



2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR ASIA
8th EDITION – DECEMBER 2022

Cover Photo: Young women entrepreneurs with disabilities access their socio-economic rights and bring issues they face to relevant policy makers to address them.

Photo Credit: Puthkunthea Run, USAID's WE Act Project

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Developed by:

United States Agency for International Development

Bureau for Democracy, Conflict and Humanitarian Assistance

Center of Excellence on Democracy, Human Rights and Governance

Acknowledgment: This publication was made possible through support provided by the United States Agency for International Development (USAID) under Cooperative Agreement No. AID-OAA-LA-17-00003.

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.

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INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the eighth edition of the *Civil Society Organization (CSO) Sustainability Index for Asia*, covering developments in 2021. This year's Index reports on the state of CSO sectors in eight countries in the region: Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, Thailand, and Timor-Leste.

The Index addresses advances and setbacks in seven key components or “dimensions” of the sustainability of the civil society sector: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. The Index is intended to be a useful source of information for local CSOs, governments, donors, academics, and others who want to better understand and monitor key aspects of sustainability in the CSO sector.

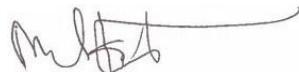
The Index's methodology relies on CSO practitioners and researchers in each country covered. These teams form expert panels to assess and rate these dimensions of CSO sustainability during the year. The panels agree on scores for each dimension, which range from 1 (the most enhanced level of sustainability) 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. Additionally, electronic surveys were carried out among CSOs in three countries—Bangladesh, Indonesia, and the Philippines—to increase the representativeness and quality of these reports. An international 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. Further details about the methodology used to calculate scores and produce narrative reports are provided in Annex A.

The *CSO Sustainability Index for Asia* complements similar publications covering other regions. The various regional editions of the 2021 *CSO Sustainability Index* assess the civil society sectors in seventy-three countries, including thirty-two in Sub-Saharan Africa, twenty-four in Central and Eastern Europe and Eurasia, eight in the Middle East and North Africa, and Mexico.

A publication of this type would not be possible without the contributions of many individuals and organizations. We are especially grateful to our local implementing partners, who play the critical role of facilitating the expert panel meetings and writing the country reports. We would also like to thank the many CSO representatives and experts, USAID partners, and international donors who participate in the expert panels in each country. Their knowledge, perceptions, insights, 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; Kate Musgrave and Jennifer Stuart from ICNL, the report's editors; and Michael Chelius, Gary Bland, and Christina Del Castillo from USAID. 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, 2022

ACKNOWLEDGMENTS

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| CAMBODIA | Samnang Lor and Dr. Michael Renfrew, Future Forum |
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EXECUTIVE SUMMARY

In the second year of the COVID-19 pandemic, governments, societies, and economies across the globe began a slow climb toward recovery. As renewed waves of the virus spurred the reimposition of precautionary restrictions, however, that recovery was far from smooth. Despite the continuation of these and other challenges, CSOs not only maintained their vital roles in society, but in many cases actively improved their capacity, reach, and services through stunning examples of resilience and adaptability. Both obstacles and innovations are described in the *2021 CSO Sustainability Index for Asia*, which covers seven key dimensions of CSO sector sustainability in eight countries in the region: Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, Thailand, and Timor-Leste.

While all of these countries were greatly impacted by the health crisis in 2020, for some, the financial damage had been far greater than the spread of the virus itself. In 2021, however, several countries in the region saw greater health and social impacts than they had in the first year of the pandemic. Cambodia, Indonesia, Thailand, and Timor-Leste, for instance, all recorded significantly more cases of COVID-19 in 2021 than in 2020. Cambodia recorded just 382 cases and no deaths from the virus in 2020, but those numbers grew to 120,464 cases and over 3,000 deaths by the end of 2021. Similarly, while Indonesia recorded 743,198 cases and over 22,000 deaths in 2020, these numbers soared to a total of 4,262,720 cases and 144,094 deaths just one year later.

Lockdowns, travel restrictions, and limitations on gatherings were reimposed over the course of the year in every country covered by this edition of the Index, with several maintaining the state of emergency regulations that had been put in place with the onset of the pandemic. As in 2020, the scale of the restrictions typically was adjusted as infection rates fluctuated over time and from one city or province to the next. Governments in all eight countries worked to distribute vaccines, often with significant assistance from CSOs in both raising awareness and distributing emergency relief.

Economies also continued to falter, halted yet again by the shutdown of businesses, travel restrictions, and the significant and ongoing impact to the tourism industry, a key sector in several countries of the region. In the Philippines, even as economic growth showed notable improvement compared to the 2020 decline, it is projected to take another decade before the country returns to its previous economic trajectory. At the same time, a 2021 audit report found “deficiencies” and a “pattern of corruption” in the government’s use of COVID-19 funds, prompting a Senate investigation and a counter investigation led by allies of President Rodrigo Duterte in the House of Representatives.

In April 2021, Timor-Leste was struck by Tropical Cyclone Seroja, causing extensive flooding, landslides, damage to infrastructure, and at least forty-four fatalities. According to the World Bank, the cost of recovery from the cyclone could exceed \$420 million. With the government already struggling to provide adequate assistance during the health crisis, CSOs frequently became the first and most able responders in addressing urgent community needs.

Democratic freedoms continued to be challenged in most of the countries covered by this edition of the Index. According to Freedom House’s *Freedom in the World*, which tracks political rights and civil liberties around the world, five of the countries covered—Bangladesh, Indonesia, Nepal, the Philippines, and Sri Lanka—are considered Partly Free, while Cambodia and Thailand have scores that place them in Not Free status. Only Timor-Leste is considered Free. Demonstrating this trend, governments in several countries in the region, including Bangladesh, Cambodia, the Philippines, Sri Lanka, and Thailand cracked down on demonstrations and independent voices during the year, as described further below. Extrajudicial killings continued to raise international concern in both Bangladesh and the Philippines.

The political fragility of the Nepali government continued to create challenges in 2021. Prime Minister KP Oli dissolved the federal parliament in December 2020 in response to fractions within the ruling party. In February, the Supreme Court declared the dissolution unconstitutional and reinstated parliament—only to see Oli again dissolve parliament in late May. By July, another Supreme Court ruling declared the second dissolution unconstitutional, reinstated parliament, and ordered that the leader of the opposition party be appointed as prime minister.

In this challenging and fragile environment, three primary trends affected CSO sectors across the region in 2021. Governments continued to restrict civic space, both through existing laws and regulations and the reimposition of

pandemic measures, while the economic impact of COVID-19, resulting closures, and shifting donor priorities continued to threaten CSO financial viability. In response to these circumstances, CSOs showed their adaptability and innovation, improving their service provision, cooperation within the sector, and internal capacities.

CONTINUED AND INCREASING RESTRICTIONS ON CIVIC SPACE

Across the globe, civic space has been increasingly under fire in recent years, a longer-term trend dramatically emphasized by the restrictions on freedoms of assembly and speech that have accompanied COVID-19 precautions. In 2021, the *CSO Sustainability Index* again documented this trend in Asia, which is most evident in the deterioration of the legal environment governing CSOs. Declines in that dimension were reported in six of the eight countries covered in this edition of the Index: Bangladesh, Cambodia, Indonesia, the Philippines, Sri Lanka, and Thailand. The decline in Thailand was particularly dramatic.

As COVID-19 continued to spread—and, in some cases, drastically spike—governments around the world reimposed restrictions on businesses, travel, and gatherings to prevent further outbreaks. In several countries of the region, these restrictions were again used to justify wider crackdowns. In Thailand, for instance, the Emergency Decree instituted in 2020 was repeatedly extended over the course of the year, and in mid-July, the government imposed a nationwide ban on public gatherings, with significant penalties for violators. Despite these restrictions, ongoing political demonstrations calling for constitutional amendments, monarchical reforms, and the resignation of the prime minister were organized. Protests were particularly prominent in July and August, marking a year since the large-scale student protests in 2020. Activists were accused of violating the Emergency Decree restrictions on gatherings and, according to Amnesty International, riot police responded with excessive force, including rubber bullets and tear gas cannisters fired at short range. In August alone, at least 260 protesters were arrested for allegedly violating the decree.

Lockdown measures were also strictly enforced in Nepal, where the government reimposed restrictions on public gatherings and events following a surge of cases in April. By late July, The Asia Foundation reported 187 cases of human rights violations in the police enforcement of the lockdown measures, including 30 incidents in which excessive force was used. In Cambodia, Human Rights Watch reported that within two months of the March adoption of new COVID-19 regulations restricting movement and gatherings, over 100 people had been charged with violating the law.

Governments also cracked down on demonstrations unrelated to the pandemic in 2021. In Bangladesh, demonstrations turned violent in March as supporters of a hardline religious group accused visiting Indian Prime Minister Modi of stoking communal violence against Muslims in India. Police fired tear gas and rubber bullets after protesters barricaded parts of a highway, and over several days of clashes between protesters and police, thirteen people were killed. In Sri Lanka, organizers of a peaceful march were met with a ban on all protests and summoned for court proceedings.

In addition to restrictions on assembly and movement, governments in several countries sought to curtail the freedom of expression, especially regarding their management of the health crisis. In Cambodia, the government's newly-established Monitoring Committee for Journalism Ethics and plans for a national internet firewall added to the country's declining trend in freedom of expression, especially online. According to the Cambodian Center for Human Rights' Fundamental Freedoms Monitor Project, more than 300 restrictions and violations of fundamental freedoms occurred across Cambodia in 2021; 77 percent of those incidents impeded upon lawful online expression. This environment of censorship was further displayed in a series of mass trials of over one hundred political opposition members and dozens of human rights defenders in 2021, leaving over sixty political prisoners behind bars at the end of the year. In the Philippines, ongoing restrictions on freedom of expression were further emphasized by continued cases against Nobel Peace Prize laureate and journalist Maria Ressa. In Indonesia, SLAPP cases (Strategic Lawsuits Against Public Participation) were used to silence and intimidate critical voices, and in 2021, for instance, government officials filed charges against four human rights activists.

Thailand continued to have the most obstructive legal environment for CSOs in the region in 2021, and extreme deterioration in this dimension over the course of the year reflects the increasingly overbearing restrictions. New regulations imposed under the Emergency Decree in July broadly prohibited the dissemination of false or potentially misleading content and provided for up to two years' imprisonment for the dissemination of such "fake news." The government also cracked down on free expression through language in the Computer Crimes Act that

regulates “false content” online and several sections of the penal code governing issues such as sedition and *lèse majesté* (royal defamation). At least 116 people were charged with *lèse majesté* between January and November 2021.

Freedom of expression in the region was also restricted through existing legislation. In Bangladesh, at least 1,134 cases were lodged against journalists and alleged government critics under the Digital Security Act, a nearly nine-fold increase compared to 130 in 2020. In the Philippines, the Supreme Court ruled all but two provisions of the Anti-Terrorism Act (signed in 2020) unconstitutional, granting government authorities sweeping powers to accuse organizations or individuals of “inciting to commit terrorism” through speeches, proclamations, writing, emblems, and banners. Self-censorship was further encouraged through the continued practice of “red-tagging” in the Philippines and the government’s crackdown on those deemed “communist rebels.” On March 5, President Rodrigo Duterte ordered police and soldiers to “finish off” all communist rebels; this was immediately followed by arrests and raids against numerous activist groups. According to Karapatan, an alliance of CSOs and other groups working on human rights, forty-five activists were killed in the first eight months of 2021.

Heightened surveillance and ad hoc visits from state intelligence agencies like the Terrorism Investigation Department also continued to instill a climate of censorship among CSOs in Sri Lanka, particularly in the north and east. Ad hoc requirements pressured CSOs to register with the NGO Secretariat (overseen by the Ministry of Defense) and placed burdensome reporting requirements on CSOs, further worsening the increasingly difficult regulatory environment for them.

Regulatory and bureaucratic hurdles also posed challenges for CSOs across the region in 2021, especially those receiving foreign funding or working on politically sensitive issues. In both Bangladesh and the Philippines, CSOs faced additional mandatory disclosure requirements in order to register, with particular scrutiny on their donors and beneficiaries. In the Philippines, to register in 2021, CSOs were required to provide information on the organization’s beneficial owner(s), which was particularly difficult given that CSOs often do not have clear “ownership.” CSOs also feared that any information they provided may be misused by law enforcement and security forces. The government’s scrutiny also continued through broad anti-money laundering policies, and in 2021, the bank accounts of nine Filipino CSOs were temporarily frozen for alleged ties to “communist rebels” and designated terrorist groups. In Indonesia, government authorities more frequently impeded the registration and operations of CSOs focused on politically sensitive topics at the village level, such as the reintegration of former ISIS supporters or issues impacting the lesbian, gay, bisexual, and transgender community.

FINANCIAL VIABILITY SUFFERS

The global economic uncertainty brought on by the pandemic, together with resulting lockdowns on businesses and travel, continued to have a direct impact on the financial viability of CSOs in the region. This financial deterioration was evident in four of the eight countries covered in this edition of the *CSO Sustainability Index for Asia*—Cambodia, Indonesia, the Philippines, and Thailand—while Bangladesh, Nepal, and Timor-Leste maintained the status quo following 2020 declines. According to the Penabulu Foundation in Indonesia, for instance, in 2021, 33.9 percent of CSOs surveyed in the country were affected by the pandemic financially or otherwise, and another 27.1 percent were severely affected.

Typically, declines in financial viability were spurred by ongoing drops in both foreign and domestic funding, as reported in Indonesia, Thailand, Timor-Leste, and the Philippines. In Indonesia, for instance, overall foreign assistance has declined since 2008, when the country joined the G20. There and across the region, experts reported continuing declines in foreign support for projects beyond emergency COVID-19 relief. This trend negatively impacted CSOs working in more traditional service areas, and in the Philippines was particularly evident for those CSOs that relied on foreign support for work related to elections, governance, and democracy building. Even in the few instances where foreign funding opportunities increased, as in Cambodia, the pool of organizations receiving that funding narrowed, given both the shift in funding priorities and CSOs’ uneven capacities in grant writing, financial reporting, and monitoring and evaluation.

Domestic funding (both government and private) also continued to decline in several countries in the region, though clear data on this type of support is frequently non-existent or not publicly available. In Timor-Leste, 2020 had brought the welcomed announcement of the government’s commitment to provide funding to the sector—yet, given the continued pressure on limited resources, in 2021, CSOs received less than \$2.2 million, as compared

to \$3.2 million the previous year. In Indonesia, as overall funding declined, CSOs also reported that the government support they received typically covered only a portion of the total project costs, leaving CSOs to cover the remainder. In fact, 60 percent of CSOs surveyed stated that government funds covered 25 percent or less of the projects they were intended for.

The ongoing declines in foreign and domestic funding opportunities highlighted the limited capacities of many CSOs to attract diverse support. Smaller CSOs especially often lacked the necessary financial and human resources to successfully secure funding or struggled to raise funds through online platforms in the midst of lockdowns, as was reported in both Cambodia and Thailand. Those CSOs that had previously begun to develop revenue-generating streams through social enterprises, such as Friends International cafes in Cambodia or renting out facilities and equipment in the Philippines, saw inevitable declines as pandemic lockdowns forced closures during the year.

CSOS DEMONSTRATE THEIR RESILIENCE

Despite these continued—and, in several cases, increased—challenges, CSOs across the region remained critical players in responding to the emergency needs of their communities. Even in the midst of lockdown restrictions, CSOs were able to adapt both their services and how they operated and reached constituents. In the Philippines, for instance, CSOs limited by travel restrictions turned to online platforms for meetings, interviews, and webinars with their constituents. Where online services remained a challenge, especially in urban areas, some CSOs and foundations strengthened collaboration with community-based organizations (CBOs). To provide food assistance, for example, deliveries were brought to the boundaries of the local government unit and then distributed by CBOs.

In Timor-Leste, CSOs were increasingly responsive to their communities' needs in the wake of both COVID-19 and the destructive April cyclone, providing humanitarian assistance directly to those in need while government efforts were often bogged down in bureaucratic delays or were first distributed to community leaders and their own networks. CSOs' swift response in the country made them necessary partners for both the government and the private sector in ensuring that aid and vital messages, such as the vaccination campaign, reached all communities, especially in rural and remote areas.

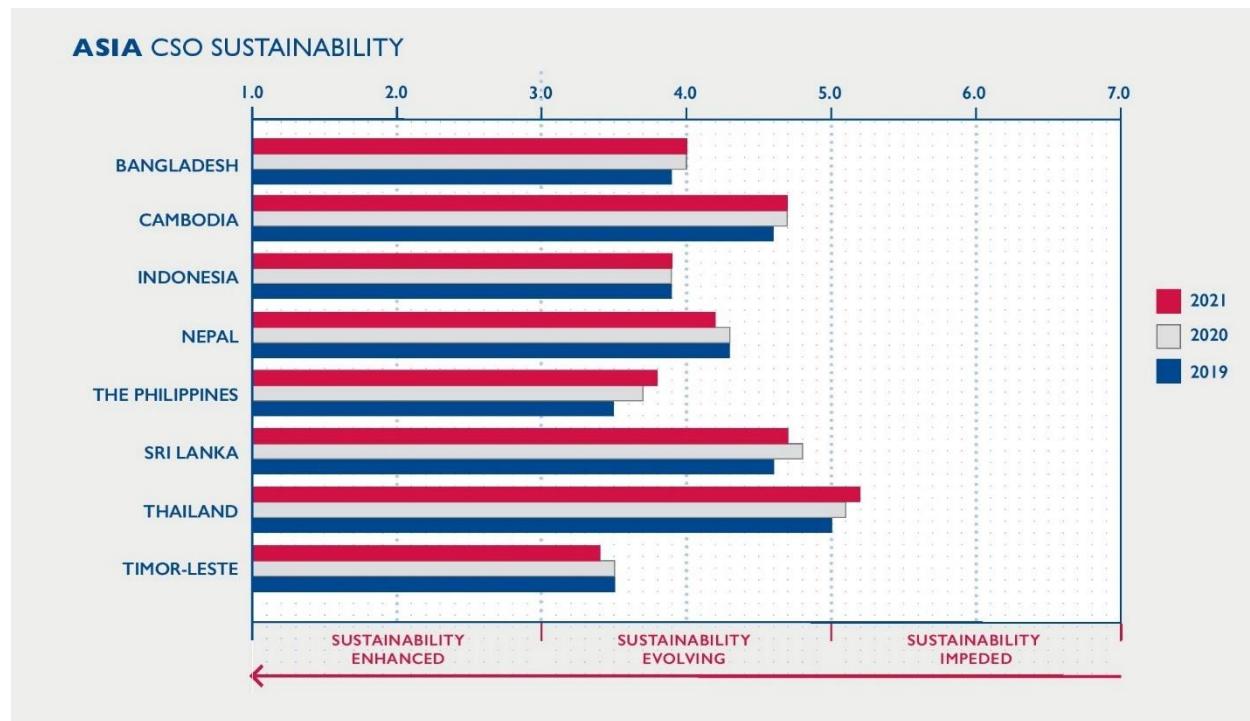
CSOs in some countries were also able to gradually return to their more traditional and long-term service areas in 2021. In Indonesia, CSOs continued to develop new responses to the health crisis, including a collective campaign to distribute aid to orphans of COVID-19 victims, but also began to shift their focus back to broader issues such as assistance to vulnerable groups, advocacy, and education. Bangladeshi CSOs similarly began to return to more typical service areas, such as education and training in agricultural technical skills, before and after the reimposition of pandemic lockdowns.

