



2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR MEXICO

2nd EDITION – NOVEMBER 2020

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Developed by:

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Center of Excellence on Democracy, Human Rights and Governance

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Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.

Cover Photo: Members of AMORES (Mujeres Organizadas por los Ejecutados, Secuestrados y Desaparecidos de Nuevo León), a group of women searching for disappeared family members in the northern state of Nuevo León, march through the state capital on Mother's Day 2019 to commemorate fellow members who passed away without finding their missing sons. Since 2009, the group has held weekly meetings hosted by CADHAC (Ciudadanos en Apoyo a los Derechos Humanos, A.C.)—a human rights CSO that provides them with guidance and legal counselling—where they support each other in their quest for justice.

Photo Credit: Ciudadanos en Apoyo a los Derechos Humanos, A.C.

TABLE OF CONTENTS

INTRODUCTION..... i

ACKNOWLEDGMENTS..... ii

MEXICO COUNTRY REPORT I

ANNEX: CSO SUSTAINABILITY INDEX METHODOLOGY..... 12

INTRODUCTION

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

The CSO Sustainability Index is an important tool that allows local civil society organizations (CSOs), governments, donors, academics, and others to understand and monitor the sustainability of the CSO sector. 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’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 to facilitate cross-country comparisons. Additionally, an electronic survey was carried out among active CSOs in the country in order to increase the representativeness and quality of this report; 461 individuals completed the survey. Further details about the methodology used to calculate scores and produce narrative reports, including information on the electronic questionnaire, are provided in Annex A.

The first year of the incoming federal administration, headed by President Andrés Manuel López Obrador, brought about a new paradigm in government-CSO relations in Mexico in which CSOs are no longer considered partners in development. In this context, overall CSO sustainability deteriorated slightly in 2019, with most dimensions of the index experiencing some negative developments. While the legal framework governing CSOs remained largely unchanged, new rules and stricter oversight increased the administrative burden to which tax-exempt organizations were subject. Sharp cuts to the federal budget allocated to CSOs dealt a significant blow to the sector’s financial viability, producing a cascading effect on its service provision capabilities. CSOs’ ability to influence public opinion and policy shrunk due to a reduction of opportunities to participate in decision-making processes, while the executive’s negative rhetoric tarnished the sector’s public image. These adverse developments were counterbalanced to some extent by a slight improvement in the infrastructure supporting the sector, driven by a flourishing institutional strengthening and capacity-building ecosystem. The sector’s organizational capacity did not change.

The CSO Sustainability Index for Mexico 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; nine in Asia, and eight in the Middle East and North Africa.

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 partner, which plays the critical role of facilitating the expert panel meeting and writing the country report. 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 this edition of 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 14, 2020

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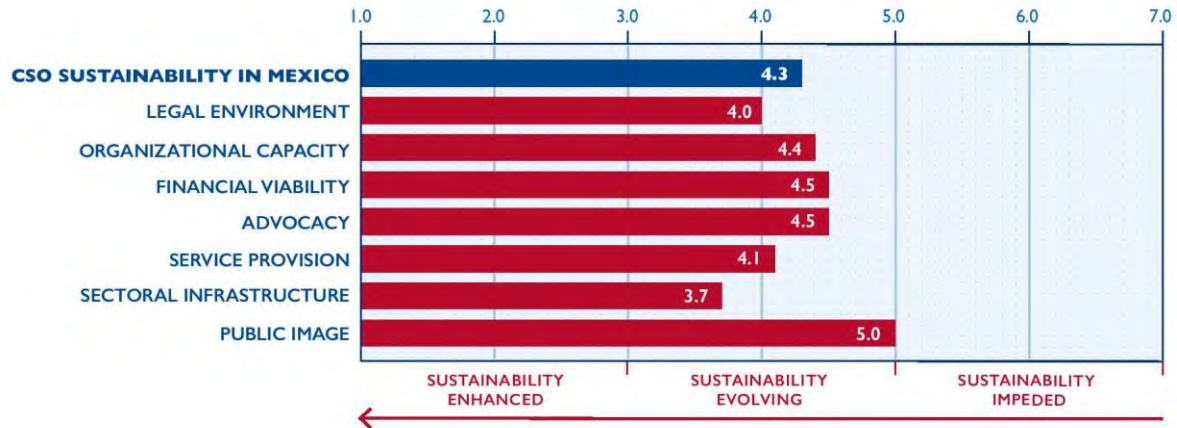
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Claudia Guadamuz, Carmen Henriquez, Michael Layton, Stephanie Molina, and Asta Zinbo,

MEXICO

Capital: Mexico City
Population: 128,649,565
GDP per capita (PPP): \$19,000
Human Development Index: High (0.767)
Freedom in the World: Partly Free (62/100)

OVERALL CSO SUSTAINABILITY: 4.3



The first year of the Lopez Obrador administration brought about a new paradigm in government-CSO relations in Mexico. In February 2019, the very first internal memorandum issued by the new government, which took office in December 2018, formalized the decision to cut all federal funding to CSOs and mandated that the delivery of any official support to the population was to be carried out directly by the federal government itself. CSO intermediation, wrote the president, had given rise to discretionary allocation, opacity, and corruption. Civil society reacted to the new policy direction with much concern about its effects on both the sector's financial viability and public image. Moreover, analysts believe that the exclusion of CSOs from the implementation of public programs suppresses the social processes that organically strengthen capacities, create autonomy, institutionalize democracy, and produce social cohesion in communities and CSOs alike.

The security situation in the country remained grim in 2019, continuing to endanger CSO staff and hinder organizations' efforts to serve their constituents in some areas. According to Causa en Común, official figures indicate a 2.7 percent increase in murders in 2019, for a total of 35,588. Of these, 1,006 were femicides, which increased 10 percent since 2018. The International Displacement Monitoring Center reports that 7,100 persons were internally displaced due to conflict and violence in the country during 2019, bringing the total of those living in internal displacement to 345,000; the severity of displacement is particularly high among indigenous people.

Frontline Defenders reports that twenty-three human rights activists were murdered in Mexico in 2019, down from forty-eight in 2018. According to Centro Mexicano de Derecho Ambiental (CEMDA), thirty-nine instances of aggression against environmental rights defenders were recorded in 2019, including two directed at CSOs, with fifteen of these resulting in murders. Figures by Reporters Without Borders indicate that, although not at war, Mexico was by far the deadliest country for media professionals, with ten journalists killed in the country in 2019, accounting for 25 percent of all those killed in the world during the year. Article 19 reported 609 aggressions against the press, a 12 percent increase from 2018. Some of the attacked activists, defenders, and journalists worked with CSOs, underscoring the risks some organizations face in the pursuit of their causes.

