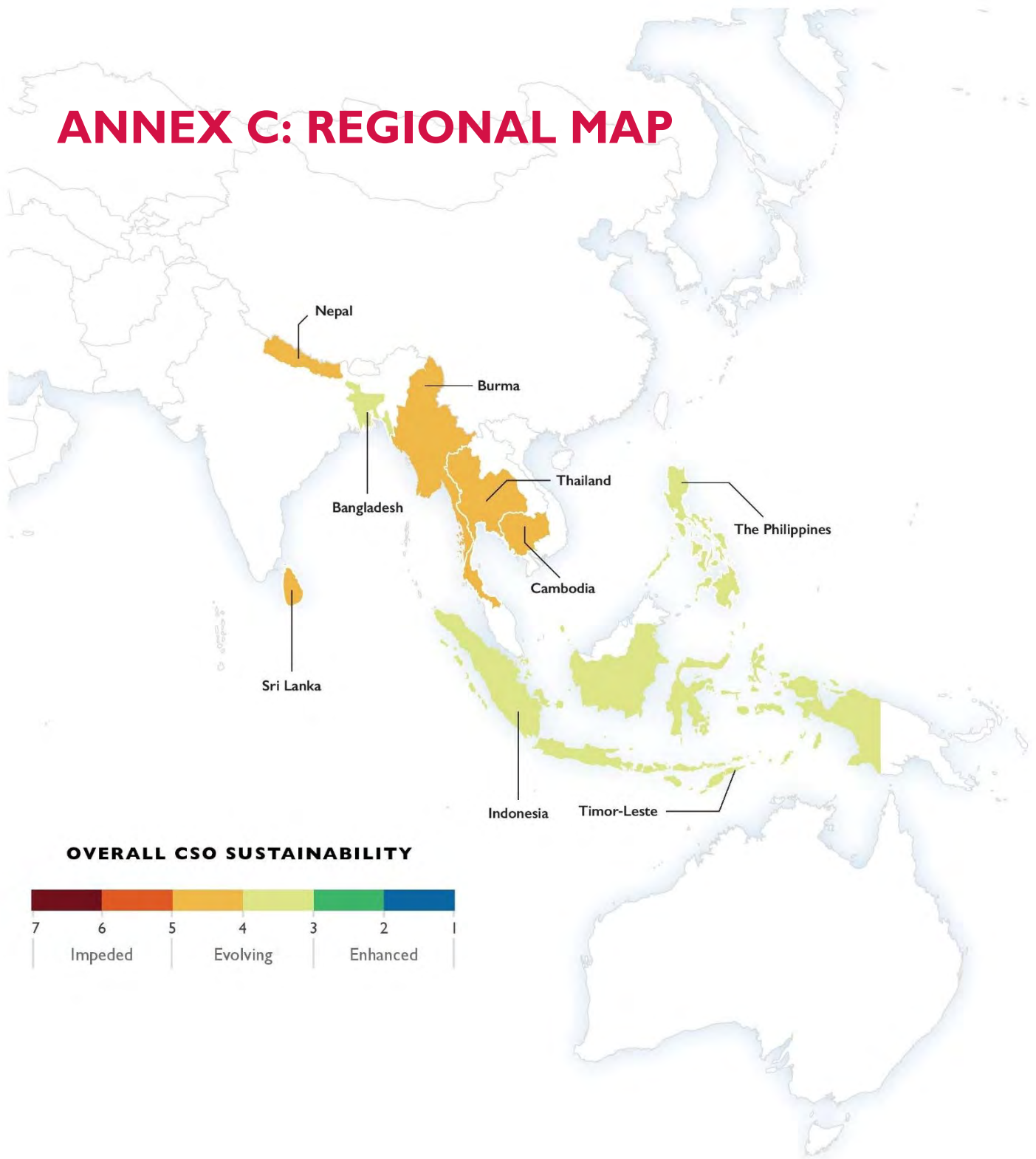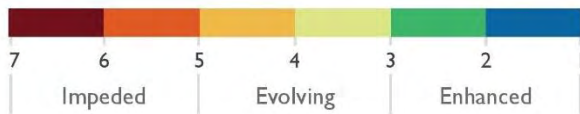
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