Those CSOs best able to utilize online tools saw the greatest improvement in 2021. This trend was evident across the region and impacted several aspects of CSO sustainability, including reaching their constituents, providing services, training staff and volunteers, and cooperating within the sector to further enable outreach and advocacy initiatives. In Cambodia, for instance, women's advocacy organizations such as Klaahan increased their digital campaigns, while those in education worked to assist teachers and students in bridging the digital divide in online schooling. In Sri Lanka and Timor-Leste, CSOs reported greater opportunities for and accessibility of training for both staff and volunteers, and the Sri Lankan CSO Hashtag Generation provided technical support and training for grassroots organizations on the use of social media to engage with constituents and promote their activities.

The continued embrace of online platforms in 2021 also encouraged more substantive cooperation within the civil society sector in several countries. In Thailand, CSOs were better able to cooperate on advocacy initiatives through online campaigns, while in Nepal, online and hybrid models for consultations within the sector enabled wider participation, including among more rural-based CSOs, than in previous years.

Several country reports also demonstrate CSOs' concerted attention to internal governance and strategic planning, both to better serve their missions and to attract much-needed international funding. CSOs in Cambodia, Indonesia, and Nepal, for instance, reported increased engagement of their boards to confront the ongoing challenges, adjust their strategic plans, and improve their focus areas in 2021. In Timor-Leste, the NGO Forum Timor-Leste (FONGTIL) conducted a social audit of its members and provided several recommendations to improve internal governance, all of which were swiftly implemented.

REGIONAL TRENDS IN CSO SUSTAINABILITY



CSO sustainability in Asia displayed mixed trends in 2021, with Nepal, Sri Lanka, and Timor-Leste reporting improvements in overall sectoral sustainability, while the Philippines and Thailand reported worsened sustainability. Overall sustainability remained unchanged in Bangladesh, Cambodia, and Indonesia.

Thailand continues to have the lowest level of CSO sustainability in the region, and is again the only country with an overall CSO sustainability score in Sustainability Impeded, the lowest category of sustainability in the Index. Its slight deterioration overall in 2021 was fueled by an extreme deterioration in the legal environment for CSOs, as well as slight deteriorations in organizational capacity, financial viability, and service provision.

All other countries covered in this edition of the Index fall in the middle category of CSO sustainability, Sustainability Evolving. Timor-Leste again registered the highest level of sustainability in the region and recorded a slight overall improvement in 2021—the result of positive developments in all dimensions except legal environment and financial viability, which both remained unchanged.

Nepal and Sri Lanka also recorded slight improvements in overall sustainability. In Sri Lanka, this was driven by positive developments in organizational capacity, financial viability, service provision, and sectoral infrastructure, despite continuously declining trends in its legal environment for CSOs. Overall CSO sustainability in Nepal improved slightly, with positive developments recorded in the legal environment, organizational capacity, and sectoral infrastructure dimensions.

While overall sustainability deteriorated slightly in the Philippines in 2021, it recorded both deteriorations and an improvement within the underlying dimensions, mirroring the trends discussed in this paper. The legal environment and financial viability of CSOs continued to decline as organizations faced further harassment and restrictions from the government and scarce financial support. However, organizational capacity recorded a slight improvement as CSOs better adapted to the operational challenges that had begun in 2020 with the onset of the COVID-19 pandemic.

In the region overall, legal environment and financial viability remain the most challenging dimensions, and the situation worsened in 2021, as described above. Six out of the eight countries covered here—Bangladesh, Cambodia, Indonesia, the Philippines, Sri Lanka, and Thailand—recorded some level of deterioration in the legal environment for CSOs, while Cambodia, Indonesia, the Philippines, and Thailand also recorded declines in financial viability. Organizational capacity remains the strongest dimension and saw improvements in six out of the eight

countries covered this year—all but Bangladesh and Thailand—again emphasizing the resilience of CSOs in the region as they overcame both legal and financial challenges to carry out their vital missions.

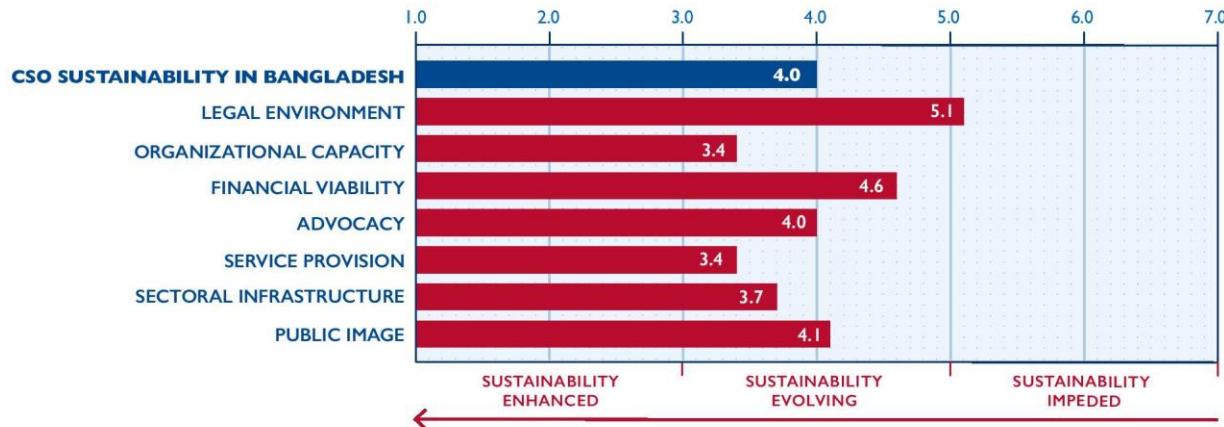
CONCLUSION

CSOs across the region again demonstrated both their importance to society and their incredible adaptability, even as wider societal challenges and government restrictions make that work increasingly difficult. The following reports offer an in-depth analysis of the state of CSO sectors in eight countries in Asia, further detailing these trends and challenges.

BANGLADESH

*Capital: Dhaka
Population: 165,650,475
GDP per capita (PPP): \$4,800
Human Development Index: Medium (0.661)
Freedom in the World: Partly Free (39/100)

OVERALL CSO SUSTAINABILITY: 4.0



Bangladesh was heavily impacted by the COVID-19 pandemic in 2021, both economically and socially. After several waves of COVID-19 outbreaks, the country at last began a gradual return to some level of stability in August 2021.

The virus was first detected in the country in March 2020, prompting the shutdown of schools and businesses and the imposition of restrictions on domestic travel and public gatherings. The national shutdown was lifted at the end of May 2020, but some restrictions continued until September 2020 and schools remained closed throughout the year. By mid-April 2021, COVID-19 cases and deaths again began to rise and the government re-imposed a strict lockdown, shuttering businesses and restricting travel and gatherings. Restrictions temporarily relaxed over the course of 2021 in response to changes in the rates of infection and were partially lifted in August. This change in policy permitted limited social, political, and religious events, but maintained a ban on all large public gatherings through the end of the year. By the end of 2021, Bangladesh had recorded nearly 1.6 million cases of COVID-19 and over 28,000 deaths. The government began to distribute vaccines in February 2021 and has since become the world's largest recipient of COVID-19 vaccines through the COVID-19 Vaccines Global Access (COVAX) initiative.

August marked a milestone for Bangladesh's gradual return to normal operations. Private sector employees largely returned to their offices, and, after some debate, schools reopened in September 2021 for the first time since March 2020. Though the government did not declare any new stimulus packages in 2021, some stimulus support from 2020 continued, including food support and low-interest loans to cottage, small, and medium enterprises (CSMEs). The economic toll of the pandemic and resulting lockdowns, however, remained heavy for all sectors in 2021, and low-income households struggled to meet even essential needs. Though real gross domestic product (GDP) growth accelerated to 6.9 percent in 2021, poverty remained a significant challenge. According to the World Bank, 11.9 percent of Bangladesh's population is below the international poverty line of \$1.90 a day, a slight improvement from 12.9 percent in 2020.

Bangladesh continues to host more than 1.1 million Rohingya refugees from Myanmar, many of whom have been in the country since 2017. The vast majority—nearly 900,000—have been living in thirty-four refugee camps within

*Capital, population, and GDP for all country reports are drawn from the Central Intelligence Agency, The World Factbook, available online at <https://www.cia.gov/the-world-factbook/>. 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>.

Cox's Bazar. In December 2020, the government began to relocate refugees from Cox's Bazar to the uninhabited island of Bhasan Char, despite initial concerns from the United Nations (UN), Human Rights Watch, and others about the quality of life on the island. By November 2021, nearly 20,000 refugees had been relocated to the island. Bangladesh also signed a memorandum of understanding with the UN High Commissioner for Refugees (UNHCR) on the issue, establishing a framework for UN support for refugee operations on Bhasan Char. Some CSOs have also begun development programs on the island.

The state of civic space in Bangladesh remained “repressed,” according to the CIVICUS Monitor’s December 2021 report. Human rights violations continued to be a concern, and CSOs, unions, and the media faced increasing obstacles to their ability to operate freely. In late March, demonstrations against the visit of Indian Prime Minister Narendra Modi turned violent as supporters of the religious hardline group Hefazat-e-Islam accused Modi of stoking communal violence against Muslims in India. Police fired tear gas and rubber bullets after protesters barricaded parts of the highway; by March 29, after several days of demonstrations and clashes between protesters and the police, thirteen people had died. The government did not conduct an investigation following the clashes and CSOs remained silent. Demonstrations and clashes again gripped the country in October after a photo was posted on social media showing a copy of the Quran at the feet of a Hindu statue, sparking attacks on Hindus and their temples.

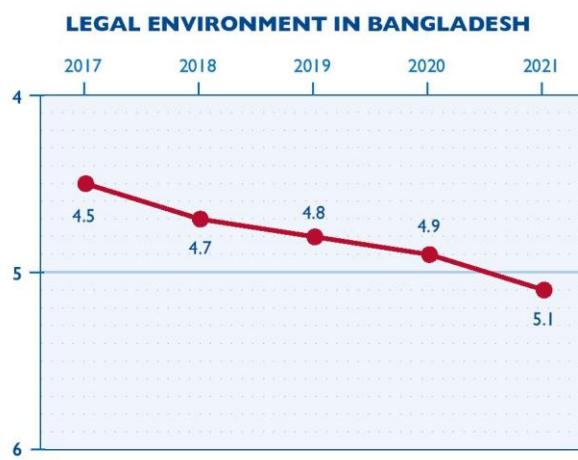
Arrests and government crackdowns for allegedly “spreading rumors” and “misinformation” on social media, particularly in response to criticism of the government’s handling of COVID-19, continued in 2021. Most of the arrests were based on the 2018 Digital Security Act (DSA), a law that contains overly broad and vague provisions granting the authorities extensive powers to police online space. The DSA also allows police to detain individuals without a warrant and has been linked to ongoing concerns of arbitrary detention and torture. The law was widely protested after writer Mushtaq Ahmed, arrested under the act and denied bail several times, died in jail on February 25. Following the protests, the government promised to review and amend the Act if necessary. At a press conference in late December 2021, the Minister for Law admitted that the DSA had been misused and abused and highlighted three steps the government began taking in 2021: dialogue with the UN Office of the High Commissioner for Human Rights (OHCHR); the creation of a committee to explore possible rules to oversee the merit of a case before it is filed; and the creation of a cell of law enforcement agencies to look at complaints before filing them as cases.

Extrajudicial killings, many of which involved the paramilitary police Rapid Action Battalion, the conventional police force, and Border Guards Bangladesh, also continued in 2021. According to Ain O Salish Kendra (ASK), 51 people were extrajudicially killed in 2021, as compared to the 196 extrajudicial killings reported in 2020. In December, the United States imposed sanctions on the Rapid Action Battalion and seven of its former and current officials for human rights violations.

The overall sustainability of CSOs in Bangladesh remained unchanged overall in 2021, with declines in four dimensions and no notable change in the remaining three. The legal environment for CSOs moderately deteriorated in 2021 as CSOs continued to face obstacles, lengthy delays, and bureaucratic harassment in legal processes, including both registration and approval of foreign support. CSOs were hesitant to carry out advocacy campaigns that may challenge the government, especially in regards to policymaking, and the public image of CSOs deteriorated slightly with an increase of negative media coverage. The organizational capacity of CSOs also declined slightly in 2021 as funding cuts limited CSOs’ ability to retain full-time, qualified staff. Financial viability, service provision, and the infrastructure supporting the sector remained unchanged in 2021.

CSOs register under various government departments, making it difficult to determine the total number of CSOs in the country. There are more than 58,000 organizations registered under the Department of Social Services (DSS). In 2019, the Department of Women Affairs reported a total of 15,398 registered CSOs; updated information was not publicly available in 2021. As of December 31, 9,029 trade unions were registered with the Department of Labor, including 142 newly registered in 2021. CSOs that receive foreign donations must register with the Non-Governmental Organization Affairs Bureau (NGOAB). As of April 2022, 2,261 Bangladeshi NGOs and 260 international NGOs were registered with NGOAB, as compared to 2,529 and 259, respectively, in 2020.

LEGAL ENVIRONMENT: 5.1



The legal environment for CSOs declined moderately in 2021. CSOs faced increasingly complicated and delayed registration and renewal processes, while restrictions on civic space more broadly continued to impede CSOs' ability to operate.

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

To receive foreign funds, CSOs must register as NGOs with NGOAB and then receive approval for every foreign-funded project. Registration with NGOAB requires approval by the Ministry of Home Affairs and the Ministry of Finances. In 2021, NGOAB canceled the registrations of twenty-two NGOs, a significant increase from the three cancelled in 2020 for legal non-compliance or irregularities. Among the twenty-two, sixteen registrations were canceled for alleged involvement in fraud, corruption, or irregularities; the remainder were canceled for failing to renew their registration on time.

Several circulars issued by NGOAB in 2021 threaten or have already begun to add further complications to registration and approval processes.

In November, NGOAB published an updated Circular of the Prime Minister's Office (PMO). Under that, domestic and international NGOs registered with NGOAB will be permitted to provide grants only to other organizations registered with NGOAB. This imposes several new requirements for rural CSOs and community-based organizations (CBOs) that previously received sub-grants but are registered under other governing laws, not with NGOAB. NGOs must also open a separate bank account for each approved project—an organization that has four approved projects must therefore open four separate bank accounts. The PMO Circular further stipulates that NGOAB will first approve the release of up to 80 percent of funding for one-year projects, with the remaining 20 percent available only after satisfactory completion of the project. This affects all foreign-funded projects, regardless of donor policies. In addition, both domestic and international NGOs must inform NGOAB within seven days of the arrival or departure of any foreign staff member.

Also under that PMO Circular, in a bid to reduce political pressure on CSOs, NGOAB revised FDRA 2016 regulations to prohibit members of parliament (MPs) or elected local representatives from being a member of any NGO's governing body or executive committee.

Other circulars impose mandatory disclosure requirements that may violate NGOs' right to privacy, including detailed monthly reports to district officials, audit reports, and the publication of budget details. In August 2021, NGOAB also issued additional requirements regarding the salaries and benefits of foreign nationals working as officials or employees of foreign NGOs in Bangladesh. The appointment letter submitted to NGOAB in reference to foreign nationals must disclose their actual salaries to allow for the collection of income tax; those salaries should be paid through a Bangladesh-based bank account; and the employee must submit an annual salary statement to NGOAB. Accordingly, the appointment of any foreign national as an employee of a foreign NGO cannot be extended without proof of bank transfer, confirmation of salary, submission of a salary statement, and income tax payment.

NGOAB increasingly delayed approvals of foreign grants in 2021. It also imposed new conditionalities in the process. For example, as in previous years, CSOs were required to demonstrate a letter of intent or commitment from a potential donor in order to apply for registration. In 2021, the November PMO Circular placed a minimum on that commitment, stating that CSOs applying for registration should have a letter from a potential foreign

donor committing no less than \$5,000; otherwise, the organization is ineligible for registration. This could be particularly challenging for smaller organizations that rely upon similarly small foreign donations.

Delays in registration also delayed organizations' ability to receive foreign funds—particularly for CSOs working in sensitive fields such as democracy, governance, and human rights. For instance, one CSO working on indigenous and human rights issues in the Chittagong Hill Tracts is registered with the district DSS. Negative reports from civilian intelligence agencies working under the Ministry of Home Affairs, such as the Department of Special Branch and National Security Intelligence, however, have delayed the approval of its registration with NGOAB, making the CSO ineligible to receive foreign funding in 2021.

A December 2021 NGOAB circular threatens to further impose upon CSO operations. Following a directive by the Department of Narcotics Control (DNC), NGOAB mandated that all NGO projects, regardless of their objectives, include anti-drug activities. While this mandate is intended to contribute to a nationwide anti-drug campaign, the vague mandate that “all NGOs in the country should be involved with anti-drug activities” leaves room for interpretation and a potentially sizable burden for organizations occupied with other work and limited budgets.

Increasing restrictions on civic space more broadly also posed challenges for CSO operations in 2021. As in previous years, the DSA was used to severely limit freedom of expression, stifling dissent and perceived criticism. According to a study by the Center for Governance Study and the Society for Media and Suitable Human-communication Techniques (SoMaSHTe), nearly half of 250 DSA cases were filed by individuals affiliated with political parties, and approximately one quarter by law enforcement agencies; the remainder were filed by other individuals. Many provisions of the DSA fail to meet the standards set out in international law and the Act is frequently used to target the political opposition and journalists. According to a report by ASK, Bangladesh saw a nearly nine-fold increase in cases filed under the DSA in 2021: at least 1,134 cases were lodged against journalists and alleged government critics, compared to 130 in 2020. In this environment, CSOs frequently practiced self-censorship and restricted themselves to activities related to water and sanitation, education, health, and the environment.

CSOs generally are permitted to engage in economic activities by selling goods and services; however, they are required to pay income tax and value-added tax (VAT) on this revenue. Income tax and VAT rates vary according to the nature of goods and services. CSOs' income from the operation of microcredit activities is exempted from income tax and VAT. NGOs registered with NGOAB are not required to pay any tax on funds received from donors, and when procuring products or services, NGOs must deduct applicable taxes and VAT. CSOs, including NGOs, are also required to deduct part of the income taxes for the salaries of staff who receive taxable income over BDT 300,000 (approximately \$3,500) per annum after including the tax-exempted incomes; that minimum is slightly higher for women and people with disabilities.

CSOs are allowed to engage in fundraising campaigns, and individuals and corporate entities that donate to CSOs focused on any of twenty-two designated public benefit purposes are eligible for income tax deductions up to 15 percent of the donation amount. Through the open bidding processes, CSOs may also enter into agreements with the government to implement various projects.

CSOs continue to have some access to legal expertise. Bangladesh Legal Aid and Service Trust (BLAST) and the Bangladesh National Women's Lawyer's Association (BNWLA) provide legal support on specific issue areas. Many CSOs, including some at the rural level, have in-house advisors with some legal background, though they are generally not experts.

ORGANIZATIONAL CAPACITY: 3.4

Organizational capacity within the CSO sector slightly deteriorated in 2021, primarily due to challenges in retaining full-time staff. Broad constraints—particularly funding cuts and restrictions on civic space—increasingly pushed CSOs to close, scale down, diversify, or adjust their focus to become implementers of government projects or work in line with government policies. This particularly impacted smaller CSOs that were already struggling with limited resources. COVID-19 restrictions also impeded CSOs' ability to carry out their strategic plans in 2021, though many were able to continue work online as they had in 2020.