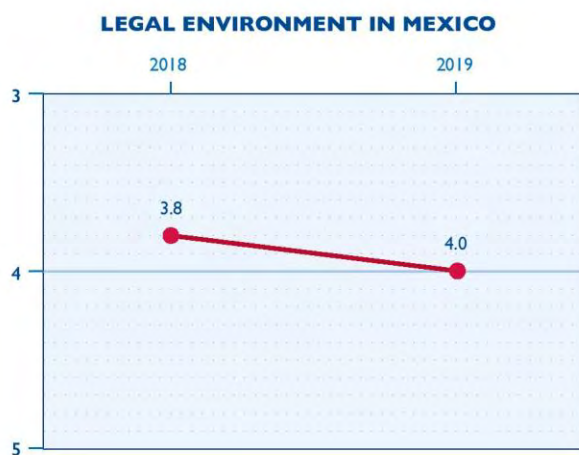
*Capital, population, and GDP are drawn from the Central Intelligence Agency, The World Factbook, available online at <https://www.cia.gov/library/publications/the-worldfactbook/>. Human Development Index data available at <http://hdr.undp.org/en/composite/HDI>. Freedom in the World data available at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

After nearly a decade of modest but steady growth, Mexico’s economy showed signs of deceleration in 2019. According to the International Monetary Fund, the country’s gross domestic product (GDP) contracted by 0.1 percent, while inflation fell to 3.6 percent, and unemployment remained steady at 3.3 percent. The negative trends in GDP growth are expected to extend into 2020 and impact both public and private funding of CSOs. After a difficult 2018, the Mexican peso (MXN) had a favorable performance in 2019, closing the year with an estimated 4 percent appreciation against the U.S. dollar (USD), according to data released by Mexico’s central bank. The S&P/BMV IPC index, Mexico’s most representative stock market indicator, reported growth of 4.6 percent.

Overall CSO sustainability deteriorated slightly in 2019, with most dimensions of the index experiencing some negative developments. While the legal framework governing CSOs remained largely unchanged in 2019, new rules and stricter oversight increased the administrative burden to which tax-exempt organizations were subject, worsening the overall legal environment. Financial viability suffered a significant blow as a consequence of sharp cuts to the federal budget allocated to CSOs; service provision also deteriorated as a result of these reductions. The capacity of the sector to influence public opinion and policy shrunk due to a reduction of opportunities to participate in decision-making processes. The sector’s public image was tarnished by the executive’s negative rhetoric about the sector. These negative developments were counterbalanced to some extent by a slight improvement in the infrastructure supporting the sector, driven by a flourishing institutional strengthening and capacity-building ecosystem. The sector’s organizational capacity did not change.

The Mexican civil society sector is relatively small in relation to the country’s population and economy. Estimates indicated that there were nearly 60,000 registered CSOs in 2019. The number of organizations in the Registro Federal de las Organizaciones de la Sociedad Civil (federal CSO registry, RFOSC), the largest nationwide CSO inventory, grew by nearly 8 percent from 2018 to 2019, reaching 42,733 organizations. The RFOSC does not include unions or religious, trade, and political associations, which have separate registries. An unknown number of unregistered organizations also operate in the country. Instituto Nacional de Estadística y Geografía (INEGI), Mexico’s official statistics agency, estimates that private nonprofit institutions—which are primarily CSOs—contributed MXN 313 billion (USD 16.3 billion) to the Mexican economy in 2018, 1.43 percent of the country’s GDP. The sector’s contribution, including the economic value of its volunteers, increased by 11.5 percent from 2017, largely outpacing the economy as a whole.

LEGAL ENVIRONMENT: 4.0



The legal environment governing the Mexican CSO sector experienced a moderate deterioration in 2019. While the legal framework remained mostly unchanged for most of the sector, a series of new rules increased the burdens imposed on tax-exempt CSOs, known as *donatarias autorizadas* (authorized donees, DAs).

The vast majority of CSOs that incorporate do so as *asociación civil* (civil association). Registering under this legal form entails a fairly straightforward process, although it must be carried out before four different government entities: a notary public, the Mexican tax authority (SAT), the country’s foreign affairs ministry, and a state-level public property registry. Registration for other legal forms, such as those reserved for religious or political associations, involves different processes that are

similarly lengthy.

Most registered CSOs seek to be listed in the RFOSC, as it is a prerequisite to compete for most federal funding. Registration with the RFOSC, which is considered an indicator of formality and institutionalization, involves a relatively simple process that is accessible to most organizations. The fact that the number of organizations listed in the RFOSC grew in 2019 despite federal funding cuts suggests that eligibility for federal grants is only one incentive for CSOs to become part of this registry.

An additional legal form of CSOs exists in half the states of the country: *institución de asistencia privada* (private assistance institution). These organizations have their own specific legal framework and are subject to the oversight of dedicated bodies at the state level.

At incorporation, a CSO must establish a governing board and designate a legal representative; besides this, CSOs have complete autonomy over their internal governance. While lobbying may require registration with the federal or state legislatures, most advocacy activities are unrestricted. However, only political and religious CSOs, ruled by their own specific regulations, are allowed to carry out political and religious advocacy.

DAs constitute a small but important group of organizations. According to the SAT, 9,366 organizations—nearly 16 percent of all CSOs registered in the country—held this status in 2019. Donations to DAs are tax-deductible by both individuals and businesses, thereby incentivizing philanthropy. While this status is—in principle—available to any CSO that carries out at least one of a set of required activities, obtaining it is difficult in practice as the process is resource intensive and confusing for many organizations. One of the most significant hurdles is obtaining documentation proving the CSO is devoted to the aforementioned activity. Consequently, only the more formal, capable, and better-funded organizations obtain this status.

Several developments in 2019 increased the complexity of the rules with which DAs have to comply, impacting their internal governance and financial viability, and increasing the administrative burden on them. The SAT issued a new rule stipulating that an organization may lose its tax-exempt status if individuals connected to it are also part of an unrelated organization that had its DA status revoked. The measure, which many consider to be a limitation on DAs' autonomy, has curtailed the capacity of these CSOs to recruit board members and personnel and forced many organizations to ask affected individuals to forsake their membership.

DAs also lost an important benefit in 2019. A DA's mission-related income is tax-exempt, while revenue not directly related to its mission remains subject to taxation if it exceeds 10 percent of total income. However, a presidential decree that had been renewed on an annual basis since 2010 had waived this taxation, effectively providing DAs with another fiscal incentive. The new administration did not renew this decree in 2019, adding to the financial woes described in the Financial Viability section.

Furthermore, many DAs were penalized with what observers consider disproportionate fines for minor administrative violations, with little time to challenge them. These penalties constitute a sizeable portion of some organizations' budgets and, since most lack the technical and economic resources to appeal them, the fines could force them to close. Additionally, there were reports of DAs being audited for what may be considered broad interpretations of fiscal rules; some analysts have deemed the audits as politically motivated and a form of harassment. Finally, a bill that would hold DAs to the same standards as financial institutions in terms of money laundering and terrorism compliance, despite their limited resources, was under discussion during 2019 and could be implemented in the near future.

Complying with all these measures is a technical challenge even for the most capable organizations. According to the tax authority's statistics, 116 organizations had their DA status revoked in 2019, on top of 118 in 2018. These two years exhibit, by far, the largest number of organizations having their DA status revoked in recent times; the average figure was less than twelve between 2014 and 2017. Fundación del Empresariado Chihuahuense (FECHAC), a reputed and consolidated community foundation operating in the state of Chihuahua since 1990 and a DA since 1997, lost this status in late 2019. After a protracted audit process that started in 2017, authorities determined that in 2015 the organization had exceeded a controversial cap that prevents DAs from using more than 5 percent of the donations they receive on administrative expenses. This limit is a longstanding topic of debate as it is considered too low and loosely defined, thereby hindering the development of strong internal management systems. The case illustrates the complexities that even the strongest CSOs in the country face while striving to comply with the regulations in place.

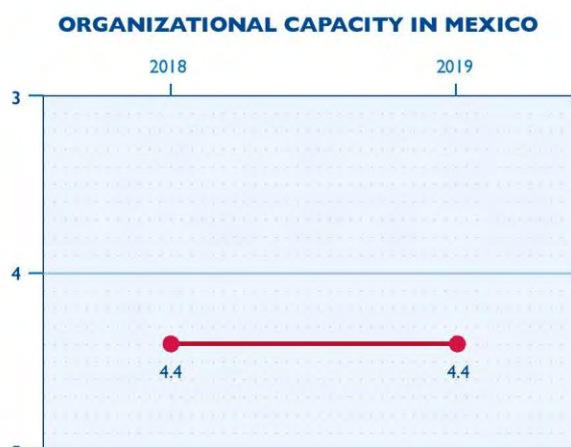
While some very experienced legal resource centers such as Appleseed México, Centro Mexicano Pro Bono, and Fortalece Legal exist, specialized legal expertise continues to be in high demand but low supply and remains poorly distributed across the country. Very few nonprofit experts or law firms are available to help CSOs navigate the increasingly complex legal environment, particularly in smaller cities and towns.

ORGANIZATIONAL CAPACITY: 4.4

The capacity of the CSO sector to achieve its goals did not change in 2019, despite the funding cuts it faced and the less favorable attitude of the government, which no longer considers CSOs as partners in development. While these factors compromised constituency-building efforts and staffing, CSOs' flexible internal management structures, institutional strengthening efforts, and improved access to and use of technology allowed them to endure these challenges. Notwithstanding these strengths, the sector is still mostly comprised of small, informal, and underfunded CSOs, while only a few professionalized, well-supported organizations, located primarily in urban areas, possess greater organizational capacities.

Vanishing federal funding in 2019 meant that CSOs had fewer resources to engage in field work and other efforts to build relationships with their constituents. Moreover, the executive's negative rhetoric and the virtual expulsion of civil society from the implementation of public policies hindered interactions with potential constituents who now view CSOs with increased suspicion.

The structures and processes that guide the work of CSOs are often fully dependent on the human resources behind them: zealously committed and technically capable individuals provide CSOs with an unyielding resilience. A survey conducted by Equipo Pueblo for the study *Impacto de las restricciones gubernamentales hacia las OSC en México (Impact of Government Restrictions on CSOs in Mexico)* found that 60 percent of CSOs considered their technical capacity and professionalism as the main factors allowing them to continue their work in spite of the worsening conditions in which they operated in 2019.



Internal management systems within CSOs continue to be fairly basic. Boards of directors must be in place at incorporation, but these bodies only exist on paper in many organizations. Most organizations lack written procedures, and few evaluate their performance in this area. Wingu, a Latin American leader in CSO technology with an important presence in Mexico, reports that organizations are slowly becoming more interested in customer relationship management solutions for their administrative processes because of the advantages, including cost-cutting, that they provide. However, such systems are still only adopted by larger, more properly financed organizations. There was a heightened sense of due diligence among DAs in 2019. As the SAT's oversight became considerably stricter, many organizations sought expert advice and invested resources in improving their internal capabilities.

Inadequate staffing and insufficient resources impede the division of responsibilities within CSOs, with employees fulfilling multiple roles in most organizations. As is the case in the country at large, formal employment with full benefits is rare in the sector. According to INEGI, the number of paid CSO employees grew by 4 percent in 2018 to an estimated 725,000. While 2019 figures are not yet available, the funding cuts are believed to have forced many CSOs to let personnel go. Salaries for CSO workers are, on average, thought to be lower than those for their counterparts in the private and public sectors. High turnover remains a significant challenge in the sector as well.

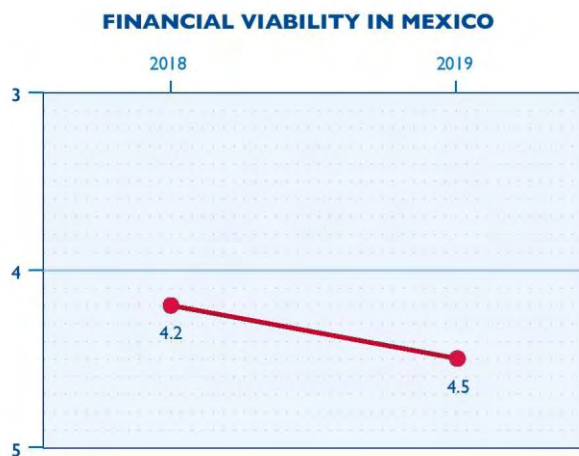
Volunteers are a very important component of the Mexican CSO workforce. According to INEGI, the number of volunteers participating in the sector in some capacity grew by 18 percent in 2018. In their annual reports, 34 percent of CSOs in the RFOSC stated that they benefited from the services of volunteers in 2018. Half of these CSOs had between one and ten volunteers and 20 percent engaged between eleven and twenty volunteers; 56 percent of volunteers were reported to contribute time equivalent to full-time positions. Among the CSOs that reported using the services of volunteers, 64 percent trained them, 55 percent assigned them a dedicated coordinator, and 35 percent had an internal volunteer management manual in place.