As in 2020, periodic restrictions on travel and public gatherings especially impacted CSOs working with poor and marginalized communities and they continued to struggle to meet with their key constituents, who frequently lacked the technology required for online communication. CSOs' ability to engage with constituents somewhat improved in 2021, however, as CSOs grew more adept at using technology to ensure continued engagement and, perhaps most significantly, as the easing of COVID-19 restrictions allowed a return to normal operating procedures towards the end of the year. Still, for some, readjusting to in-person operations took time, and many international NGOs continued to work from home until December.

CSOs determine the needs of their beneficiaries and frequently engage them in the implementation of the resulting activities, though not continuously.

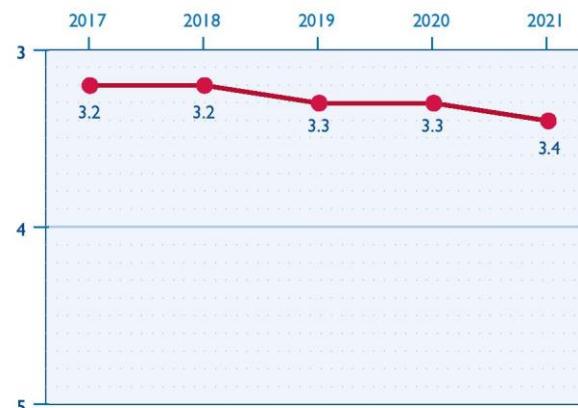
Most large CSOs have well-written strategic plans that articulate clear organizational missions, objectives, and strategies. Strategic planning continues to be difficult for new and small organizations, which instead tend to focus on the implementation of short-term projects. The implementation and development of those plans also depends on the availability of funding, and the increasingly restrictive civic space in 2021 spurred some CSOs to readjust their missions and focus areas in order to implement government projects or be more in line with government policies. COVID-19 restrictions continued to limit CSOs' ability to carry out planned activities in 2021.

Most CSOs have well-written constitutions, which are required in order to register. In general, these constitutions clearly state an organization's purpose and objectives, core values, code of ethics, governing bodies, beneficiaries, management structures, and operational procedures. Larger CSOs typically have more clearly defined management structures and roles and responsibilities of board members and staff. Some large and medium-sized CSOs have highly professional governing bodies, but other CSOs have governing bodies primarily to comply with their constitutions and these bodies only approve documents.

Most CSOs contract staff on a project basis due to their dependence on short-term donor funding, and only a few have core staff members who work beyond project periods. In 2021, dwindling funds spurred worsening staff retention rates. The quality and management of human resources also deteriorated due to limited budgets for training or capacity-building interventions. Staff training is therefore largely limited to project-specific capacity building at the start of new programs. Many CSOs depend on volunteers for the implementation of community-based programs. According to the Charities Aid Foundation's (CAF) World Giving Index 2021, which reports data from 2020, 13 percent of respondents in Bangladesh indicated that they had volunteered in the previous month.

CSOs typically have adequate access to the internet and information and communications technology (ICT), and many larger CSOs have expertise in internet-based information management systems and use modern software to track results and manage their finances. The shift to more remote and online work that began in 2020 continued in 2021, and many organizations continued to develop their technical skills and capacities.

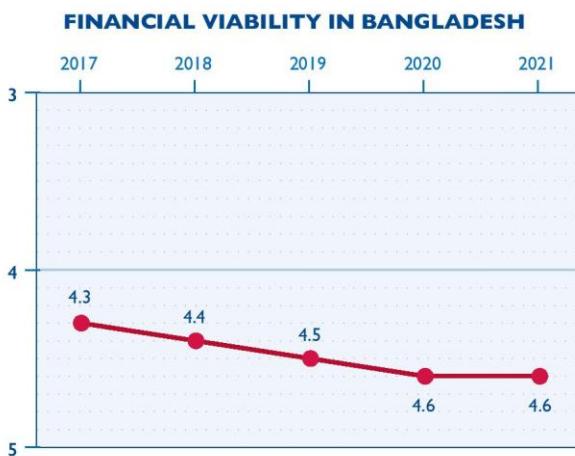
ORGANIZATIONAL CAPACITY IN BANGLADESH



FINANCIAL VIABILITY: 4.6

The financial viability of the CSO sector remained unchanged overall in 2021. Though the amount of foreign funds approved by NGOAB increased, CSOs received notably less of it in 2021 than they did in 2020. The continuing shift toward emergency needs, together with limited local support, also spurred funding cuts for some areas within the sector.

The CSO sector in Bangladesh has long depended heavily on foreign donors, including multilateral institutions like the World Bank, Asian Development Bank, and UN, and bilateral donors such as USAID, the United Kingdom's Foreign, Commonwealth, and Development Office (FCDO), and the Swedish International Development Cooperation Agency (Sida). Given the continued financial impact of COVID-19, however, while the amount of foreign funds committed to CSOs in Fiscal Year (FY) 2020–21 increased compared to the previous year, it



\$279 million) between 2016 and 2021. This in turn forced cuts in BRAC's previously-significant programming and local support.

In addition to COVID-19 relief, though little data is publicly available, experts suggest that much of the foreign support CSOs have received has continued to shift toward the Rohingya crisis. As a result, traditional service areas such as health, education, gender, and human rights and governance have been particularly limited by the funding shortage. Smaller organizations continued to be most heavily impacted. According to a July 2020 survey by the Citizens' Platform for the Sustainable Development Goals (SDGs), 90 percent of NGOs working at the district level have been short of resources during the COVID-19 crisis.

Local support remained limited in 2021. The government sometimes provides funding to CSOs under specific projects. Though no data was publicly available, this funding generally focuses on health, education, and agriculture, and in most cases benefits CSOs with good relationships with the government. As the government expanded its work in public health, water and sanitation, and combating the spread of COVID-19, CSOs had more opportunities to engage with and mobilize public funds.

Corporate social responsibility (CSR) is still not well developed in Bangladesh, in part because CSOs lack adequate strategies and guidelines to mobilize CSR funds. To encourage CSR, the National Board of Revenue gives corporations tax exemptions for donations in twenty-two sectors. According to Bangladesh Bank reports, CSR spending from banks and financial institutions declined in 2021, dropping from approximately BDT 9.8 billion (approximately \$104 million) in 2020 to BDT 7.6 billion (\$80 million).

Fundraising and local individual support for CSOs also remained limited in 2021, given the ongoing economic crisis. *Zakat*, annual Muslim almsgiving, makes up a large portion of individual giving every year. The Islamic Foundation, which manages the zakat fund, collected BDT 35.3 million (approximately \$380,000) in 2021, along with material support for the poor. Individuals may choose the beneficiary of the zakat, ranging from orphanages and CSOs to government institutions; in 2021, CSOs like SOS Children Village and the Mastul Foundation ran campaigns to attract zakat funding, but their success in that fundraising push is not clear.

Many CSOs seek to identify alternative sources of income to enhance their sustainability, but only a few have been successful in developing social business models. Some large NGOs have continued to become increasingly revenue-oriented by establishing social enterprises, introducing fees for services, and renting out training centers. In 2021, however, social enterprises continued to be somewhat impeded by COVID-19 lockdowns.

Large CSOs have systematic financial management systems, and most local NGOs undergo independent audits to meet NGOAB requirements. However, only a few large national CSOs and international NGOs regularly publish their annual audit reports.

remained notably lower than pre-pandemic amounts. At the same time, though NGOAB approved \$994,729,477 committed to 2,004 projects, only \$779,246,853 was released. The cause of this difference is not publicly available, but experts suspect that it is primarily due to the logistical difficulties brought about by COVID-19, which forced a pause on many planned CSO activities. In contrast, in FY 2019–20, NGOAB approved \$910,800,553 in foreign funding for 1,655 projects, and \$945,804,131 was released (including some funds from the previous year).

Also in 2021, FCDO withdrew from a strategic partnership arrangement with BRAC, one of the largest NGOs in the country, that had previously provided flexible funding totaling £223 million (approximately

ADVOCACY: 4.0

CSO advocacy deteriorated slightly in 2021 as CSOs continued to have limited access to government decision-making processes and engaged in greater self-censorship.

Typically, CSOs participate in steering committee meetings of various ministries as well as district and sub-district coordination meetings. Since the onset of COVID-19 restrictions in 2020, however, CSOs have had few opportunities to hold discussions with government authorities and policymakers. This negative trend continued in 2021, even after the lifting of COVID-19 restrictions in August.

However, in a few areas, such as socio-economic development and health, the government welcomed input and cooperation from civil society. Issues related to the SDGs were particularly fruitful opportunities for CSO cooperation with the government in 2021. For instance, the Citizen Advocacy Platform on SDGs secretariat at Center for Policy Dialogue (CPD) held dialogues to take stock of SDG progress in the context of COVID-19 and consider the way forward for government and CSOs.

Cooperation on gender issues increased in 2021 with the government's establishment of service desks at police stations to provide support for victims of domestic violence. Memorandums of understanding (MoUs) signed between several CSOs and local police stations established CSOs as an initial point of contact for victims. This both recognized the value of CSO work and provided more opportunities for them to advocate and engage on issues of women's rights, trafficking, and violence against women. This improved cooperation and role for CSO advocacy was all the more important as the need for such support increased in 2021.

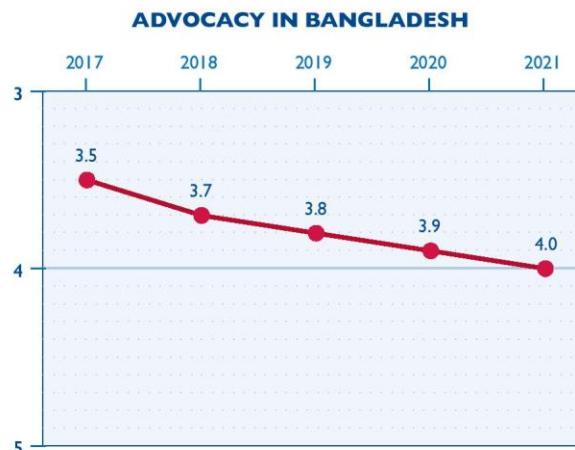
Also in 2021, with support from the Global Health Advocacy Incubator, the CSO Progga was actively involved in the drafting of and advocating for a new government regulation to limit trans-fat, making Bangladesh one of at least forty countries that have adopted trans-fat regulations in line with World Health Organization recommendations.

Beyond these areas of shared interest, however, CSOs remained hesitant to get involved in advocacy that may run counter to government policy, and therefore increasingly engaged in self-censorship and became more strategic about what issues they did address in 2021. Given the environment of impunity for crimes against or harassment of voices of opposition, those CSOs working on rights and governance issues were especially more likely to limit public criticism of the government.

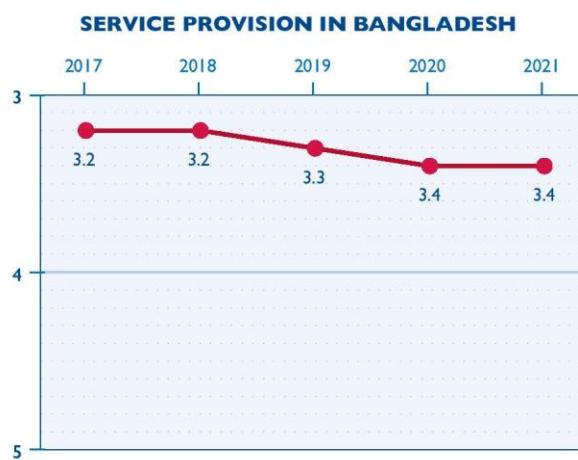
In large part, this rise in self-censorship was worsened by the significant increase in DSA cases: as discussed earlier, in 2021, at least 1,134 cases were lodged against journalists and alleged government critics, compared to 130 in 2020. High profile incidents such as the death of writer Mushtaq Ahmed in jail and the detention and torture of cartoonist Ahmed Kabir Kishore, also in February 2021, spurred CSOs and activists to continue to demand the repeal of the vague sections of the DSA. While CSOs like SoMaSHTe researched and monitored the application of the DSA, journalist associations such as the Bangladesh Federal Union of Journalists and Dhaka Reporters Unity staged protests and held dialogues with government officials, including the Minister for Law, Justice, and Society and the Minister of Information. In December, the ongoing advocacy against the DSA achieved some success when the government confirmed that journalists could not be arrested simply on an allegation; rather, that allegation must first be verified.

In 2021, CSOs continued public policy advocacy, online and in-person, on various issues, including the safeguarding of children. For instance, in December, BLAST, Save the Children Bangladesh, and Prothom Alo held a roundtable and called upon the government to amend the Children Act 2013 and ban cruelty towards children, including inhumane and humiliating physical and mental punishment.

In 2021, as in 2020, local, national, and international CSOs did not actively advocate for CSO law reform.



SERVICE PROVISION: 3.4



CSO service provision remained unchanged overall in 2021. Though CSOs were able to somewhat expand their reach and activities with the easing of COVID-19 restrictions, financial challenges continued to limit their ability to meet the large and evolving need for services.

Typical CSO services range from areas such as health, water and sanitation, and housing, to education, microcredit, and agricultural technical skills. In 2021, particularly before and after the reimposition of COVID-19 lockdowns, CSOs were able to resume some of their regular services that had been paused in 2020. During these periods, CSO personnel were able to move more freely and permitted to hold in-person meetings.

Regardless of the continuing financial scarcity, some CSOs were able to reorient their project strategies,

activities, and support in order to expand their reach and provide more services to meet the immediate needs of their constituents in 2021, especially the most urgent needs brought on by the impact of COVID-19. For instance, Manusher Jonno Foundation (MJF), which primarily focuses on promoting rights and good governance, in 2021 continued to shift some of its efforts to providing communities with personal protective equipment (PPE), sanitizer and disinfectants, and nebulizers.

CSOs continued to strive to reach their key communities, though these efforts remained only moderately successful given periodic COVID-19 restrictions. In 2021, CSOs continued to work through local volunteers, local government representatives, and virtual platforms such as texts, group calls, and social media. As many of their regular activities and programs remained limited, postponed, or shut down, CSOs also worked to disseminate knowledge and information through virtual sessions.

While CSOs strive to be responsive to the most urgent needs of their constituents and communities, they have struggled to adequately respond to the evolving nature of those needs, particularly among the poor. In 2021, CSOs were able to adjust some of their regular programs in order to provide tangible support such as food, cash, and referral services, but recent demands for loans and educational and technical skills, for instance, have not been sufficiently addressed.

CSOs rarely charge fees for their services, as their target groups are unable or unwilling to pay for services and the public generally expects CSO services to be free. CSOs generally provide services without discrimination in regards to race, gender, or ethnicity.

CSOs working on socio-economic development programs were sometimes able to work alongside the government, and the government recognized the value of CSO contributions in that sector. CSOs attempting to implement projects in areas outside of socio-economic development, however, faced frequent restrictions and received little to no government recognition or support. Government officials were particularly critical of CSOs working in the areas of human rights, governance, and democratic reform.

SECTORAL INFRASTRUCTURE: 3.7

The infrastructure supporting CSOs in Bangladesh remained unchanged overall in 2021.

Large CSOs such as BRAC, Thengamara Mohila Sabuj Sangha (TMSS), Proshika, the Association for Social Advancement (ASA), Dhaka Ahsania Mission, and Caritas Bangladesh typically offer CSOs training, workshops, and meeting space. In 2021, many of the centers run by these organizations were able to re-open partially due to the gradual withdrawal of the pandemic restrictions. CSOs began to transition back to in-person operations and renting out venues for training and other capacity-building events. However, as CSOs focused on reinvigorating

their core programs in 2021, most were not able to extend their operations to more actively engage with or support the broader sector.

CSOs providing training and other capacity-building programs also continued to face difficulties in 2021, particularly while COVID-19 restrictions were in place. As those eased in August, some began to return to in-person meetings and trainings. Domestic and international organizations such as MJF, Care International, Oxfam, Christian Aid, and UN agencies continued to provide CSOs with grants to build their technical and organizational capacities. However, these services still do not fully meet CSOs' needs and tend to benefit larger CSOs.

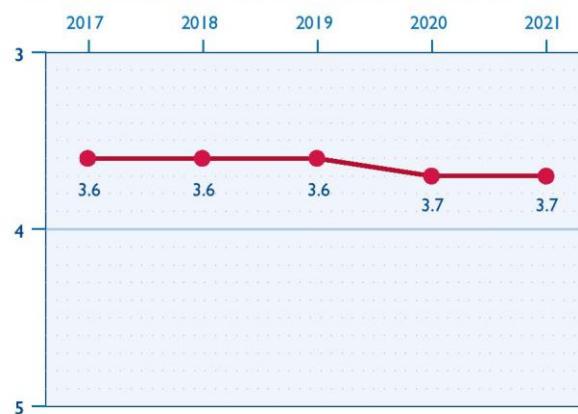
Sub-granting from large CSOs to smaller CSOs also continued to decline in 2021 due to the broader funding limitations. Such local grantmaking threatens to be further limited by the new stipulation under the PMO Circular that NGOs registered with NGOAB may only sub-grant funds to organizations also registered with NGOAB.

CSOs belong to many networks, coalitions, and forums, including Citizen Platform of SDGs in Bangladesh, the Right to Information Forum, Kapaeene Foundation, Bangladesh Adibashi Forum, Shishu Adhikar Forum, and the Girl Child Advocacy Forum. While there are several issue-based networks, due to funding limitations, all struggled to have real impact in 2021. Previous collective actions on environmental issues, gender, disability rights, and the rights of the indigenous and Dalit communities were largely inactive in 2021 as CSOs instead focused primarily on survival.

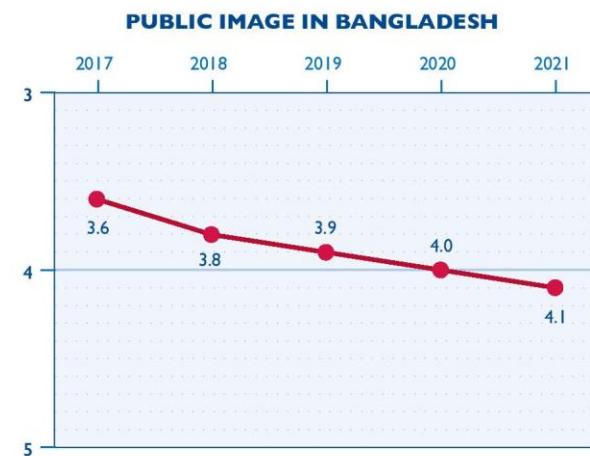
In late December 2020, BRAC led the creation of a new platform that aimed to bolster collaboration across the sector and with the government on issues ranging from COVID-19 relief to climate change. No information on progress through the platform in 2021 was available.

CSOs continued to form partnerships with international NGOs, UN organizations, and ministries in sectors like health, climate change, education, nutrition, and child and women's rights. Experts also observed that, in 2021, several donors preferred to fund projects either through government agencies or with CSOs working alongside government projects—sometimes bypassing more experienced CSOs or those with greater capacity in the process—further encouraging such partnerships.

SECTORAL INFRASTRUCTURE IN BANGLADESH



PUBLIC IMAGE: 4.1



The public image of the CSO sector deteriorated slightly in 2021, primarily due to an increase in negative media coverage.

Media coverage continued to be mixed in 2021 but deteriorated overall. Some outlets, both national and local, continued to cover positive aspects of CSOs' work, particularly in regards to COVID-19 prevention and relief efforts. However, more negative attention was placed on CSOs' forced collection of microcredit installments in the midst of the pandemic to cover their own financial losses. Media coverage of CSO work was somewhat limited at the local level in 2021, and those organizations that did receive coverage tended to be the larger CSOs. Given the overall and increasing culture of self-censorship, national and local media also tended not to cover the increasing restrictions facing civil society and CSO operations in the country.

The public perception of CSOs remained largely negative in 2021, unchanged since 2020. With the start of the COVID-19 pandemic in 2020, CSOs' difficulty in meeting the growing need for essential services spurred criticism. In 2021, even as CSOs like TMSS and Gono Unnayan Kendra (GUK) drew from internal resources to try to meet those urgent needs, public attention turned instead to speculation of CSO involvement in corruption, bribery, and noncompliance with national standards. Negative perceptions also arose from some organizations' forced collection of microcredit installments during the COVID-19 lockdown. Human rights organizations continued to be criticized in 2021 for not taking a more active stance against violations by government actors, particularly in the Chittagong Hill Tracts.

The government continued to recognize the contribution of CSOs to social development, especially their work in poverty reduction, health care, education, and microcredit programs, and largely remained supportive of those interventions in 2021. CSOs working in the areas of human rights, governance, and democratic reform, however, remained targets for criticism and bureaucratic harassment.

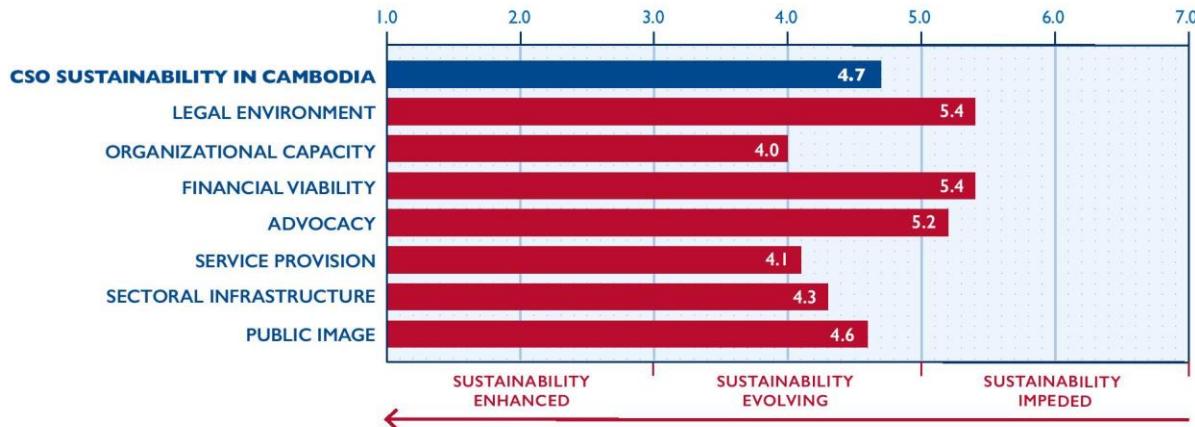
CSOs continued to utilize their websites, online platforms, and social media to promote their missions and activities. Social media continued to gain traction in the country as a platform for civil society and activism. For instance, in response to the communal violence that took place during the Durga Puja Hindu festival in October, CSOs used social media to raise awareness on behalf of the victims and speak against the attacks. This type of proactive engagement, alongside the use of social media to report about their activities and outcomes, helped CSOs to connect with the wider society.

Different registration authorities require CSOs to submit various reports. As in previous years, many CSOs published periodic and annual reports, including activity reports and financial information.

CAMBODIA

Capital: Phnom Penh
Population: 16,713,015
GDP per capita (PPP): \$4,200
Human Development Index: Medium (0.593)
Freedom in the World: Not Free (24/100)

OVERALL CSO SUSTAINABILITY: 4.7



The political environment in Cambodia remained tense in 2021. Although several political parties are active in the country, the Cambodian People's Party (CPP) has continued to consolidate power. In 2017, the Supreme Court dissolved the primary opposition party, the Cambodian National Rescue Party (CNRP), for alleged plans to overthrow the government, sparking international condemnation and making even semi-competitive elections impossible.

Cambodia was again classified as “not free” by Freedom House in 2021. Freedom of expression remains particularly at risk as the ruling party cracked down on topics it considered sensitive, such as land rights, political representation, and criticism of the government’s response to the COVID-19 pandemic. Lawsuits, criminal prosecutions, and tax regulations were frequently employed to silence detractors. The government crackdown on independent media, begun with the closing of *Cambodia Daily* in 2017, continued to cause concern in 2021 when the state announced the creation of a new fifteen-member Monitoring Committee for Journalism Ethics. The committee is composed primarily of government officials and is charged with monitoring and evaluating the “ethical conduct” of journalists and media outlets. Journalists and media rights NGOs warn that the committee could allow the government to more heavily restrict independent media coverage and harass journalists. Freedom of expression faces further threat from the impending activation of a national internet firewall, which will require that all internet traffic be routed through a single, government-controlled chokepoint.

The COVID-19 health crisis remained a major disruption to daily life and civil society operations in 2021. At the start of the year, the World Health Organization (WHO) reported that Cambodia had only experienced 382 confirmed cases of COVID-19 and no deaths. However, cases spiked beginning in late February 2021, sparking a third wave of the virus dubbed the “February 20 community event.” By the end of 2021, a total of 120,464 cases and 3,009 deaths were confirmed.

To mitigate the effects of the pandemic, the government continued to impose several COVID-19 restrictions in 2021. The Law on National Management in the State of Emergency, signed in April 2020, provided the government with sweeping powers over the media and the ability to ban or limit foreign and domestic travel, gatherings, and professional activities. The law also enabled the government to seize property and mobilize or displace populations as needed, fix the price of goods and services, carry out unlimited digital surveillance, impose quarantines, close public or private places, and perform any other activities deemed necessary. Though it has not yet been invoked, the risk of abuse and misapplication of the law remained a real concern for civil society. In March 2021, the Law on Measures to Prevent the Spread of COVID-19 formally ratified government powers related to the pandemic, including the ability to “ban or restrict any gathering or demonstration” in order to prevent the spread of COVID-

19. Lockdown orders in Phnom Penh were extended from April to October 2021, and government authorities strictly enforced restrictions on movement in select COVID-19 “red zones” in the city. Police reportedly enforced the zones using violence, including instances of caning violators, and the Ministry of Information ordered journalists to halt reporting from the areas.

The health crisis also continued to negatively impact the economy in 2021. Prior to the pandemic, Cambodia’s gross domestic product (GDP) had an average annual growth rate of 7.1 percent; in 2021, the growth rate dropped to 2.2 percent. This decline was primarily due to the strain on key industries like tourism, garments, and footwear. According to the World Bank’s December 2021 economic report, the travel and tourism sector in the country had virtually collapsed, along with the livelihoods of many of the 2 million workers employed in the sector. The disruption was partially offset by the government’s cash transfer program, launched in June 2020 and extended to December 2021. By October 2021, 19 percent of all households in Cambodia had received a cash transfer through the program.

Cambodia continues to be ranked low in terms of overall development performance. Cambodia’s 2019 Human Development Index (HDI) value was 0.594 out of 1.0, positioning it at 144 out of 189 countries; after adjusting for inequality, that number drops to 0.475. Cambodia improved slightly in Transparency International’s 2021 Corruption Perception Index (CPI), receiving a score of 23 out of 100 compared to 21 the previous year, and ranking 157 out of 180 countries. In the 2021 Economic Freedom Index, Cambodia ranked 106 out of 186 countries, a slight improvement since 2020.

The overall sustainability of the CSO sector in Cambodia did not change notably in 2021. Though legal environment, financial viability, advocacy, and sectoral infrastructure all registered slight deteriorations in 2021, organizational capacity recorded a slight improvement, while service provision and public image remained unchanged. Deteriorations in the space were primarily spurred by ongoing government restrictions and harassment, both in response to COVID-19 and more broadly, and decreasing available funds. At the same time, however, CSOs improved their adaptability and were able to better retain staff in 2021. While the public rewarded their work in the midst of the health crisis with greater trust and understanding, media coverage of CSO contributions remained limited.

Most CSOs focused on service delivery in 2021. A small number of organizations continued to work on human rights, democracy, and the environment, and donors continued to support CSOs working in the health, education, social protection, gender, human rights, democracy, environment, and knowledge sectors. Information on sub-national CSOs remains limited, but restrictions on movement during lockdowns resulted in reports of suspended activities.

April 2019 figures remain the latest estimates of NGO registration. At that time, the Phnom Penh governor reported that there were approximately 5,523 local NGOs registered with the Ministry of Interior (MOI) and 419 international NGOs with signed memorandums of understanding with the Ministry of Foreign Affairs and International Cooperation (MOFA). In addition to associations and NGOs, there are thousands of community-based organizations (CBOs), communities, and networks, which are largely unregistered and informal.

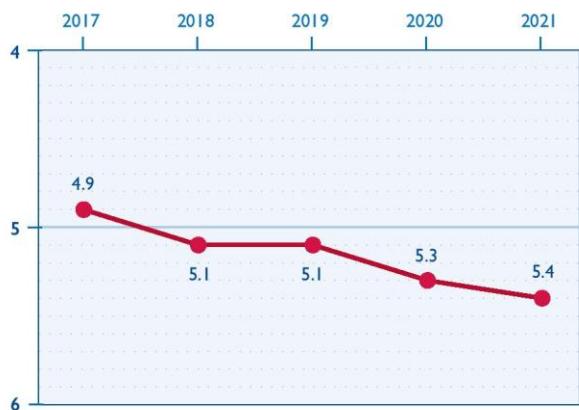
LEGAL ENVIRONMENT: 5.4

The legal environment governing CSOs deteriorated slightly in 2021 as newly adopted laws further threatened civil and political rights.

In 2021, CSOs continued to face challenges in complying with existing regulations, including the Law on Associations and Non-Governmental Organizations (LANGO), the Law on Trade Unions (LTU), the Law on Telecommunications, and the broader criminal codes.

LANGO, the most constricting of those laws, distinguishes between local and international CSOs. Local CSOs must register with MOI. To do so, an organization must first obtain approval from the local authorities where it plans to operate, and both the director and chief of finance of a local CSO must be Cambodian citizens. An international CSO must register by entering into a memorandum of understanding (MOU) with MOFA, then signing a project agreement with MOFA before it can begin work. MOUs are valid for three years and must be renewed prior to their expiration. LANGO still lacks procedural guarantees and provides the government with significant discretion to determine whether to accept or reject an organization’s application for registration. For

LEGAL ENVIRONMENT IN CAMBODIA



COVID-19 measures. According to Human Rights Watch, within two months of its adoption, over 100 people had been charged with violating the law.

In February, the government issued a sub-decree on the Establishment of the National Internet Gateway, which will allow it to monitor all internet activities and grant the authorities broad powers to block internet connections. Though the government claims the move will help tackle cybercrime, activists warn that it is designed primarily to crack down on free speech. The gateway was expected to begin operating in early 2022, but given the government's lack of technical capacity, implementation remains delayed.

Cambodia's Law on Telecommunications, in force since December 2015, established the Telecommunication Regulator of Cambodia and granted it extensive control over telecommunication information and data. While the law was allegedly passed to address cybercrime, fraud, and other forms of online abuse, human rights groups continued to express concern that it is a pretext for gathering private online data and stifling political activism. This concern has been enhanced by the prospective National Internet Gateway.

Dissent was further discouraged in December 2021 when the government issued a *prakas* (proclamation) forbidding monks to take part in labor strikes and political protests. Though the full impact of this was not yet visible in 2021, the move threatens to delegitimize such protests by forbidding what had previously been vocal support from religious leaders.

Cambodia's authorities continued to interfere with CSO operations and threaten and harass activists in 2021. According to the Cambodian Center for Human Rights' Fundamental Freedoms Monitor Project (FFMP), more than 300 restrictions and violations of fundamental freedoms occurred across Cambodia in 2021; 77 percent of these incidents impeded upon lawful online expression.

In August, trade union leader Rong Chhun (who was arrested in July 2020) and two political opposition members were convicted of incitement for comments on community land loss. They will spend between twenty months and two years in prison and face large fines. Environmental activists faced similar treatment. In May, five Mother Nature Cambodia (MNC) activists were convicted of incitement and sentenced to eighteen to twenty months in prison. The activists had raised concerns over the filling-in of a lake in Phnom Penh and its expected negative environmental impacts. In July, the authorities imposed additional charges of conspiracy against three of the activists.

In another blow to political freedom, in 2021, Cambodia's courts held a series of mass trials of over one hundred political opposition members and dozens of human rights defenders for exercising their rights to freedom of expression and peaceful assembly. According to Human Rights Watch, over sixty political prisoners were still behind bars at the end of the year.

There were no notable changes to CSO taxation in 2021. The Taxation Law provides CSOs with income tax exemptions, and a *prakas* issued by the Ministry of Economy and Finance (MOEF) in April 2018 clarified that such tax exemptions apply only to income exclusively received for religious, charitable, scientific, literary, or educational purposes that have been approved by the ministry. CSOs remained concerned about the costs of compliance and worry about the low level of understanding of taxation requirements at provincial and sub-national levels.

example, Article 24 of LANGO specifically calls for "neutrality towards political parties." Politikoffee, a discourse network, was unable to register for NGO status in 2021 because local authorities remained wary about its mission to discuss politics.

The threats inherent in the Law on National Management in the State of Emergency, though it had not yet been invoked, continued to constrain CSO operations and daily life in 2021, while several newly adopted laws built upon these concerns and curtailed rights to freedom of expression, peaceful assembly, and association. In March, the government adopted the new COVID-19 Law on Measures to Prevent the Spread of COVID-19 and other Serious, Dangerous and Contagious Diseases, providing for up to twenty-year prison sentences for violations of

CSOs are not subject to any legal restrictions on their ability to seek funding from a diverse range of sources, including international donations and social enterprise models. However, those CSOs with objectives that do not necessarily align with government policies frequently experience harassment and legal pressure, as described above, which can in turn dissuade some donors from partnering with or supporting them.

Local legal capacity slightly improved in 2021, and several organizations were able to provide CSOs with legal consultations and support. These included, for instance, the Cooperation Committee for Cambodia (CCC), Legal Aid Cambodia (LAC), the Cambodian League for the Promotion and Defense of Human Rights (LICADHO), Transparency International (TI) Cambodia, and members of the Bar Association of the Kingdom of Cambodia (BAKC).

ORGANIZATIONAL CAPACITY: 4.0

Organizational capacity in the CSO sector improved slightly in 2021. Though the political environment continued to pose impediments to normal operations, CSOs were able to adapt to the “new normal” under COVID-19 and strengthen their strategic planning and technical capacities. As many organizations continued to shift priorities toward service provision in response to the health crisis, they demonstrated resilience in the face of financial and personnel limitations.

In January and early February, travel across the kingdom was largely unrestricted and organizations were able to offer support, get feedback, and engage with projects at the community level. As pandemic restrictions and lockdowns increased in late February, however, CSOs encountered a variety of challenges to their operations and efforts to build constituencies. Organizations working in traditional service delivery areas such as health, education, and livelihood were most directly impacted by the pandemic restrictions and lockdowns. Those CSOs were forced to alter their activities in order to adhere to the government’s safety guidelines, resulting in the mass adoption of digital platforms for meetings and knowledge dissemination activities. In many cases, this digital adaptation enabled CSOs to strengthen ties with their constituencies.

Women’s advocacy organizations such as Klaahan adopted a greater degree of digital advocacy and continued to focus their research in 2021 on the pandemic’s impact on women. In the process, they were able to expand their constituencies, particularly among younger audiences online. NGOs in the education field shifted toward helping teachers and students to bridge the digital divide as schooling moved online for the majority of the year. Organizations in the knowledge sector were able to expand their operations in 2021 due to available funding for pandemic-related research and policy recommendations.

In 2021, the majority of registered CSOs operating at the national or international level had strategic plans, but planning at the grassroots level remained limited to immediate project scope. As in previous years, CSOs faced challenges implementing their strategic plans. CSOs’ goals and missions continue to be heavily influenced by donor priorities, given their dependence on donor funding, and programs focus on generating outputs, often with a diluted focus on longer-term impact and sustainable outcomes.

LANGO mandates that CSOs develop formal management structures, including boards of directors to provide strategic and financial oversight and organizational regulations for human resource management and other issues. National CSOs must notify MOI if they have a change in executive director, finance director, or a member of the board of directors. In 2021, many CSO boards were more actively engaged than in previous years, given the need for additional strategic guidance to navigate the challenges during the year. Still, according to CCC’s CSO Road Map 2020–2025, CSOs under the CCC umbrella continue to face notable limitations in collaboration, capacity, management succession planning, and ownership.

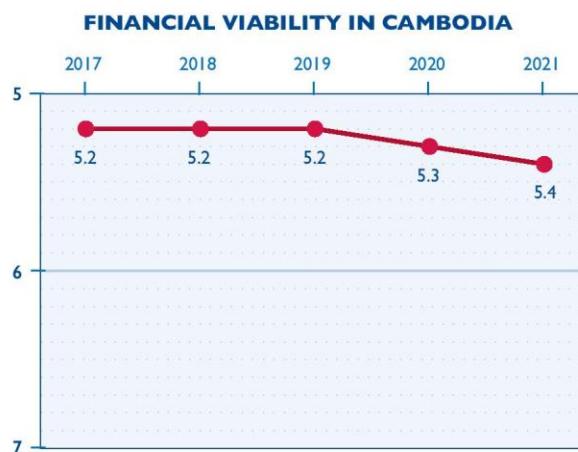
ORGANIZATIONAL CAPACITY IN CAMBODIA



Across the sector, CSOs faced fewer problems retaining qualified staff in 2021, largely due to limitations elsewhere: previously, staff were often lost to the more competitive benefits and salaries available in the private sector, but the uncertainty of the pandemic limited the number of alternative position openings. CSOs receiving foreign support—typically those that operate at the national or international levels—also generally retained sufficient human resources and financial management capacity. Regardless, the increased need for CSO services continued to place pressure on limited staff resources and capacity. Pandemic travel restrictions limited CSOs' ability to engage international volunteers in the field, while the level of local volunteers remained unchanged compared to previous years.

Both domestic and international CSOs, especially those based in Phnom Penh and Siem Reap, had access to dependable internet and good information communication technology (ICT) equipment, and they increasingly used social media for outreach. However, while many organizations have vastly improved their technical proficiency since the onset of the pandemic, technical capacity remains uneven across the sector due to constraints around internet access, staff skills, and access to adequate ICT equipment.

FINANCIAL VIABILITY: 5.4



period between one and three years, and 37 percent reported financial support of six months to one year.

CSOs remained heavily dependent on international donor support, both to operate (particularly for overhead costs) and to implement programs. Key foreign donors in 2021 included the World Bank, the Asian Development Bank, and the Open Society Foundation (OSF). In addition to these and the European Union (EU), Cambodian CSOs also received support from bilateral donors like the United States, Japan, Australia, and, increasingly, China.