CSOs in Mexico increasingly use technological tools, primarily for public relations and communications purposes, but also in their fundraising efforts. Social networks are, by far, the most important of these tools. A survey carried out among Mexican CSOs for Nonprofit Tech for Good's *Global NGO Technology Report 2019* found that the social

networks most regularly used by respondents are Facebook and Twitter; only 3.4 percent reported not using social media at all. CSOs also widely use WhatsApp as a communication tool. While 57 percent of respondents indicated that they send email newsletters, they also believe that organizational websites are the most effective tool for their communications and fundraising strategies. As described in the following section, the usage of online donation systems is on the rise.

To expand access to technology in the sector, programs like OSC Digital, which is implemented by Centro Mexicano para la Filantropía (Cemefi), provide free or heavily-discounted software to CSOs. The most demanded products are still traditional productivity tools with conventional licensing schemes, but interest in cloud-based services is on the rise. However, more specialized tools such as those focused on electronic accounting or resource planning are not as commonly demanded, possibly because of their higher costs and technical complexity.

FINANCIAL VIABILITY: 4.5



The financial viability of the Mexican CSO sector suffered a significant setback in 2019 as the federal administration withdrew most funding to programs benefiting CSOs. In addition, DAs were affected by several measures that complicated their fundraising efforts and decreased their fiscal incentives.

The annual reports of CSOs in the RFOSC provide some insight into the makeup of their income. In 2018, CSOs in the RFOSC self-generated 41 percent of their resources through membership dues, cost-recovery fees, the sale of goods and services, and activities such as donation drives. Slightly more than a quarter (27 percent) of their resources were contributed by federal, state, or municipal governments; the rest of their funding came from sources including foundations, corporations,

and individuals. However, many of these CSOs have insufficiently diversified sources of income: one-third were funded by a single source.

Organizations relying solely on federal funds—which accounted for 8 percent of those in the RFOSC in 2018—faced dire financial prospects in 2019, as these funds all but disappeared. Despite the president’s memorandum, the federal government still disbursed MXN 1.8 billion (approximately USD 93.5 million) to CSOs during the year. However, this was the smallest amount in a decade and constituted a 70 percent drop from 2018. In the past, one of the most important beneficiaries of these resources was the Programa de Coinversión Social (PCS), a call-based matching-funds grant program. In 2019, the PCS was allotted only MXN 136 million (approximately USD 7 million), the lowest amount in fifteen years and a 34 percent drop from 2018. Some analysts fear the PCS may be undergoing dismantlement after nearly twenty-five years of operation. Other programs, such as Proequidad, operated by Inmujeres (the national women’s institute) to foster women’s rights and gender equality, had calls for grants directed at CSOs before 2019, but now disburse funds directly to state-level government agencies. Several other federal programs suffered similar fates.

DAs receive donations from individuals; private entities such as corporations, foundations or other CSOs; or government entities. Some DAs are authorized to receive donations from foreign sources of these three types. In 2018, the three most important sources of financial donations were all local: private entities, which provided 57 percent of the total amount of donations; nationals, accounting for 18 percent; and government entities, with 15 percent. Foreign private entities accounted for 9.2 percent of all donations.

While official figures vary, data suggests that financial donations to DAs either stalled or declined in 2019. Figures reported by the finance ministry to Congress suggest that such donations grew by just 2.43 percent in 2019, down from a 5.53 percent increase in 2018, for a total of MXN 44 billion (USD 2.3 billion). Meanwhile, public SAT records suggest a 20 percent decline, for a total of MXN 40 billion (USD 2 billion). No breakdown by source is yet available for 2019, but the cuts to federal funding are believed to account for this result.

An important administrative delay made fundraising particularly difficult for tax-exempt CSOs during the first half of 2019. The SAT published the official DA list two months later than usual. Donors and CSOs struggled to interpret the delay, some even fearing the disappearance of the incentive altogether. In response to the unclear situation, some CSOs filed freedom of information requests and others sought legal protection, diverting already scarce resources in the process. In addition to the financial damage caused, this delay added to the already significant uncertainty in which DAs operated during the year. Furthermore, as described in the Legal Environment section above, the expiration of a longstanding waiver on a tax-exempt revenue cap now forces DAs to tread carefully when it comes to diversifying their sources of income, although the effects of this decision have yet to be quantified.

CSOs use a variety of fundraising strategies, including face-to-face fundraising on the streets, online donation campaigns, charity events, grantwriting, crowdfunding, telethons, and alliances with foreign foundations. Electronic payment is gaining traction in Mexico and CSOs increasingly use giving and crowdsourcing platforms to raise money. Recaudia, a leading fundraising platform, experienced a 10 percent growth in CSO-related transactions in 2019. HIP Give, an American organization promoting Latino social impact projects and philanthropy in the Americas, has a crowdfunding platform that, among other features, allows foundations to match donations to several projects developed by CSOs in Mexico. #UnDíaParaDar, the local #GivingTuesday chapter, collected nearly MXN 3 million (approximately USD 155,000) during its 2019 donation drive, an increase of 36 percent from 2018.

Information on corporate philanthropy remains insufficient and outdated. However, RFOSC data suggests that CSOs in the registry received up to 4 percent of their income from the private sector in 2018. With more than 130 entities, Mexico hosts one of the largest corporate foundation sectors in Latin America.

Data on foreign support is also scarce, but RFOSC data indicates that CSOs also received up to 4 percent of their income from foreign sources in 2018. That same year, total foreign donations from individuals, private entities, and government entities accounted for 10 percent of all donations received by DAs, a figure that has remained steady in recent years. With this exception, foreign funding exhibits a decreasing trend, partly due to Mexico's classification as an upper-middle income economy by the World Bank and as a high human development nation by the United Nations Development Programme. However, Mexico remains in the OECD Development Assistance Committee's list of official development aid (ODA) recipients. In 2018, Mexico received USD 540 million in ODA; some of these resources supported CSOs and their programs.