In 2021, the pool of donor funding continued to increase, in large part due to the development community's continued support for activities to mitigate the impact of COVID-19. For instance, Australia pledged \$50 million to support Cambodian vulnerable populations, and the United Nations Development Programme (UNDP) launched an economic and social impact assessment to support post-COVID-19 development. CSOs in the knowledge sector, including the Asian Vision Institute, Cambodian Development Research Institute, and Future Forum, also benefited from an increase in foreign funding opportunities focused on strengthening CSO capacity, developing public policy analysis, and strengthening collaboration between CSOs, the government, and the private sector. For instance, in December, The Asia Foundation's Ponlok Chomnes program supported a National Policy Forum on Cambodia's COVID-19 Recovery Pathways, providing a platform for CSOs and government officials to exchange research findings and recommendations.

However, the pool of organizations receiving foreign funding also continued to narrow, given CSOs' various capacities in grant writing, financial reporting, monitoring and evaluation, and report writing. CSOs at the village and district levels particularly lack the necessary financial and human resources to successfully procure such funding. CSOs also reported more difficulties in receiving foreign funding in 2021 due to bureaucratic hurdles. Articles 25 and 27 of LANGO place burdensome reporting requirements on CSOs that receive foreign funding

Financial viability deteriorated slightly in 2021 and continues to be one of the weakest dimensions of CSO sustainability in Cambodia. CSOs primarily have access to short-term funding sources and very few organizations have any degree of financial sustainability. Donor funding continued to shift toward pandemic relief and away from traditional programming, and CSOs struggled to access financial support and usual fundraising opportunities due to travel restrictions and the shift to online work.

Even where funding does exist, the sustainability of that funding is an ever-present issue. According to CCC's CSO Road Map 2020–2025, in 2020, 22 percent of member CSOs reported securing their funding for periods of between three and five years, 41 percent reported that their financial support was secure for a

and respondents to a 2021 FFMP survey reported that banks required excessive details, all of which presented obstacles to CSOs with already-constrained capacities.

Domestic funding to support CSO operations remains scarce and public fundraising campaigns are rare. In 2021, CSOs received some local support through digital platforms for banking and ride sharing, through which donations could be made to CSO partners in the system, but it is unclear how much support the platforms generated. Some CSOs also receive funding through diaspora and individual donations but these are limited. CSOs do not generally collect membership fees.

Some CSOs continued to develop potential revenue-generating streams through social enterprises. For example, the youth empowerment organization Friends International utilizes a social enterprise model in which it runs cafes to generate revenue for its training and support programs for at-risk Cambodian youth. However, with the rise of COVID-19 cases in 2021, such venues were temporarily closed. At the same time, social enterprises' usual reliance on foreign tourism for support continued to be hampered by global travel bans.

Generally, attempts to diversify revenue streams risk overstretching operations that can no longer deliver their intended outputs, and these sources of funding remain limited and insufficient. Burdensome disclosure requirements also threaten CSOs with potentially heavy taxation as a result of non-traditional revenue streams.

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

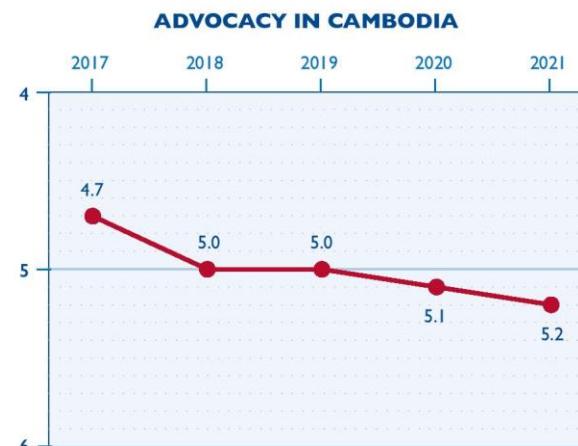
ADVOCACY: 5.2

CSO advocacy deteriorated slightly in 2021, heavily impacted by Cambodia's limited civic space, state harassment of activists and resulting self-censorship, and an absence of legal frameworks for lobbying. Advocacy in the fields of environment, human rights, labor rights, and political representation are particularly off limits.

High-profile cases, such as the mass trial of former CNRP party members and the detention of environmental activists, have added to CSOs' reluctance to express their opinions. Human rights organizations and networks such as LICADHO continue to advocate for the release of jailed human rights defenders and political prisoners, while remaining some of the few public voices of opposition. Media outlets operating within the kingdom also primarily avoid direct criticism, leaving international outlets like Voice of America and The Diplomat to lead critical reflection. A 2021 report by CCC found that safety and security have become high priority concerns for most CSO staff, due to both the threat of COVID-19 and pandemic restrictions and the weight of new laws and regulations.

According to a survey by FFMP, just 53 percent of CSO and trade union leaders reported feeling "very free" or "somewhat free" to express themselves, down from 61 percent in 2020. This was the lowest level yet, showing continued declines from 74 percent in 2016. At the same time, 84 percent of CSO and trade union leaders reported regularly self-censoring. Overall, just 42 percent of individuals polled feel free to speak in public, and just 47 percent feel free to speak on social media. This trend shows that the space for free speech in Cambodia is shrinking, as evidenced by the repressive tactics the government used in 2021 to target and silence dissenting speech.

The Law on National Management in the State of Emergency granted the government sweeping powers to censor anything deemed to incite "panic and chaos," banned independent reporting from "red zones," and required organizations and news outlets that published information about the impacts of COVID-19 to keep commentary in line with government policies. In September, seven former CNRP party members were sentenced to eighteen months in prison for social media posts criticizing the government leadership in response to the pandemic.



Regardless of the threat of censorship, in April 2021, LICADHO released a statement to remind government policymakers that, while lockdown measures were important to curb the spread of the virus, burdensome restrictions have social consequences, as evidenced in a rise in gender-based violence.

Despite this challenging environment, CSOs utilized a variety of advocacy strategies, including coalitions, workshops, public forums, and digital campaigns. In 2021, CSOs continued to carry out policy advocacy through thematic groups, including the NGO Forum, CCC, the Health Action Coordinating Committee, the NGO Education Partnership, the NGO Committee on the Rights of the Child, Solidarity House, the Chab Dai Coalition, Star Kampuchea, the Cambodian NGO Committee on the Convention on the Elimination of All Forms of Discrimination Against Women (NGO CEDAW), and others. Klaahan, a women's empowerment research organization, undertook digital campaigning for women's rights around sexual health and reproductive rights. In the same arena, the Health Action Coordinating Committee held a forum on adolescent sexual and reproductive health, seeking to bridge the gaps between decision makers, activists, service providers, and adolescents.

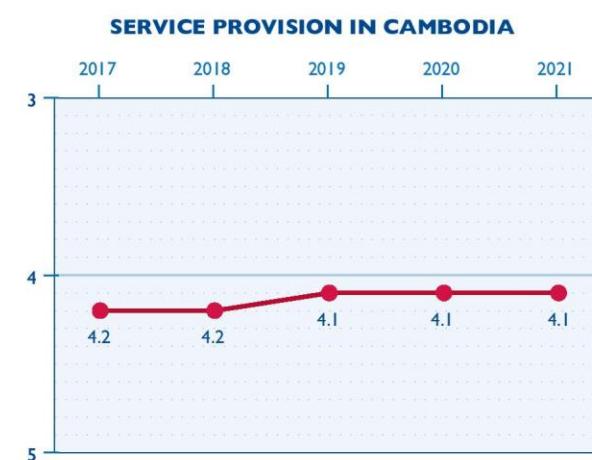
In 2021, CSOs continued to participate in some formal government cooperation mechanisms, such as the Technical Working Groups (TWGs); the Joint Monitoring Indicator (JMI) for development effectiveness; the Implementation of Social Accountability Framework (ISAF) to improve public services at subnational levels; and other spaces through the National Strategic Development Plan (NSDP) and the Cambodian Sustainable Development Goals (SDGs). For instance, in 2021, CSOs participated in online and in-person TVG sessions on mine actions, food security and nutrition, and gender-based violence. However, it remains a challenge to turn their inputs into actionable policy.

Funding from The Asia Foundation's Ponlok Chomnes program contributed additional avenues for advocacy through policy cooperation between the knowledge sector and ministerial colleagues. These platforms provide CSOs the opportunity to participate in discussions of policy issues with decision-makers. However, the majority of organizations that participate in these mechanisms are either international CSOs providing technical support or knowledge sector CSOs that can provide data with a Cambodia-centric perspective, excluding large swathes of the CSO community.

CSOs also persisted in a number of policy advocacy initiatives in 2021, and in February, for instance, sixty-two CSOs signed a joint statement calling for the complete repeal of the National Internet Gateway. Despite the ongoing campaign, the firewall is still slated for implementation in 2022.

CSO umbrella organizations like the NGO Forum and CCC continued to provide platforms for advocacy, and through them, CSOs continued to advocate for reform of the legal frameworks governing CSOs, including LANGO.

SERVICE PROVISION: 4.1



CSO service provision remained unchanged in 2021. While some traditional services continued to be disrupted by COVID-19 restrictions, CSOs were responsive and flexible in meeting the needs of their constituencies.

The majority of CSOs in Cambodia engage in service delivery rather than advocacy, and those working in different sectors faced a variety of challenges due to pandemic restrictions. For example, Youth Star Cambodia, a youth- and education-focused volunteering organization, was unable to place new volunteers in its project communities between April and October 2021 due to pandemic restrictions. Recognizing the ongoing and urgent need, however, the organization was able to extend the commitments of volunteers already in the

field to ensure ongoing support. Given the increased threat of COVID-19 compared to the previous year, in 2021, CSOs also increasingly adapted their portfolios, including through distribution of materials, adding health

components to their existing programs, producing research papers, and increasingly reaching and supporting their constituents through online methods.

Cambodian CSOs also provide services in the fields of public health, female reproductive rights, and social protection. In 2021, CSOs including Sahmakun Teang Tnaut (STT), LICADHO, and the Cambodian Center for Human Rights (CCHR) also continued to work on more sensitive areas such as land rights, advocacy, and human rights. In more traditional development spaces, organizations such as Youth Star Cambodia provided youth volunteering opportunities in under-serviced communities to identify and reintegrate out-of-school children. Organizations like Energy Lab continued to build on dialogue toward sustainable energy alternatives, including initiatives like the Clean Energy Week series and the Electric Mobility Showcase.

Operations and platforms for discussion in the knowledge sector were also improved by additional funding opportunities and the rise of online discussions in 2021. Organizations such as Future Forum and the Center for Khmer Studies were able to increase outputs like research reports and publications, expand training programs into new research areas, and increase participation in events.

CSOs continue to ensure that their goods and services meet local demands through largely informal needs assessments and based on their local knowledge. CSOs also continue to strive to reach broader audiences through their work and publications, and in 2021 particularly recognized the need to better engage with rural and isolated communities, which remained a challenge. As in previous years, services were primarily offered in the Khmer language, making access difficult for minority groups like the ethnic Vietnamese community.

The majority of CSOs provide services free of charge, with financial support from their donors. The public continues to expect such services to be free and, if anything, that view has been solidified by the additional support received through COVID-specific interventions, such as the distribution of personal protective equipment (PPE). Most CSOs do not have the staff capacity or expertise to develop sustainable revenue-generating models that cover the costs of their community activities, nor do they have a mindset to consider doing so.

CSOs garnered mixed responses from government representatives based on focus areas. Those providing services in areas like health and education continued to gain recognition from the government as agents of positive development. However, those working in land rights, for example, were frequently labelled as destructive, opposition-aligned groups.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector deteriorated slightly in 2021. This was primarily due to the impact of COVID-19 closures and the subsequent reprioritization of activities toward short-term needs and away from long-term collaborative planning in the sector. In particular, CSOs were increasingly in competition for funding, while donors demanded high levels of technical capacity, originality, and inter-sectoral collaboration.

Organizations like The Asia Foundation, the East-West Management Institute, and the Asian Vision Institute continued to provide training and technical support to other CSOs. Training previously focused on areas such as digital innovation, monitoring and evaluation, and strategic planning, but in 2021 additionally incorporated best practices around COVID-19 resilience. For example, The Asia Foundation offered support on transitioning to digital operations. Also in 2021, CCC implemented the second phase of a project to improve accountability practices, highlighting the twelve commitments of the Global Standard for CSO Accountability. With funding support from Global Standard, nine local NGOs and one international NGO operating in Cambodia participated in the initiative.

SECTORAL INFRASTRUCTURE IN CAMBODIA



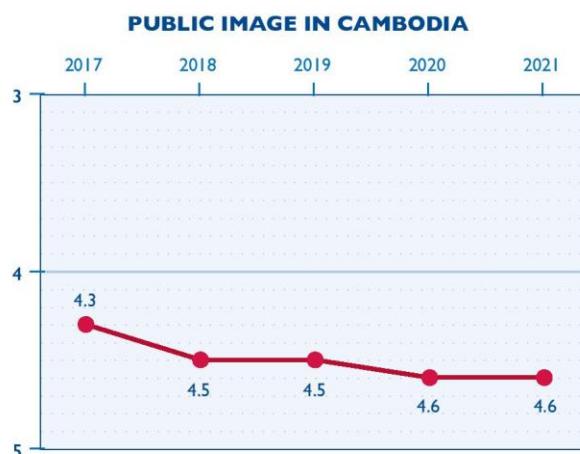
Networks such as Politikoffee also organized training and dialogue workshops for other CSOs and their members. CCC provided some training opportunities on governance and advocacy issues and offered training for provincial and sub-national CSOs on tax compliance. Also in 2021, the Center for Alliance of Labor and Human Rights (CENTRAL) continued to offer training to trade unions on the labor movement and the legal framework governing labor rights. Due to lockdown restrictions, the majority of training sessions conducted in 2021 took place online, enabling greater accessibility to those who had sufficient technology and internet access while continuing to present difficulties to smaller CSOs with limited technology.

There are still no dedicated local grantmaking organizations that award locally raised funds to other CSOs, though a few organizations distribute foreign-funded grants. TI, for example, regranted EU funding to support local CSOs.

Despite competition for funding and limited capacity for long-term collaboration and planning, some CSOs formed coalitions and umbrella networks to carry out advocacy programs where possible. For instance, Future Forum worked with Angkor Research and Consulting to provide public policy and data analysis training to the MOEF team working on COVID-19 recovery. The effectiveness of such CSO collaborations depended on their sectors and the government ministerial committees with which they engaged: coalitions and networks working on social service areas had greater space to engage and influence policy, while coalitions working on human rights and democracy were less successful in achieving their desired outcomes.

Partnerships between CSOs and other sectors remained consistent in 2021. Future Forum continued to collaborate with regional and national news outlets to publish its policy commentaries, and Energy Lab enhanced its relationships with private sector organizations such as Voltra (a maker of electric vehicles) in order to showcase the benefit of environmental consciousness. Pandemic restrictions, however, limited organic opportunities for organizations to meet and develop relationships with actors in other sectors.

PUBLIC IMAGE: 4.6



The public image of CSOs remained relatively unchanged in 2021. Though traditional media coverage of CSOs' non-COVID activities remains limited, organizations increasingly used social media to boost awareness of their work and activities.

Media coverage of CSO activities continued to be limited primarily to large international day events, including UN-backed celebrations like International Volunteer Day and International Youth Day. In 2021, some international media outlets, including the Southeast Asia Globe and Voice of America, increased their coverage of CSO activities and engagements, and the Globe provided a free platform for content from CSO partners such as Future Forum, TI, and Aide et Action. This offered CSOs the opportunity to expand awareness of their work,

though readership is limited to English-speaking audiences. Local outlets remained primarily focused on reporting on events, and rarely covered CSO services and activities.

The public was less skeptical of CSO activities in 2021, in large part due to the increasing visibility of CSO operations in response to COVID-19—which had both better adapted to the public's most urgent needs in 2021 and garnered greater attention through online outreach and engagement. There do, however, remain concerns around the continuing patron-client nature of Cambodian politics. Particularly in the realm of human rights and advocacy, members of the public sometimes misattribute CSO activities as either “activities of a color revolution” or “activities at the behest of the state,” and people continue to fear that supporting CSOs may be perceived as criticizing the ruling party.

The government continued to view CSOs operating in areas such as education and health positively, as evidenced, for instance, by the ongoing partnership between the Ministry of Education, Youth, and Sport and numerous CSOs through the Cambodian Consortium for Out of School Children. However, CSOs working on citizen rights,

political participation, and environmental protection were more likely to face harassment and were seen as destabilizing peace and unity in the country.

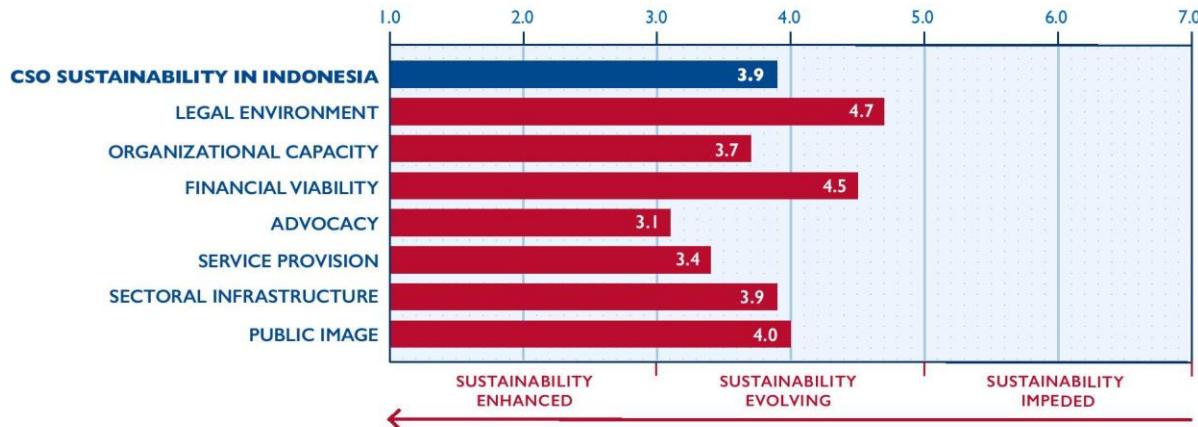
CSOs continued to improve their outreach and visibility on social media in 2021, especially as operations increasingly turned to digital alternatives in response to pandemic restrictions. Initiatives such as the partnerships with the Globe, mentioned above, also highlighted CSOs' growing capacity to raise awareness about their activities. Social media influencers continued to play an active role in CSO awareness-raising in 2021. Through platforms like TikTok and Facebook, they tackled issues relating to the environment, culture, and health.

Few CSOs issue annual reports. Though the majority of national and international CSOs operating in Cambodia are required to submit annual reports to MOI, they rarely make them publicly available. CSOs at the grassroots level often lack the capacity to regularly produce such reports. The NGO Governance and Professional Practice (GPP) guidelines, introduced by CCC in 2004, continued to promote good governance and accountability in the sector.

INDONESIA

Capital: Jakarta
Population: 277,329,163
GDP per capita (PPP): \$11,400
Human Development Index: High (0.705)
Freedom in the World: Partly Free (59/100)

OVERALL CSO SUSTAINABILITY: 3.9



The COVID-19 pandemic continued to spur health, economic, and social crises in Indonesia in 2021 as cases soared. By mid-July, Indonesia recorded its highest number of new daily cases, registering 56,757 positive cases in just one day. By December 31, a total of 4,262,720 people had tested positive for the virus since the start of the pandemic and 144,094 had died. This marked a significant increase over the 743,198 cases and over 22,000 deaths recorded at the end of 2020.

The surge in cases beginning in July prompted a change in the government policy that had been in place since April 2020. Rather than large-scale social restrictions, the government enacted restrictions on community activities, established by the new Instruction from the Minister of Home Affairs (MOHA) No. 25/2021. From July to the end of the year, the government issued six additional Instructions, including the restriction of non-essential businesses to designated operating hours. Each province and district could adjust COVID-19 regulations based on the rise and fall of local cases. Broadly, the impact of these regulations was felt to be even more significant than those that had been in place the previous year. The changes and variations in regulations, however, caused confusion, and the regulations themselves even spurred some demonstrations over the course of the year. In February, Indonesia made COVID-19 vaccinations mandatory for citizens, and by the end of the year the government had distributed 165.2 million first doses, 113.2 million second doses, and 1.3 million third doses.

Indonesia's economy continued to suffer from the impact of the pandemic, directly affecting funding for CSOs as available resources were diverted to relief and the most urgent needs. Though the economic growth rate of 3.69 percent showed improvement over the 2.07 percent decline in 2020, unemployment remained high. According to the Central Bureau of Statistics, 21.32 million workers were affected by the pandemic in 2021, including 1.82 million who lost their jobs, nearly 1.4 million who temporarily stopped working, and 17.4 million who had their hours cut. In 2021, Penabulu Foundation reported that 33.9 percent of CSOs surveyed were affected by the pandemic—financially or otherwise—and another 27.1 percent were severely affected.

Even in this challenging environment, there were encouraging developments for democracy in Indonesia. According to both Freedom House and the Economic Intelligence Unit (EIU) Democracy Index, Indonesia recorded slight improvements in 2021. However, it is still considered “partly free” by Freedom House and a “flawed democracy” according to EIU, indicating ongoing concerns around press freedom, anti-critical political culture, weak citizen political participation, and government performance.

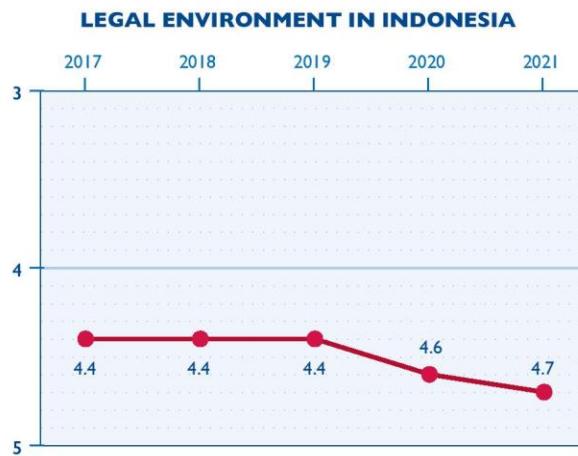
The national political map remained largely unchanged in 2021, dominated by the governing coalition. The coalition’s hold on the political environment only increased when yet another party, the National Mandate Party

(PAN), joined the government at the end of August. 2021 also marked the “political warm-up” to February 2022, when decisions around the timing and details of the 2024 elections began. A number of potential presidential candidates were already under discussion and their growing influence was evident even in 2021.

The overall sustainability of CSOs in Indonesia remained unchanged in 2021, though all dimensions but sectoral infrastructure and public image recorded slight shifts. The wider legal and financial environment for CSO operations experienced slight deterioration through a combination of bureaucratic complications, harassment, and the continuing financial impact of COVID-19. At the same time, however, CSOs proved themselves to be adaptable to the circumstances and applied lessons that had been learned in the first year of the pandemic, such as shifting to digital methods and better engaging with constituencies, the government, and each other, leading to slight improvements in organizational capacity, advocacy, and service provision.

According to the Ministry of Law and Human Rights, as of early January 2022, a total of 470,966 CSOs were registered in Indonesia. Foundations account for 275,530 of these and the remaining 195,466 are registered as associations. This marks a notable increase from the last available data, which indicated a total of 431,500 CSOs registered as of November 2019.

LEGAL ENVIRONMENT: 4.7



The legal environment for CSOs in Indonesia slightly deteriorated in 2021, continuing a gradual downward trend. Though policies and regulations remained unchanged, CSOs continue to face bureaucratic complications and harassment, alongside growing threats to freedom of expression.

The policies governing CSO registration remained unchanged in 2021. CSOs can obtain legal status as either an association (a member-based organization) or a foundation. Foundations are regulated by the 2001 Law on Foundations, revised in 2004, while associations are governed by Staatsblad (Statute) No. 64/1870. CSO registration is further regulated by Law No.17/2013 concerning Societal Organizations and MOHA Regulation No. 57/2017 concerning Registration and Management of

Societal Organization Information Systems. CSOs with legal status must receive approval from the Ministry of Law and Human Rights, while CSOs that do not have legal status must acquire a registration certificate (SKT) from MOHA. The requirements for receiving an SKT are relatively simple and free, but CSOs must renew their SKT every five years.

In practice, however, many CSOs in Indonesia do not have either legal status or an SKT. Some smaller CSOs at the district level are not legally incorporated simply because the process is cost prohibitive. Some CSOs also consider SKTs or legal status necessary only for cooperation with the government or national and international institutions.

In 2021, several CSOs faced obstacles in registration, including obtaining approval from the Ministry of Law and Human Rights. For instance, some notaries (all of whom are appointed and dismissed by the ministry) were not willing to process applications for legal status from CSOs working on lesbian, gay, bisexual, and transgender (LGBT) issues, and requested that reference to LGBT communities and issues be removed from the organizations' articles of association. For one such CSO, Arus Pelangi, it took nearly ten years to obtain legal entity approval, which was ultimately enabled only by its ability to find a notary willing to retain reference to LGBT communities. The Indonesian Forum for Budget Transparency (FITRA) also struggled to obtain legal status for its branch offices in several provinces because some of its program activities were considered the duty of state law enforcement institutions and therefore contrary to regulations on societal organizations. Those branch offices continued to operate regardless and worked through FITRA's national office if they required status as a legal entity to cooperate with other institutions.

Several CSOs working on the social reintegration of former ISIS supporters, including the Asian Muslim Action Network (AMAN) and members of the Working Group of Women for Preventing/Countering Violent Extremism, were not previously required to obtain legal status or an SKT. In 2021, however, village governments made legal status or an SKT obligatory in order to continue local operations. CSOs that did not meet these requirements were prohibited from activities in the village. In cases such as this, increasingly stringent requirements for legal status or an SKT are perceived as an attempt to impede CSOs working on sensitive issues.

A number of CSOs that operate independent non-profit media also had problems registering with the Press Council in 2021. Because media must be incorporated as limited liability companies in order to register, associations or foundations were ineligible. This included, for instance, KONDE, which was founded by women's activists and the Nusantara Social Network News Media. Registered status in the Press Council is needed to get easy access to arbitration in the Press Council.

Freedom of expression was increasingly threatened in 2021, evidenced in the government's use of SLAPPs (Strategic Lawsuits Against Public Participation) to silence and intimidate critical voices. For instance, government officials filed charges against four human rights activists in 2021: two were reported by the Coordinating Minister for Maritime Affairs for statements regarding his alleged involvement in a mining business, and the Presidential Chief of Staff reported two researchers from Indonesia Corruption Watch (ICW) over slander allegations for linking him to rent-seeking in the circulation of Ivermectin. While the researchers have not been summoned by the police, a case against the two activists is ongoing. In November, the Coordinating Minister for Maritime Affairs threatened to conduct an audit of NGOs for allegedly disseminating false information about deforestation under the current government. A coalition of NGOs, including Greenpeace and the Indonesian Forum for the Environment (WALHI), considered the threat to audit a means of discouraging criticism and published a joint statement in response. As yet, no further action has been taken.

Also in 2021, anonymous online harassment targeted ICW activists and speakers at a press conference held in response to the threatened dismissal of seventy-five employees of the Corruption Eradication Commission (KPK) who had been critical of current KPK leadership. The harassment included hacking Zoom links, displaying pornographic videos, and robocalls.

The Institute for Policy Research and Advocacy (ELSAM) recorded sixteen cases of violence and threats against human rights defenders from January to August 2021, ranging from physical attacks and arrests to detentions, legal proceedings, and land grabbing. Though data for the full year is not yet available, trends show increasing threats and violations over the past few years, often committed by state actors. The Commission for Missing Persons and Victims of Violence (KontraS) also recorded twenty-five cases against environmental rights activists accused of committing criminal acts in 2021, in addition to instances of arbitrary arrest, violence, intimidation, and other violations against human rights defenders. In those twenty-five criminal cases, a total of ninety-four people were arrested, including indigenous peoples, civilians, and community legal assistants.

CSOs continued to receive tax exemptions on income from grants, donations, and inheritance, as well as zakat (required Islamic giving) if the CSO is a government-approved zakat collector. However, the procedure for applying for such exemptions is bureaucratic and complicated. Limited income tax deductions are available for persons or entities that provide contributions to national disaster relief, research and development, educational or sports facilities, or social infrastructure development.

Associations may not engage in economic activities. Foundations may engage in economic activities by establishing business entities or investing up to 25 percent of their total wealth in enterprises; the profit from those activities is taxed. MOHA Regulation No. 30/2008 regulates the procedures for public organizations to receive assistance from foreign parties and specifies that the organization must be registered and MOHA must approve the plan for accepting foreign assistance. However, these rules are not typically fully implemented and most CSOs do not follow them, though a few donors require their grantees to receive government approval.

Legal assistance for CSOs continues to be available in state and provincial capitals but rare at the district level. The Indonesian Legal Aid Foundation (YLBHI) and the Indonesian Legal Aid Association (PBHI) have sufficient capacity at national and regional levels but only have offices in the capital city and provincial capitals.

ORGANIZATIONAL CAPACITY: 3.7

The organizational capacity of the CSO sector continued to improve slightly in 2021 as, despite the continued difficulties of pandemic restrictions, CSOs strengthened and expanded their outreach and constituencies, particularly through the use of digital technologies. The relatively low cost of online communication enabled CSOs like Bhakti Foundation to reach more constituents at lower cost than they could when travelling to constituent locations. Networks like AMAN Indonesia also used online communication to better understand constituent needs and project impact through improved monitoring and evaluation. USAID's MADANI project further boosted CSO constituency building in 2021 through its CSO Capacity Building Program, which worked with forty-four local CSOs in thirty-two districts in six provinces. According to research by PRAKARSA and the National Research and Innovation Agency (BRIN), CSOs in those six provinces demonstrated particularly high participation rates, again largely aided by the increased use of online communication.

ORGANIZATIONAL CAPACITY IN INDONESIA



Similarly, across the sector, CSOs' capacity for strategic planning continued to increase. Many CSOs gave particular attention to strategic planning in 2021, recognizing that it encouraged greater funding and collaboration opportunities. According to the National Research Priority 2021 report "Measuring the Governance Index of CSOs in Strengthening Substantive Democracy in Indonesia," CSOs in Indonesia generally have clear visions and missions, which in turn inform their strategic plans.

Most CSOs have flexible internal management structures based on program needs and try to have clearly separate responsibilities for decision making, implementation, and control. The extent of board engagement varies depending on the needs and resources of the CSO. In 2021, some boards were more actively involved in determining their organization's response to the COVID-19 crisis at both the policy and practice levels, especially in smaller CSOs. Broadly, however, most boards tend not to be very engaged in organizational governance. The USAID MADANI project continued to work with its CSO partners to strengthen internal management and all forty-four now have standard operating procedures.

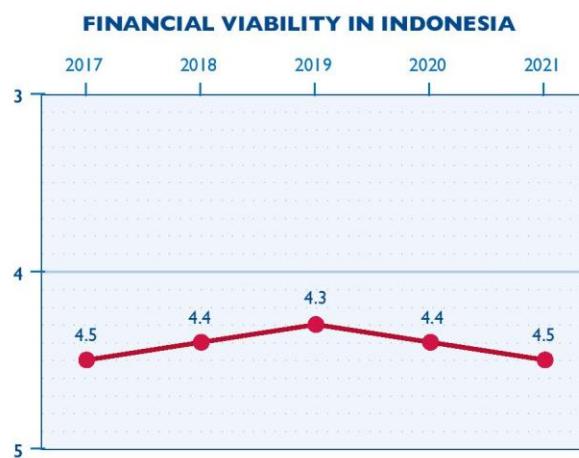
In 2021, many CSOs continued to implement work-from-home operations. In-person meetings were held only if necessary and adhered to strict health protocols. Some national CSOs, such as the Kapal Perempuan Institute, formalized their work-from-home rules in writing. In 2021, many CSOs also made an effort to allow greater flexibility and better engage their staff while adapting to the shifting work culture and environment.

The salaries and benefits of CSO staff vary greatly from one organization and province to the next. According to research by PRAKARSA, for instance, in North Sumatra, Greater Jakarta, Central Java, and Yogyakarta (DIY), the minimum wage (UMR) system is strictly adhered to. Some CSOs, however, did not have the financial resources to pay staff according to the system, and in South Sulawesi, only one out of eleven CSO survey respondents were able to pay staff the minimum wage established by the UMR system. Accordingly, staffing and recruitment remain particular concerns for CSOs, and because many work on a project basis, it is difficult to retain staff. Instead, some CSOs recruit volunteers to bolster their capacity. While no clear data is available, some estimate that at least 80 percent of CSOs engage volunteers in their work. According to the Charities Aid Foundation's (CAF) *World Giving Index 2021*, which reports data from 2020, Indonesia had the highest rate of volunteering among the countries studied, with 60 percent of respondents indicating that they volunteered in the previous month; much of that volunteerism, however, tends to be for religious purposes, not necessarily with CSOs.

Internet and information and communications technology (ICT) have become necessary for the vast majority of CSO operations, and CSOs continued to significantly develop their technical capacities and use of ICT in 2021. The vast majority of CSOs use websites, social media, and financial software to support their work. However, data security remains a challenge, and in 2021, there were several reports of data leaked from government offices,

companies, and CSOs. Some local CSOs, especially those in rural areas, continued to have limited access to ICT or lacked the hardware, bandwidth, and technical skills for online-based work.

FINANCIAL VIABILITY: 4.5



The financial viability of CSOs experienced a slight deterioration in 2021 due to the ongoing economic impact of the COVID-19 pandemic and declines in domestic and foreign funding across the sector.

CSOs in Indonesia continued to benefit from a diverse range of funding sources: foreign donors (state and non-state); the Indonesian government, through direct assistance or projects; companies through corporate social responsibility (CSR) funds; the public, through fundraising or crowdfunding; and internal business, through service provision or social enterprises. A CSO's diversification of funding is typically influenced by the type of activities it operates. According to the SMERU Research Institute, those conducting research were most likely to have several sources of funding. In 2021, the

MADANI project provided technical assistance to CSOs in thirty-two districts to diversify their funding.

Overall foreign assistance has declined since 2008, when Indonesia joined the G20. The typical mode of funding has also shifted: whereas funding institutions previously provided substantial programmatic and institutional support, they now often hire just one or two individuals from the partner CSO. Still, in 2021, CSOs received substantial funding from several foreign donors. For instance, the United Nations Development Programme (UNDP) funded CSOs to implement an entrepreneurship program, including capacity building, to boost economic recovery in the country. The European Union, in collaboration with the Penabulu Foundation, provided direct support to 200 CSOs across the country and indirect support, such as training, to 500 CSOs, totaling IDR 108.5 billion (approximately \$7.3 million) over the course of the two-year program. USAID's MADANI project continued to be a significant source of support in 2021 and will allocate \$19.8 million in funding between 2019 and 2023.

To receive funds from state and regional budgets, a CSO must be a legal entity and have an SKT. In 2021, CSOs competed for government grants in accordance with MOHA Regulation No. 123/2018. Because most government funds are allocated to CSOs through local governments, it is difficult to ascertain total government support. Sukoharjo Regency, for instance, distributed IDR 5 billion (\$337,300), Tulungagung Regency (East Java) IDR 1.6 billion (\$108,000), and Sambas Regency (West Kalimantan) provided a total of IDR 400 million (\$27,000) in grants to five organizations. The Bangka Belitung Provincial Government provided grants worth a total of IDR 23.5 billion (\$1.58 million) to 108 CSOs. Also in 2021, the Ministry of Law and Human Rights granted IDR 53 billion (\$3.6 million) to CSOs that provide legal aid to their constituents free of charge.

However, PRAKARSA found that government support typically covered only a portion of the total costs of CSO projects, leaving CSOs to cover the remainder. The majority of CSOs (60 percent) stated that government funds covered 25 percent or less of the projects they were intended for; 16 percent CSOs reported that they received 25 to 50 percent of project needs, and only 12 percent indicated that they receive 75 percent or more of project costs from the government.

In 2021, the government revised Presidential Regulation No. 16 of 2018 regarding the Procurement of Government Goods/Services. This made it easier for CSOs to access government funds by removing the financial audit requirement in the Type 3 self-management mechanism, one of four mechanisms for CSO cooperation with regional governments.

At the end of 2021, the Working Group for a CSO Endowment Fund—consisting of the International NGO Forum on Indonesian Development (INFID), Indonesian NGO Council, Penabulu Foundation, the Kapal Perempuan Institute, Indonesia for Humanity (IKA), PRAKARSA, Transparency International Indonesia (TII), and Resource Management and Development Consultant (REMDEC)—submitted a draft Presidential Regulation for the creation

of a CSO Endowment Fund. This proposed regulation is intended to provide a sustainable source of funding for CSOs involved in the development and democratization process.

Funding through CSR programs remained common, and in 2021, CSR funding from the Indonesia Stock Exchange (BUI), PT Kliring Penjamin Efek Indonesia (KPEI), and PT Kustodia Sentral Efek Indonesia (KSEI), among others, provided donations to the Indonesian Red Cross (PMI) in the form of equipment worth IDR 10.3 billion (approximately \$700,000). The campaign #Investasi Anda Menolong Sesama continued to serve as a platform for CSR support to CSOs but has not yet reported the total amount raised in 2021.

PMI also collects public funds in accordance with Law No. 1/2018 and Government Regulation No. 7/2019; each regional government is then able to make regulations based on that law, collecting funds from the public through various mechanisms like earmarked taxes. In 2021, the PMI of Bekasi City received more than IDR 2.3 billion (\$155,000); the PMI in Pati Regency received IDR 1.9 billion, up from IDR 1.6 billion in 2020 (\$128,000 and \$108,000); the PMI in Kendal Regency received nearly IDR 1.3 billion, compared to IDR 800 million in 2020 (\$88,000 and \$54,000); and the PMI of East Jakarta City received IDR 10 billion, up from IDR 9 billion (\$673,000 and \$606,000).

According to the National Board of Zakat Republic of Indonesia (BAZNAS), charitable giving in the form of *zakat*, *infaq*, and alms totaled IDR 11.5 trillion in 2021 (approximately \$785 million), an increase of 20 percent compared to the IDR 9.2 trillion (\$620 million) collected in 2020. Approximately 70 percent of that came from individuals aged 25–44 years, suggesting a new trend of increased giving from the younger generation.

In 2020, eight out of ten people in the country donated money, making Indonesia the most generous country in the world, according to the *CAF World Giving Index 2021*. This largely comes in the form of *zakat*. Most CSOs are still new to the use of digital platforms for fundraising, and funds raised through online platforms like Kitabisa.com are limited.