The United States remains one of the most important sources of foreign funding for Mexican CSOs. According to the Foundation Center, between 2011 and 2015, 29 percent of funding to Latin America on behalf of American foundations went to Mexico, with grants amounting to nearly USD 783 million. Mexico has also been one of the most important beneficiaries of the Inter-American Foundation, an independent U.S. government agency that supports community development in Latin America and the Caribbean in cooperation with local organizations.

Despite its importance for a CSO's survival, professional financial management is the exception and not the norm. Most organizations lack the expertise and systems to meet their current financial obligations, let alone those required to successfully apply for grants from large international foundations. This is yet another factor that perpetuates the financial inequities that permeate the sector.

ADVOCACY: 4.5

CSOs' ability to influence the governance and policy-making processes as well as public opinion deteriorated in 2019. Observers fear that the nascent culture of participation in decision-making processes is declining under the new administration. Advocacy is generally undertaken only by a handful of CSOs based in Mexico City and state capitals, and protracted advocacy processes that deliver scarce results remain the norm.

The degree of CSO involvement in policy making varies across different regions and levels of government. According to a database maintained by Mexico's interior ministry, in 2018, there were 329 such mechanisms in place, including committees, councils, roundtables, and working groups. Most of these were consultation councils overseeing activities in different sectors at the national or regional levels. The database, which was created in 2017 due in part to CSO intermediation, has not been updated since 2018.

Perhaps the most relevant mechanism for CSO participation at the federal level is the technical advisory council established by the Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil (Federal Law for the Promotion of Civil Society Activities, LFFAROSC), watershed legislation enacted in 2004. The council was devised to allow CSOs, authorities, and other actors to share their views and recommendations as to the application and fulfillment of the LFFAROSC, including the collaborative evaluation of the programs and policies promoting the work of CSOs stemming from this law. In 2019, the council experienced a series of setbacks, including the absence of an operating budget, lack of participation by some of the corresponding authorities, and a selection process for the executive secretary that was not carried out according to the standing bylaws. After considering resignation, several members of the council successfully sought external funding for the council's operation and agreed to remain on it in order to salvage this important space despite its diminished role and influence.



There were few successful CSO-led policy advocacy initiatives in 2019. The sector spent most of the year assessing the magnitude of the adverse new context and struggling to contain its consequences. After learning in December 2018 that the federal budget for 2019 did not include funding for the PCS, the sector scrambled to defend it. The most prominent initiative was coordinated by Cumbre Ciudadana, a coalition of 380 CSOs. Coordinated by Alternativas y Capacidades and supported by more than 1,800 CSOs and a similar number of individuals, the campaign asked the government to overturn its decision. The government announced that the program would remain in the budget, albeit with a one-third reduction, which sparked an unsuccessful second wave of mobilization by CSOs. While some observers considered the continuation of the program a partial victory, other analysts believe the decision was forced by technicalities, and fear that Indesol, the government entity that implements the program, is at risk of disappearing. CSOs also made several attempts to meet with the president to discuss his seeming antipathy towards the sector, but these overtures were all rejected, causing organizations to speculate that a no-dialogue policy is in force.

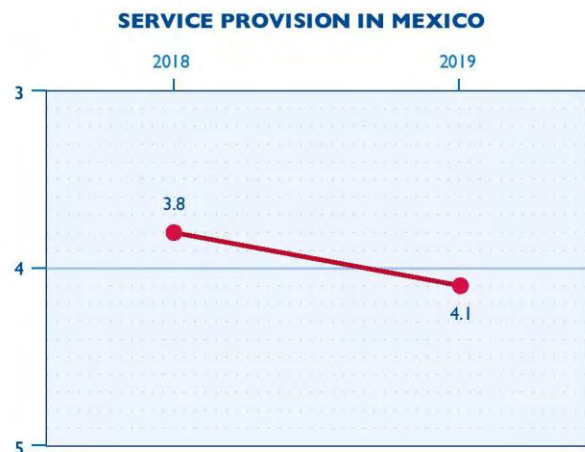
Although several CSOs are listed in official lobbyist registries in both chambers of congress, analysts agree that meaningful access to legislative processes at the federal level has shrunk. The president's rejection of the CSO sector has rendered government-CSO collaboration a partisan issue. As a result, few legislators in the governing coalition were open to such partnerships in 2019. Conversely, pursuing the support of opposition legislators carries a larger-than-usual risk of politicization for CSOs.

Perhaps the only successful case of lobbying by CSOs in 2019 was that of Alianza por la Salud Alimentaria, a group of more than thirty-five CSOs and twenty researchers working to combat malnourishment and obesity. The group has long promoted legal reforms, including a new food labeling standard that would clearly indicate when certain products contain unhealthy levels of sugar, salt, and fats and prohibitions on children-targeted advertising. The campaign, which counts the World Health Organization and UNICEF among its allies, began years ago, but previous legislatures struck down their proposals largely due to the intervention of corporate interests. Some of the proposed reforms were finally enacted in November 2019. This decision is significant not only because it puts public health concerns before the interests of the processed food and sugary drinks industries, but also because it was achieved through a democratic and evidence-based process.

Slow but steady progress in developing laws promoting CSO activities at the state and municipal levels is underway. For example, the states of Campeche, Sonora, and Yucatán enacted their own legislation on the matter in 2018. While similar bills for Chihuahua and Querétaro remain in legislative limbo, Nuevo León and the State of Mexico are currently debating theirs. Moreover, while local promotion regulations are rare and limited to larger cities, some CSOs, including those operating in Nuevo Laredo in the state of Tamaulipas, simultaneously benefit from federal, state, and municipal level ordinances. Querétaro, the capital city of the homonymous state, very recently enacted its own promotion regulations and formally installed an oversight council in early 2019. Among

other responsibilities, the council is charged with the administration of a small fund of resources contributed by the municipality and state authorities.

SERVICE PROVISION: 4.1



The ability of CSOs to provide goods and services to their constituencies deteriorated significantly in 2019 as the new administration openly declared its distrust of the sector, withdrew most of its funding, and severed most partnerships with civil society. Additionally, unrelenting violence continues to hamper the work of CSOs in regions with a strong presence of criminal organizations and weak local institutions.

Mexican organizations provide a diverse range of services to the communities they serve. CSOs in the RFOSC must carry out at least one of nineteen possible activities; the five most popular cause areas in 2019 were, in order of importance: educational, cultural, artistic, scientific, and technological promotion; social assistance; community development; indigenous peoples

development; and popular economic development.

In 2019, the new administration adopted a no-intermediaries policy that excludes CSOs from its service-provision equation. CSOs, stakeholders, and analysts believe that this stance not only damages CSOs on multiple levels, but also harms segments of society that rely on their services as well as the government itself. Many consider the sector's capacity, accumulated knowledge, and expertise valuable assets the federal government must leverage if it wants to make progress against the myriad obstacles in the way of Mexico's development. Observers also conclude that the federal government's attempt to eliminate CSOs from the implementation of public programs impinges on the sector's role as independent development actors.

Cuts to their federal funding and exclusion from the implementation of public policies curtailed the capacity of many CSOs to cater to the needs of their beneficiaries in 2019. Equipo Pueblo's study found that 31 percent of surveyed CSOs had recently reduced their activities and coverage in response to a lack of resources. This not only means less direct interventions, but also less follow-up, monitoring, training, and research.

For example, the new administration defunded Fondo de Atención a Migrantes (migrant assistance fund), a program that has provided assistance to returning Mexican migrants—often deported from the United States—since 2006. Before 2019, CSOs would obtain grants to run shelters and programs to serve not only this group, but also foreign migrants on their way to the Mexico-U.S. border. Some of these shelters were forced to close as they were fully dependent on the fund to operate.

Support centers for female victims of violence suffered a similar setback when their annual federal call for grants was cancelled. After significant public outcry and a strong reaction by CSOs, the government was forced to backtrack the decision. However, by year end, some of the federal resources earmarked for women's shelters had yet to be disbursed and some of them were struggling to operate.

While CSOs with more diversified sources of income were able to weather the crisis, the range of goods and services they provide and their ability to offer responsive support was damaged as a result of these funding shortages. Organizations that relied heavily on federal funding in 2018 are expected to bear the brunt of the damage. The areas where these CSOs work are, in order of their dependence on federal resources: educational, cultural, artistic, and technological promotion; support to indigenous peoples and communities; environmental protection; community development; and gender equality. As a result of systemic inequalities in the sector, smaller, poorly funded organizations in areas with large marginalized populations are expected to be hit the hardest, while a small group of CSOs in Mexico City and state-capitals will likely persist mostly unscathed.

The current climate has made CSOs increasingly aware of the importance of documenting the ways in which the services they provide impact their constituencies. CSOs no longer only passively demonstrate their impact when

required to by, for example, donors and authorities, but actively engage in public relations campaigns to make their contributions more visible to a larger number of citizens.

In 2018, cost-recovery fees accounted for 11 percent of the income reported by CSOs in the federal registry. These fees are generally charged to guarantee the continuation of programs. Most CSOs provide goods and services not only to their members but to other segments of society. While discrimination by CSOs such as faith-based or political organizations is not unheard of, no prominent instances were documented in 2019.

SECTORAL INFRASTRUCTURE: 3.7

The infrastructure supporting the work of Mexican CSOs improved slightly in 2019, with growth in both the quantity and quality of institutional strengthening and capacity-building opportunities. While the federal government ceased to be a viable ally, this galvanized CSOs to renew and strengthen their relations with each other, the private sector, and other levels of government.

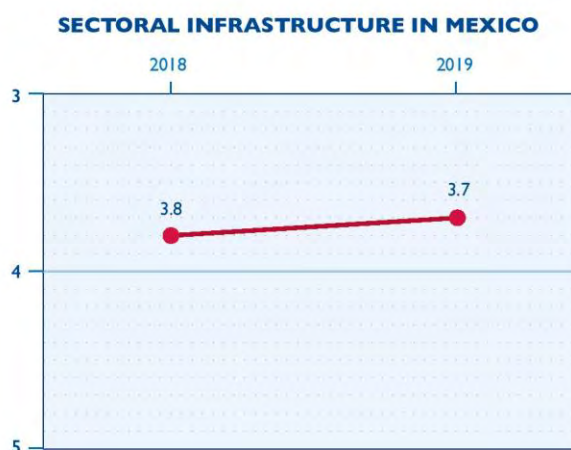
A burgeoning subsector of civil society provides intermediary support, resources, and training to CSOs. *Fortalecimiento institucional de las OSC en México (Institutional Strengthening of CSOs in Mexico)*, a 2020 study by Centro de Investigación y Estudios sobre Sociedad Civil (CIESC), found that this subsector is composed of at least 292 agents known as *fortalecedoras*

(strengtheners); half of these are CSOs and a quarter are consultants. This infrastructure remains highly concentrated in Mexico City. The report estimates that 55 percent of CSOs underwent strengthening and capacity-building processes recently. These *fortalecedoras* offer a wide array of training opportunities; the five most widely available focus areas are strategic planning, networks and alliances, fundraising, project monitoring and evaluation, and organizational affairs.

Some government entities also act as intermediary support organizations (ISOs) and resource centers. At the federal level, the most important such institution is Indesol. As described above, the entity's flagship initiative, the PCS, suffered a steep budget cut in 2019 with the institution itself losing 15 percent of its budget, a considerable blow to the sector. At the state-level, private assistance institutions are supervised by dedicated government boards that closely scrutinize their work but also promote, develop, train and, to a lesser extent, provide them with funding; fifteen of these boards exist currently. In 2019, the board in Jalisco was closed due to financial problems and administrative issues. While local observers consider the closing justified and the board's functions have been absorbed by local authorities, the state's CSOs nevertheless lost a potential source of support and collaboration.

Local grantmaking organizations were expected to step up their efforts in the country in 2019 given the steep reduction in federal government funding. According to Harvard University's *Global Philanthropy Report*, there were 336 local grantmaking foundations in Mexico in 2017, by far the largest number in Latin America. Their top three focus areas were education, arts and culture, and health. At USD 16.4 million, the average expenditure per foundation in Mexico was the highest among the countries in the study. A small but active groups of community foundations continue to leverage local resources to foster the development of their constituencies.