Most CSOs, particularly those operating at the national level, are able to practice good financial management; however, smaller organizations continue to lack staff capacity and adequate hardware and software. Few CSOs regularly make their financial reports publicly available online. Out of a sample of fifteen national CSOs, just four had uploaded financial reports. The Law on Foundations requires foundations that receive donations from the state, overseas parties, or third parties totaling IDR 500 million (approximately \$34,300) or more to be audited by a public accountant and to publish their annual report summaries in an Indonesian-language daily newspaper, but some CSOs still cannot afford the fees of public accountants.

ADVOCACY: 3.1

CSO advocacy slightly improved in 2021 as cooperation with the government and within the sector increased.

CSOs also celebrated several successful advocacy campaigns over the course of the year.

CSOs continued to collaborate with the government at various levels. This cooperation increased in 2021 as CSOs better adapted to working in the context of COVID-19 restrictions, and was particularly notable in COVID-19 management and relief.

The LinkLSM consortium—formed in 2020 by Akatiga, Indonesia NGO Council, FITRA National Secretariat, and YASMIB Sulawesi—developed a database and platform for CSO engagement as governmental goods and services providers in 2021. This consortium also promotes best practices of CSOs that have succeeded in becoming government partners in Type 3 self-management, and in 2021, the consortium successfully advocated for the revision of Presidential Regulation No. 16 of 2018 to remove the audit requirement for CSOs engaged through that mechanism.



AMAN Indonesia continued to collaborate with the Ministry of Women's Empowerment and Child Protection (Ministry of PPA); the Coordinating Ministry for Political, Legal, and Security Affairs; and the Coordinating Ministry for Human Development and Culture. Through that cooperation, AMAN Indonesia, supported by the Ministry of PPA, succeeded in encouraging the establishment of a formal regulation to implement the National Action Plan for the Protection and Empowerment of Women and Children in Social Conflict.

CSOs also successfully collaborated with the National Counter Terrorism Agency (BNPT) and several other ministries, and in January 2021, President Joko Widodo (Jokowi) signed Presidential Decree No. 7 of 2021 regarding the National Action Plan for Combating Extremism. The plan was drafted with input from CSOs and explicitly called for civil society's involvement in efforts to prevent extremism moving forward.

CSOs were actively involved in numerous advocacy campaigns, legal hearings, and lobbying at both national and regional levels during the year. Advocacy in opposition to the Omnibus Law on Job Creation saw some limited success in 2021: following active civil society collaboration, organization, and campaigning against the law in 2020 and 2021, several CSOs submitted a Judicial Review to the Constitutional Court, which in December 2021 declared the law "conditionally unconstitutional" due to non-alignment with the standard formulation of laws and regulations and ordered legislators to revise the law within two years. The government is prohibited from issuing new implementing regulations in the meantime. However, the law—which was passed without significant public consultation and despite widespread protests—will remain in force while it awaits revision.

In 2021, CSOs also successfully supported the passage of the Sexual Violence Prevention (PKS) Bill, which later became the Sexual Violence Crime (TPKS) Bill. Minister of Education and Culture Regulation No. 30 of 2021 further addressed the prevention of sexual violence and the protection of victims of sexual violence in education. Both efforts show progress in the issue of sexual violence but have been met with resistance from certain Islamist groups, which argue that it should also regulate against extramarital sex. The TPKS Bill was included among priority legislation for the House of Representatives and awaited final parliamentary approval at the end of 2021.

CSOs also advocated for their issues through hearings and lobbying at the local level. For example, GMBI conducted a hearing with the Deputy Regent of Maros Regency, South Sulawesi, to advocate on behalf of street vendors threatened with eviction. As a result, government authorities agreed to regulate street vendors without displacing them.

CSOs have also established strong collaboration with local governments around health issues, particularly in the six provinces that host CSOs supported by the MADANI project. Spurred by CSO advocacy, several governments at the village level have also issued formal regulations to use village funds to tackle these health issues.

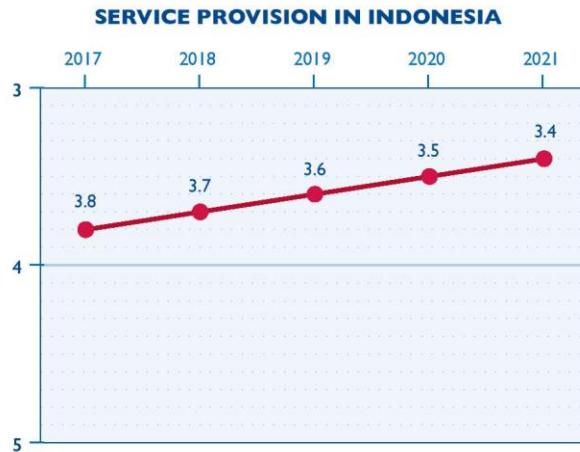
Climate change and environmental issues were also key areas of CSO advocacy in 2021. The FITRA National Secretariat's work to encourage a green economy was successfully incorporated into the National Mid-term Development Plan (RPJMN), and the government then allocated a special budget for climate change issues. At the village level, the ECHO Green consortium encouraged the creation of village regulations to support a green economy, and in 2021 it provided assistance to women farmers and youth in ninety-nine villages to carry out advocacy efforts in favor of village regulations.

CSOs also continued to advocate for reforms impacting the CSO sector itself. In 2021, the Working Group for a CSO Endowment Fund was formed to encourage more government funding for CSOs. Toward that end, the consortium published studies which were then used as advocacy materials in discussions with the Ministry of National Development Planning (Bappenas) and the Office of the President.

SERVICE PROVISION: 3.4

CSO service provision slightly improved in 2021, continuing the positive trajectory of the past five years. Though the COVID-19 pandemic continued to force adaptation, in 2021, CSOs were better adjusted to the challenges of the environment. CSOs also began shifting their focus back to more traditional and long-term services, in addition to continuing to address emergency needs, and increasingly used digital technology to do so.

CSOs continued to provide traditional services in the areas of reproductive health, law, assistance to vulnerable groups, advocacy, and education. In 2021, they also continued to adapt to COVID-19 restrictions and precautions by increasing their use of digital technology, including social media for public outreach and meetings held over



the issues in their particular focus areas. Given the continuing demand during the health crisis, they also continued to provide services to communities beyond their own members and traditional constituencies. They remained adept and responsive to emergency needs in 2021, as they were in 2020 with the outbreak of COVID-19. For instance, Pulih Foundation, which provides counseling services for victims of sexual violence, placed special emphasis on the types of vulnerabilities that could potentially arise in the context of COVID-19 pandemic.

Most CSO services are provided free of charge. Few CSOs generate revenue through paid services, but the model is becoming more popular. For example, Insan Sembada Foundation offered consulting services for training, research, program design, and community engagement through media. The FITRA National Secretariat also developed consultative budgeting services for local governments. Several CSOs also recovered the cost of some service delivery through government procurement, often using the Type 3 self-management mechanism noted above, which created new opportunities and stimulated the diversification of services that CSOs can provide.

Government support for CSO services remained positive and CSO and government collaboration improved over the course of the year. This was also evident in the easing of the process for CSOs to access government funds, as discussed above. Generally, however, formal statements in recognition of CSO contributions are not common.

SECTORAL INFRASTRUCTURE: 3.9

The infrastructure supporting the CSO sector in Indonesia remained largely unchanged in 2021, though several new initiatives suggest possible improvements to come.

Several organizations at the national level, including Penabulu Foundation, KEHATI Foundation, and Yappika, act as intermediary support organizations (ISOs). In 2021, Penabulu Foundation developed several new initiatives, such as the Resource-Hub for Financial Resilience, with support from the Ford Foundation. Several resource centers also continue to serve CSOs. An initiative at Trisakti University, for example, assists CSOs in developing social enterprises. Simpulmadani, initiated by Penabulu Foundation, Public Interest Research and Advocacy Center (PIRAC), Satudunia, and Sinergantara with support from USAID MADANI, develops learning platforms and online forums to build CSO capacities. The Learning Center for CSOs (LEARN) also offers training videos for CSOs.

In March 2021, sixty-two CSOs in thirty-four provinces launched the CSO network Lokadaya, which aims to mobilize, share, and manage domestic resources for sustainable CSO contributions to Indonesia's inclusive

online platforms like Zoom. Organizations produced more digital content and echoed the Ministry of PPA's efforts to increase digital literacy, particularly to empower women and combat online gender-based violence.

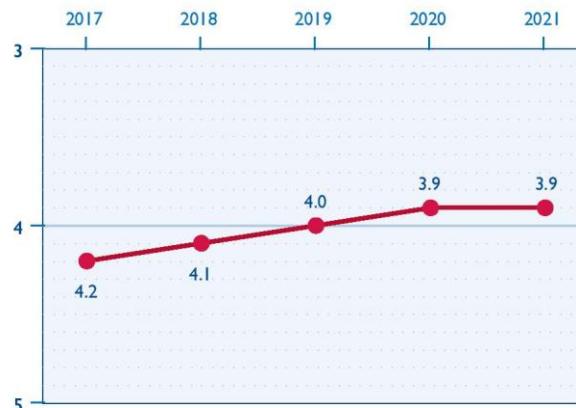
CSOs also developed new services in response to the ongoing health crisis. Several CSOs, including Indonesian Children's News Agency, Paritas Institute, Women's Participation Institute, and Indonesian Genes, initiated the #GerakanBantuKeluarga campaign to distribute aid to the orphans of COVID-19 victims. Some CSOs, such as the Indonesian Conference on Religion and Peace, continued to distribute food to COVID-19 patients in isolation.

CSOs provide services based on community needs and the issues in their particular focus areas. Given the continuing demand during the health crisis, they also continued to provide services to communities beyond their own members and traditional constituencies. They remained adept and responsive to emergency needs in 2021, as they were in 2020 with the outbreak of COVID-19. For instance, Pulih Foundation, which provides counseling services for victims of sexual violence, placed special emphasis on the types of vulnerabilities that could potentially arise in the context of COVID-19 pandemic.

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SECTORAL INFRASTRUCTURE IN INDONESIA



development. Through the Co-Evolve program, Penabulu Foundation and SKALA Foundation have also built a growing CSO resource center, and in 2021 created a special seminar series on the CSO response to COVID-19 in Indonesia.

In 2021, several CSOs sub-granted foreign funding to support local NGOs. IKA and Komnas Perempuan opened the 2021 Pundi Perempuan grant, and KEHATI Foundation called for proposals from members of Biodiversity Warriors. Penabulu Foundation issued a call for proposals for the SGP Indonesia Small Grant Program Cycle 3, with a total budget of EUR 847,170 to support biodiversity conservation.

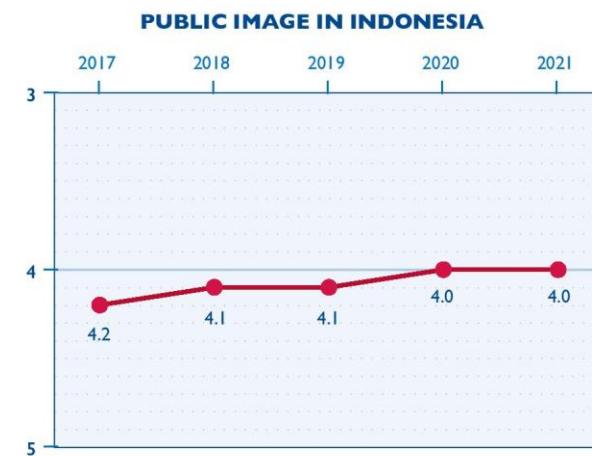
CSO coalitions grew in 2021, collaborating on various agendas. In addition to Lokadaya and Simpulmadani, AMAN Indonesia worked with forty-nine youth groups from across the country to campaign for the PKS Bill. The LinkLSM consortium also provided a database of CSOs qualified for Type 3 self-management and promoted best practices for CSOs acquiring government funding through the mechanism. Also in 2021, several CSOs formed the ADAPTASI Coalition to collaborate on issues around climate change.

Online forums are well developed, and training opportunities continued to be available both online and offline. Trainings provided by Simpulmadani, Lokadaya, Indorelawan, and others cover topics like strategic management, financial management, fundraising, advocacy, and volunteer development. However, some report that CSOs lack adequate training on constituent development and internal management. The Ministry of Education also supports capacity building for CSOs, and the Indonesian Institute of Certified Public Accountants and SATUNAMA Foundation offer paid training on organizational governance.

While differences in priority areas and sectoral attitudes remain a challenge, CSO strove to increase intersectoral cooperation in 2021. For instance, since November 2019, Habitat for Humanity Indonesia has collaborated with a global nutrition company, Herbalife Nutrition, through the Herbalife Nutrition Foundation to build healthy sanitation facilities, support health education, and combat malnutrition due to lack of sanitation facilities. In 2021, this program expanded to reach more beneficiaries, particularly in Mauk Subdistrict, Tangerang District.

CSO partnerships with government and state institutions also increased, as evidenced by the signing of numerous memorandums of understanding (MOUs). For instance, the Directorate General of Natural Resources and Ecosystem Conservation of the Ministry of Environment and Forestry signed two MOUs with the Medan Lestari Ecosystem Foundation to cooperate in conserving natural resources and their ecosystems in a sustainable manner. Daurmala signed an MOU with the Office of Religious Affairs regarding the prevention of child marriage; and the Witness and Victim Protection Agency signed an MOU with Legal Aid Ansor to strengthen witness and victim protection services. Such collaboration also existed at the local level. For example, the government of Lembata Regency (East Nusa Tenggara) began work with the Adaptation Coalition to strengthen voices for equitable climate change action.

PUBLIC IMAGE: 4.0



The public image of CSOs remained unchanged overall in 2021.

Media coverage of CSO activities continued to increase at national and regional levels, including both television and online media. CSO activities related to COVID-19 continued to gain a substantial amount of coverage, along with some advocacy activities, especially campaigns in support of the Draft Law on the Crime of Sexual Violence and the Bill on the Protection of Domestic Workers. However, coverage was limited for activities at the grassroots level and for CSOs working on behalf of the LGBT community.

CSOs' public outreach also achieved wider recognition of their work in 2021, driven by their use of social media. In addition to WhatsApp, Facebook, and Instagram, some

CSOs also now maintain YouTube accounts and host podcasts. FITRA, for example, developed FITRA TV and a

podcast network with nodes in thirteen provinces. CSO collaboration with the media also continues to grow, and in 2021, *Tempo* collaborated with AMAN and FITRA to develop online content and ensure that CSO activities at the grassroots level received coverage.

The level of public trust in CSOs remained unchanged. According to the Edelman Trust Barometer survey released in January 2022, 68 percent of respondents indicated that they trusted NGOs, ranking lower than trust in government (70 percent) and in business (81 percent). For sources of information, respondents were again more inclined to trust the government, business, and media. Because there are still a number of “pseudo CSOs” that extort businesses and government officials, the public remains wary of the sector and is often unable to distinguish legitimate CSOs from false fronts.

The government’s perception of CSOs continues to be positive, as indicated by the increasing number of collaborations between the government and CSOs at both national and regional levels. Initiatives like the government-run Ormas Expo, however, help to highlight the work of legitimate CSOs and community organizations that provide public services. Government recognition of CSOs was evident in its chosen theme for the virtual 2021 Ormas Expo, held by MOHA: The Role of Community Organizations in National Economic Recovery and Handling the COVID-19 Pandemic.

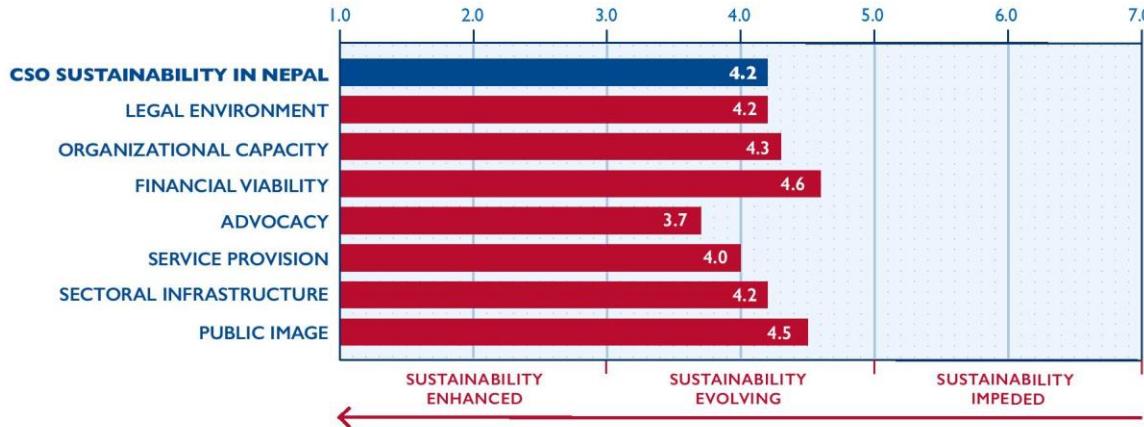
CSO accountability practices continue to be neglected, and only a small fraction of CSOs publish annual reports. Some cite security or political concerns as their primary reason for not publishing annual reports, including financial audit reports.

Most CSOs have codes of ethics, but many still fail to internalize and consistently enforce them. According to REMDEC, there are several key challenges in enforcement: the values in codes of ethics documents are not sufficiently clear or elaborated; there is no procedure for handling complaints or imposing sanctions for alleged violations of codes of ethics; and there is a lack of clarity on who within the organization is authorized to enforce codes of ethics.

NEPAL

Capital: Kathmandu
Population: 30,666,598
GDP per capita (PPP): \$3,800
Human Development Index: Medium (0.602)
Freedom in the World: Partly Free (57/100)

OVERALL CSO SUSTAINABILITY: 4.2



Nepal experienced continued political unrest and waves of the COVID-19 pandemic over the course of 2021, but ultimately was able to confront both challenges with relative success.

The year began already in the midst of political instability. In December 2020, factions in the ruling Nepal Communist Party (NCP) spurred Prime Minister KP Oli to dissolve the federal parliament. After resounding criticism of the move as unconstitutional and undemocratic, on December 25, the Supreme Court demanded that the Oli-led government provide a written clarification regarding the decision to dissolve parliament. On February 22, 2021, the Supreme Court declared that the dissolution was unconstitutional, parliament was reinstated, and the numerous ordinances Oli's government had issued in the meantime were repealed.

On May 22, Oli again dissolved the federal parliament and announced mid-term elections for November 2021. This second dissolution was challenged at the Supreme Court, and in early July the Court reinstated parliament and ruled that Oli be replaced by Sher Bahadur Deuba, leader of the opposition Nepali Congress party and previous prime minister. Accordingly, on July 12, Oli resigned and Deuba was appointed Prime Minister of Nepal for a fifth time. Despite the ongoing political unrest, the major parties were able to successfully hold their general conventions and elect their executives in 2021; the next general elections for federal parliament are planned for November 2022, while local municipal elections are scheduled for May 2022.

At the same time, the country battled new waves of the COVID-19 pandemic, first in early April then again in late July, forcing the reimposition of pandemic restrictions. Nepal had previously enforced a national lockdown from late March through July 2020, and in 2021 implemented another one from late April to late December, closing markets and educational institutions and restricting public gatherings and events. The police strictly enforced the lockdown, and by late July, The Asia Foundation reported 187 cases of human rights violations, including 30 incidents of excessive use of force. On December 30, 2021, the country recorded just 235 new cases of COVID-19 and no deaths, allowing restrictions to be lifted. By the end of the year, 66.1 percent of the total population was fully vaccinated and 8 percent had received booster doses.