CSO networks and coalitions immediately responded to the federal government's funding cuts to organizations serving female victims of violence, migrant shelters, and an important child daycare program. The coalitions Red Nacional de Refugios, Red TDT and Colectivo Niñez y Juventud, working in the aforementioned areas respectively, quickly reacted with public relations campaigns, appeals to the authorities, and alternative solutions to keep assistance flowing to these populations. CSOs safeguarding women managed to have their funding reinstated. In another example, after a series of summits and workshops, a group of more than eighty organizations put forward a collaboratively produced set of recommendations for donors and *fortalecedoras* to endow CSOs with the capacities they need to effectively contribute towards the 2030 Agenda for Sustainable Development. While these

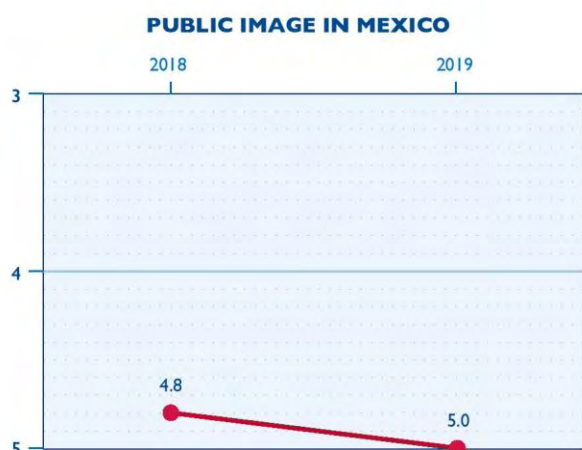


examples are testament to the potential of collaboration, in other cases, networks serve as spaces where collective catharses take place but fail to achieve significant progress.

With the retreat of the federal government from the arena, intersectoral partnerships suffered a slump. Governors and legislators in the president's coalition aligned their policies to this withdrawal and were less open to working with CSOs. Correspondingly, some opposition administrations and lawmakers saw an opportunity to reach out to CSOs. Given the political overtones of such overtures, however, CSOs were forced to weigh the potential political costs of such partnerships.

However rare, alliances like Acuerdo San Gervasio, which brings together CSOs, municipal authorities, and the private sector to promote the development of local communities in the Caribbean island of Cozumel, continue to transcend sectoral interests for the benefit of society. In addition, increased sector-wide awareness about the importance of strengthening CSO capacities has found valuable allies in foreign development and cooperation agencies such as the German Agency for International Cooperation (GIZ) and USAID.

PUBLIC IMAGE: 5.0



Driven by negative statements by the president, the already fragile public image of Mexican CSOs suffered a moderate deterioration in 2019.

The perception of CSOs varies considerably across the different regions and levels of government. However, the executive repeatedly expressed his mistrust of the sector, particularly during his daily, early-morning press conferences known as *mañaneras*, which enjoy unprecedented media coverage. In some of his most jarring statements, the president implied that the sector has become an instrument of conservative forces, groups he identifies as vehemently opposing his administration.

Civil society reacted to the negative rhetoric immediately and forcefully. As discussed above, CSOs made several attempts to meet with the president to discuss the issue,

but these efforts were all rejected. In traditional and online media, CSOs, stakeholders, and observers expressed their concerns and called on the president not to marginalize the sector. One of the most visible campaigns was #SiConLasOSC, led by Alternativas y Capacidades and endorsed by more than 280 CSOs, which sought to increase the visibility of the work and impact of civil society.

Media coverage during the year was generally positive and mostly focused on the challenges CSOs faced as they coped with funding cuts and the adverse discourse. Through editorials, interviews, and panels, traditional and electronic media provided the sector with room to express their concerns and highlight their contributions while recognizing the importance of the sector. Even though most positive coverage was reactive, some of it could be attributed to the more strategic relationship CSOs have developed with the media.

INEGI's *Encuesta Nacional de Calidad e Impacto Gubernamental (National Quality and Government Impact Survey)* measured trust in CSOs for the first time in 2019, finding that 32 percent of respondents distrusted these entities. Trust in religious institutions and unions—measured separately in the survey, including in previous editions—fell 2 percent and increased 4 percent, respectively, from 2017. Despite the lack of other data points to compare, these results suggest worrisome levels of trust in CSOs among the population.

The private sector's perception of CSOs is believed to remain largely positive when it comes to partnering with them to design and implement programs, and many corporations take part in the sector through their own foundations and various forms of sponsorship. However, the relationship between companies and CSOs fighting for issues in direct opposition to their interests remained naturally conflictive.

CSOs became increasingly aware of the importance of strategic communication as a result of the executive's discourse. However, while CSOs widely use social networks for public relations and communications purposes,

only larger and better-supported CSOs are able to develop savvy relationships with journalists and engaging social media campaigns. Understaffed and underfunded, most organizations are only able to contribute their share to wider, sectoral public relations efforts led and funded by better positioned CSOs.

Publishing annual reports is still not a widespread practice among CSOs, as it entails costs and technical expertise. With the exception of larger CSOs, most organizations only comply with mandated accountability requirements. Organizations in the RFOSC must file reports that primarily consist of statistical information every year; these are relatively easy to complete and file. If a CSO fails to deliver two consecutive reports, it becomes listed as “inactive,” a negative mark on its record, particularly for donors.

In addition to conventional tax filings, every DA must submit a special transparency and accountability report every year. These are then made public by the SAT through a dedicated website, where detailed financial and other information is available for anyone to scrutinize. Donations exceeding certain amounts, including information regarding the donor, must also be individually reported to the authority. Failure to comply with these measures may result in penalties ranging from fines to revocation of the tax-exempt status.

A heightened sense of urgency to become more transparent could be felt throughout the sector in 2019 and a growing number of organizations proactively went beyond mandated requirements and published reports at their own initiative. However, independent assessments by third parties remain rare, and did not experience significant growth in 2019. Despite ready availability, ISOs and *fortalecedoras* report that accountability is not among CSOs’ top priorities when it comes to training.

ANNEX: 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.

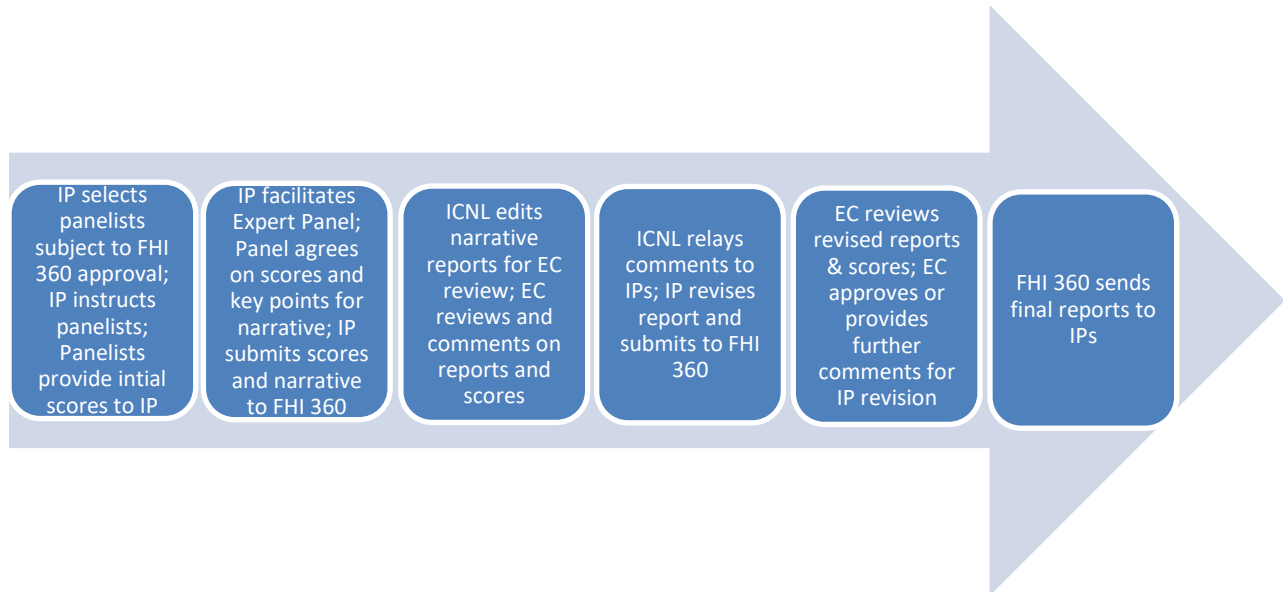
Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior 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.



I. 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, eliminate the highest score and the lowest score (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 mean¹ 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).

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

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. 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>
- Varieties 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#.VdugbqSF0hI>
- 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.

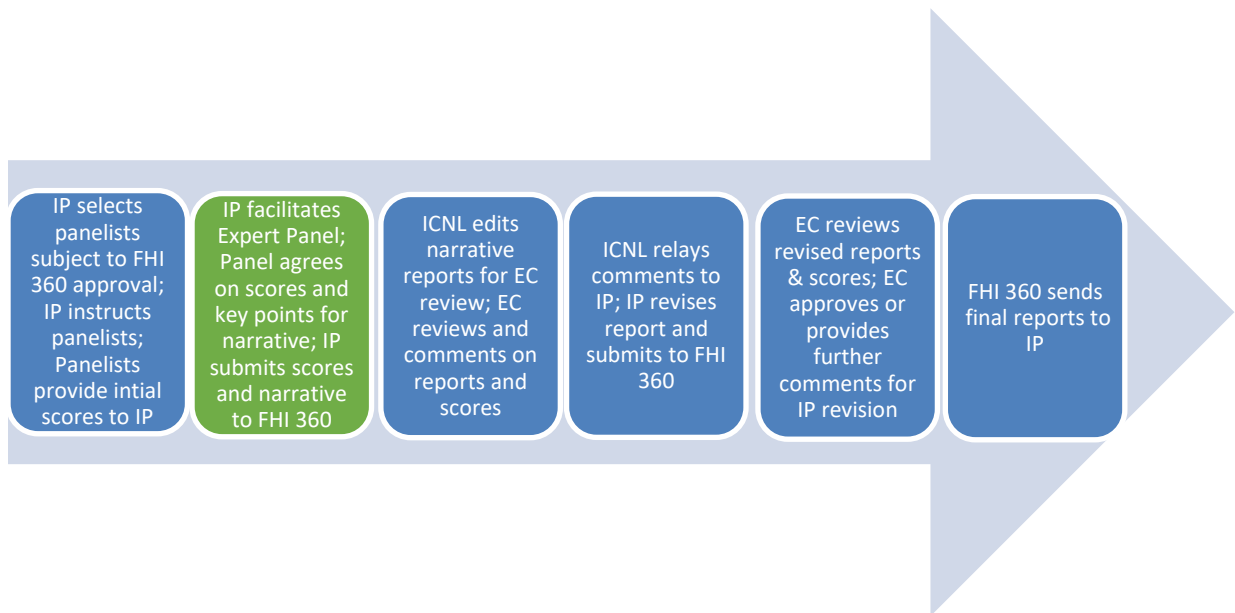
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process, 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.



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.”¹

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.

¹ *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

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

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

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

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

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

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

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

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

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

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

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

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

| |
|--|
| <i>Public Perception of CSOs – Reputation among the larger population</i> |
| <i>Government/Business Perception of CSOs – Reputation with the government and business sector</i> |
| <i>Public Relations – Efforts to promote organizational image and activities</i> |
| <i>Self-Regulation – Actions taken to increase accountability and transparency</i> |

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 Evolving² (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 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.).

² 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.

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 year³.

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

³ **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.

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 | <p>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.</p> <p>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.</p> | 0.5 or |
| | <p>Extreme deterioration: Trends and developments have had very important negative effects on at least one or two indicators in the dimension.</p> <p>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.</p> | 0.4 |
| | <p>Significant deterioration: Trends and developments have had important negative effects on at least one or two indicators in the dimension.</p> <p>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.</p> | 0.3 |
| | <p>Moderate deterioration: Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension.</p> <p>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.</p> | 0.2 |
| | <p>Slight deterioration: Trends or developments have had a slightly negative impact on a at least one or two indicators in the dimension.</p> <p>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 in the short-term it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials.</p> | 0.1 |

| | | |
|--------------------|---|--------|
| 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 | <p>Slight improvement: Trends or developments have had a slightly positive impact on at least one or two indicators in the dimension.</p> <p>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.</p> | 0.1 |
| | <p>Moderate improvement: Trends and developments have had a somewhat positive impact in at least one or two indicators in the dimension.</p> <p>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.</p> | 0.2 |
| | <p>Significant improvement: Trends and developments have had important positive effects on at least one or two indicators in the dimension.</p> <p>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.</p> | 0.3 |
| | <p>Extreme improvement: Trends and developments have had very important positive effects on several indicators in the dimension.</p> <p>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.</p> | 0.4 |
| | <p>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.</p> <p>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.</p> | 0.5 or |

Instructions for Baseline Recalibration

Background

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) incorporates recalibration as one of 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 unavailable 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.

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