The pandemic continued to take a heavy toll on the economy and employment over the course of the year, though not as much as anticipated: the Asian Development Bank (ADB) had projected that the economy would shrink by 2.1 percent in 2021, but according to the World Bank, it instead grew by an estimated 1.8 percent. The pandemic's impact on the tourism sector further impeded economic growth. According to the Nepal Tourism Board, tourist arrivals in Nepal fell by 35 percent in 2021 due to the second wave of the pandemic.

Nepal continued to implement the federalist system mandated by the 2015 constitution and will celebrate the completion of the first elected local governments' tenure in May 2022. However, out of seven provinces, only five have finalized their province names and designated headquarters; Provinces 1 and 2 had yet to complete this process by the end of 2021.

In November, the Central Bureau of Statistics (CBS) conducted the first national census since 2011. Preliminary data show that Nepal's population has reached nearly 29.2 million, a 10 percent increase over the last ten years, though the average annual growth rate has declined slightly.

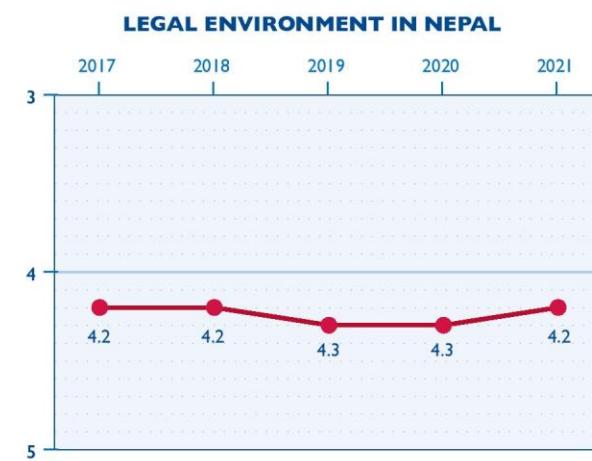
Corruption continued to be a concern in 2021; Transparency International's Corruption Perception Index again ranked Nepal 117th out of 180 countries. According to the World Justice Project, overall rule of law in the country slightly declined. CIVICUS also raised concerns about civic freedoms in the country in 2021, particularly citing repressive laws and amendments to Nepal's criminal code that "have been used to limit the work of independent CSOs and suppress freedom of expression."

In spite of this often-challenging environment, the overall sustainability of CSOs in Nepal slightly improved in 2021, with positive developments recorded in three dimensions. The legal environment saw a slight improvement as the government showed more flexibility in renewing registration and CSO operations during the pandemic lockdown. CSOs also improved their organizational capacity by adjusting to the challenges presented by the health crisis and working to meet the most urgent needs of their communities. The infrastructure supporting CSOs also improved slightly in 2021 due to greater knowledge exchange and collaboration within the sector. The other four dimensions were largely unchanged.

Most CSOs register as associations with one of seventy-seven district administration offices (DAOs) under the Association Registration Act (ARA), but DAOs do not make CSO registration data publicly available. CSOs must also affiliate with the Social Welfare Council (SWC) in order to receive foreign funding. As of the end of 2021, a total of 53,599 CSOs were affiliated with SWC, up from 51,513 in 2020. Due to bureaucratic obstacles in registering and renewing registration under the ARA, new CSOs often instead register as not-for-profit organizations under the Company Act. By the end of 2021, 3,704 not-for-profit organizations were registered with the Company Registrar Office (CRO), up from 3,160 in 2020.

Other forms of CSOs include forest user groups, water user committees, and community-based organizations (CBOs). There were 22,443 forest user groups at the end of 2021, a slight increase from 22,415 the previous year. Reliable data on water user committees is limited and no aggregated data is publicly available. However, estimates suggest that there were approximately 45,000 water user committees in 2021, of which just 27 percent were active. Most user committees have their own federations and rely on membership fees. The number of local CBOs remains unknown, as the Local Government Operation Act (LGOA), 2074, enables them to register with any one of 753 local councils. 34,513 cooperatives were recorded at the end of 2021, up from 29,886 in 2020.

LEGAL ENVIRONMENT: 4.2



In 2021, the legal environment under which CSOs operate slightly improved as the government provided more flexibility in the requirements for renewing registration and local government authorities were similarly flexible in enabling CSO operations, even during the COVID-19 lockdown. CSOs also successfully lobbied government authorities in 2021 to prevent the passage of a restrictive draft law regulating CSO operations.

The main laws governing CSOs continue to be the ARA, SWC Act, Company Act, Forest Act, Cooperative Act, and the National Directive Act (NDA). Primarily, CSOs are regulated by the Ministry of Home Affairs (MoHA) through the DAOs; the Ministry of Federal Affairs and General Administration (MoFAGA); the Ministry of Industry, Commerce, and Supplies (MoI&CS); the

Ministry of Forest and Environment (MoF&E); and the Ministry of Women, Children, and Senior Citizens (MoWCSC).

Most CSOs register as associations with a DAO under the ARA. Government authorities typically do not directly reject CSO registration applications, but instead delay and complicate the process by demanding additional documents like police intelligence verifications and recommendations from relevant ministries. CSOs must be registered in order to operate or pay a fine of up to NPR 2,000 (approximately \$17). Foreign citizens cannot register a CSO but may be honorary members.

CSOs must renew their registration annually with their respective DAO. The renewal process remained bureaucratic and cannot be completed online, but in some respects the government allowed for more flexibility in 2021, given the continued constraints of the health crisis. To renew its registration, a CSO must submit an audit report with a tax clearance certificate and a recommendation letter from the local council where it implements projects. In 2021, for the first time, MoHA and DAOs allowed for the required annual general meetings to be held online, thereby slightly easing the registration renewal process. Any CSO that fails to renew its organization for up to five years is delisted or considered dormant. No CSOs were delisted in 2021.

CSOs must also affiliate with SWC in order to receive foreign funding. Following a 2020 revision to a SWC directive, CSOs are now required to renew their affiliation with SWC every three years rather than every year, and can submit documentation digitally. Out of 53,599 CSOs affiliated with SWC, only 8,402 renewed their status in 2021. SWC maintains a record of all organizations regardless of status renewal, and those CSOs that do not renew are not delisted or considered dormant; rather, it is assumed that they simply did not renew their status because they do not plan to receive foreign funding.

Even when registered with a DAO and affiliated with SWC, a CSO must get approval from SWC for each foreign-funded project. For this, SWC requires approval from local councils or wards where the projects would be implemented. Generally, SWC is flexible in approving welfare-based CSO activities, while rights-based CSOs face more bureaucratic hurdles. International NGOs are still required to get advance approval from SWC in order to operate in Nepal, and they must work through local CSO implementing partners.

In 2018, MoHA drafted a new Social Organization Act (SOA) that aimed to streamline CSO legislation by replacing the ARA, SWC Act, and NDA. The SOA, however, was drafted without CSO consultations, and many stakeholders objected to the draft, claiming that it would restrict the existence and operations of CSOs. Led by the NGO Federation and other CSO networks, CSOs successfully lobbied parliamentarians and the ministry and prevented further action on the draft in 2021. In mid-December, the NGO Federation organized a National Civil Society Conference, at which Home Minister Balkrishna Khand recognized that the current legal frameworks and regulations were “not coherent with the democratic change in the country.”

In accordance with the constitution, all 7 provinces and 753 local governments are empowered to adopt laws aligned with the federal law, including laws related to CSOs. The LGOA also mandates local governments to coordinate with CSOs on the implementation of projects. Though a MoHA circular issued in September 2019 restricted provinces and local governments from making CSO-related laws, a number of local councils have continued to issue such laws. There is no central database to track the full scope of these laws.

None of the seventy-seven DAOs, including DAO Kathmandu, provided data related to complaints against CSO in 2021. SWC also refused to provide this data for 2021. However, experts confirm that there were some complaints filed against CSOs related to fund embezzlement, nepotism or favoritism, weak governance, and taxation issues.

Though travel and freedom of assembly were limited during the lockdown in 2021, there were no reports of targeted harassment of CSOs due to COVID-19 restrictions. Local government authorities were also notably more flexible in recognizing the importance of and enabling CSO operations in their communities in 2021, despite national restrictions.

Drafts of controversial bills continued to threaten freedom of expression in 2021. In particular, the Media Council Bill would enable government influence over the Media Council and threaten heavy penalties for libel, while the IT Management Bill would allow the government to block social media platforms not registered in Nepal. The Oli government continued to press for both bills during the first half of 2021, posing a threat at a time of increased scrutiny of the government; however, both bills remained stalled. The Special Service Bill, which was introduced in

2021 and would allow authorities to tap telephonic communication without a warrant, was also stalled in parliament after a CSO and media campaign in opposition.

Oli's dissolution of the parliament was hugely criticized in social and mainstream media. In February, member of parliament Ramkumari Jhakri was arrested for her vocal criticism of Oli and the president's limited response. She was released later that day after outrage from across the political and civil society spectrum, and there were no reports of incidents against CSO activists in the midst of the political instability.

CSOs are generally allowed to engage in economic activities, such as charging for services, and are permitted to seek funding from business entities, including through corporate social responsibility (CSR). Only CSOs registered in the value-added tax (VAT) system can compete for government contracts, and those bidding for government contracts often face increased taxation scrutiny. In 2021, a few CSOs registered with the VAT system faced legal action due to non-compliance. Community Service Reliance Center (CSRC), for instance, faced millions (NPR) of VAT default.

Despite ongoing lobbying efforts, as in previous years, government tax authorities continued to refuse to issue tax clearance certificates to CSOs in 2021. Existing tax laws exempt CSOs from customs duties on specific imports. Individuals and corporations do not receive tax benefits for donations to CSOs.

Legal professionals are available in all provinces and district headquarters but most are not experts in CSO-related laws. Some CSOs, including the Forum for Women, Law, and Development (FWLD) and the Forum for Protection of Consumer Rights, provide legal assistance to CSOs. However, more rural CBOs and small CSOs may require special legal services and lack sufficient resources to hire qualified lawyers.

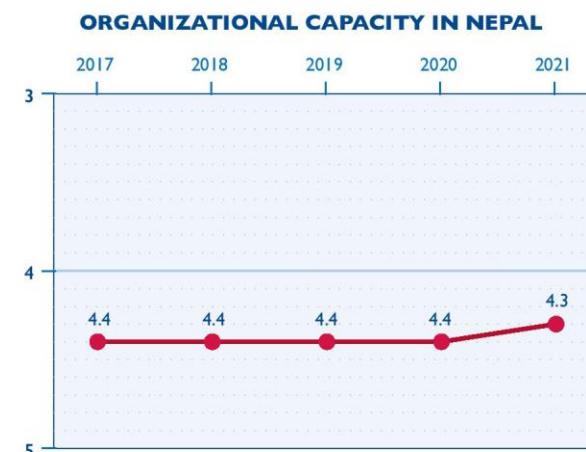
ORGANIZATIONAL CAPACITY: 4.3

The organizational capacity of CSOs improved slightly in 2021. While the focus continued to be on COVID-19 relief, CSOs improved their engagement with constituents through online platforms. This was especially evident through COVID-19 awareness campaigns. Some anecdotal evidence also suggests that CSOs were better able to prepare and follow strategic plans in 2021, and larger CSOs were able to designate some of their budgets for staff capacity development. The Civil Society: Mutual Accountability Project (CS:MAP), implemented by FHI360 with funding from USAID, also continued to support CSO capacity in 2021, engaging with national and regional partners specifically around public health, education, agriculture, and disaster relief.

CSOs continued to use online platforms to engage with and build their constituencies, drawing on their experience in the first year of the pandemic. In 2021, therefore, CSOs were able to improve relationships with their beneficiaries through innovative and multi-pronged approaches, utilizing both online platforms to connect with participants and small in-person workshops, trainings, and discussions. For instance, a number of youth networks and CSOs utilized both online platforms and radio to support constituents in the midst of the health crisis by disseminating facts, countering misinformation, and offering psychosocial counselling.

CSOs also continued to try to specialize in their areas of work, recognizing donor tendencies to support more specialized partners. While provincial and local level CSOs typically address a wide variety of issue areas, especially given their reliance on project-based funding, some national CSOs have developed clear constituencies in their areas. For instance, FWLD focuses on gender and justice, CSRC on land rights, GoGo Foundation on governance, Bageswori Asal Sasan Club (BAS) on youth mobilization, Freedom Forum on the right to information, and Samudayiek Sarathi on local governance.

Most large and medium-sized CSOs operating at the national and district levels have clear strategic plans and formal administrative and financial directives, in addition to internal governance policies addressing such issues as



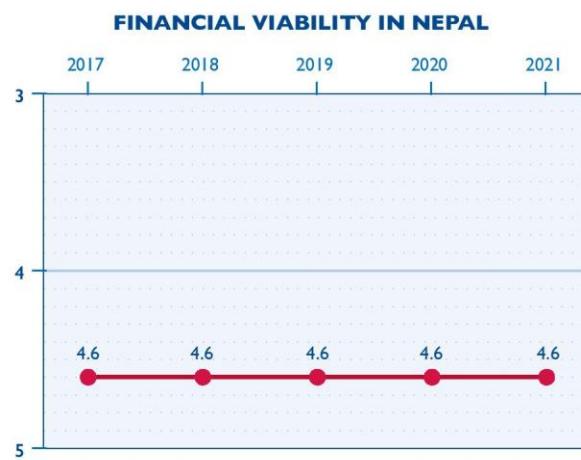
gender, harassment, anti-corruption, and conflict of interest. Smaller organizations are typically more focused on survival than on adhering to their missions, and frequently adjust their strategic plans to reflect donor priorities. Smaller and newly formed CSOs also typically are less able to dedicate time and resources to internal governance and accountability mechanisms.

In order to register, CSOs are required to elect an executive committee through periodic general meetings, but members of those committees typically play a minor role in the organization. After COVID-19 prevented many of these meetings in 2020, most CSOs in 2021 conducted their annual general meetings online, enabling all organization members to participate regardless of ongoing COVID-19 restrictions. Larger CSOs typically have clear terms of reference for their executive committee members, staff, and consultants, and clearly defined internal management structures, while small CSOs maintain only an executive committee in order to comply with legal requirements.

Because CSOs remain heavily donor dependent, they typically cannot hire long-term staff. Large, national CSOs like CSRC, Informal Sector Service Centre (INSEC), and Rural Reconstruction Nepal (RRN) retain minimal core full-time staffs, while medium-sized CSOs primarily maintain part-time accountants and office support. CSOs must designate a treasurer to manage their bank accounts. Donor funding largely enabled CSOs to maintain their core staff in 2021. Some CSOs continued to mobilize volunteers, but volunteer numbers saw little to no improvement after notable declines in 2020 due to the pandemic lockdown. According to the Charities Aid Foundation World Giving Index 2022, which reports on 2021 developments, 30 percent of survey respondents in Nepal reported that they had volunteered with an organization in the previous month, a very slight drop from 33 percent in 2020.

Urban-based CSOs typically have sufficient information and communication technology (ICT), while rural-based CSOs continued to have limited ICT capacity and poor internet connections. Still, in 2021, many CSOs were able to expand their online presence through their websites and social media platforms to connect with both their communities and donors.

FINANCIAL VIABILITY: 4.6



The financial viability of CSOs remained unchanged in 2021. Though foreign funding approved by SWC and government funding for the CSO sector decreased, corporate support for CSO relief activities continued to increase.

CSOs continued to struggle to diversify their sources of funding, and foreign funding remained a primary source of support. According to some, this was somewhat more challenging for CSOs that were not specialized in the health sector and thereby did not benefit from funds diverted to COVID-19 relief. SWC approved 1,115 new foreign-funded projects submitted by 699 CSOs in 2021, with a total value of NPR 14.28 billion (approximately \$114 million), a notable decrease from the NPR 17.8 billion (approximately \$150 million) approved in 2020. Of

the \$114 million, approximately \$4 million was directed to the pandemic response.

Government funding to the CSO sector also decreased in 2021. MoWCSC provided over NPR 102 million (approximately \$813,000) to eighty-four CSOs in the forty districts, as compared to roughly \$920,000 in 2020. Much of that funding was dedicated to humanitarian support and CSOs working with senior citizens, women, and safehouses. Some CSOs, such as Women for Human Rights (WHR, which works with single women) and Koshish (providing mental health support), received funding from the government to cover the fees of those social services. Similarly, the city of Kathmandu provided NPR 1 million (approximately \$8,000) to Samudayik Sarathi and the Central Bureau of Statistics provided NPR 500,000 (approximately \$4,000) to the Blue Diamond Society to verify census data among their target communities.

Though no official data is available, municipal governments continued to provide funds to hundreds of local CSOs for welfare-based activities. Local governments also again provided funds to user committees in 2021, primarily to construct local infrastructure.

The Company Act includes provisions on CSR, and since 2019, the Central Bank of Nepal has required the banking sector to donate at least 1 percent of annual profits to social causes. In 2021, the banking sector donated approximately \$2 million, almost half of which supported work on the Sustainable Development Goals (SDGs), childcare and orphanages, and care for the elderly. Approximately NPR 147 million (\$1.2 million) of that \$2 million is estimated to have gone to CSOs for work in education and humanitarian relief in 2021. This was a significant increase from NPR 12.7 million (\$108,000) in 2020.

There were no notable CSO crowdfunding or fundraising campaigns in 2021, and no public data is available to confirm the extent of individual philanthropic donations.

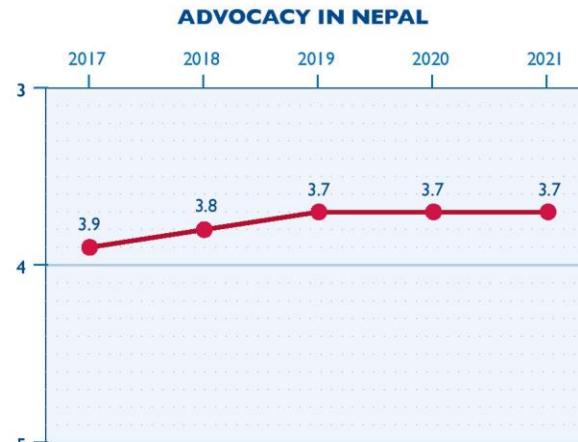
Existing laws do not encourage CSOs to generate revenue from their members, given that they are defined as not-for-profit organizations, but some CSO networks, alliances, and cooperatives collect annual membership fees. Those fees remain very limited and primarily serve as an indication of members' support, not as a meaningful source of income. CSO advocacy materials, knowledge products, and most services are provided free of charge.

Some national and district level CSOs have robust financial management systems with modern accounting software. Donors also sometimes provide financial management training for their grantees. However, small, rural CSOs typically continue to keep accounts manually. CSOs are required to submit independent audit reports, along with management reports, to their respective DAO and SWC to renew registration. If a CSO fails to submit these reports, executive committee members can each be fined up to NPR 500 (approximately \$4), but there are no known instances of these penalties being imposed. Active CSOs generally fulfill these requirements.

ADVOCACY: 3.7

CSO advocacy remained unchanged in 2021. Over the course of the year, CSO advocacy and lobbying efforts engaged with federal, provincial, and local governments, particularly regarding COVID-19 relief efforts.

Despite the political instability in the first half of the year, CSOs were able to continuously engage in policy discussions and cooperate with several levels of the government throughout the year. For instance, with support from UN Women, CSOs working on lesbian, gay, bisexual, and transgender (LGBT) rights, such as Nepal Blue Diamond Society, Mitini, and Inclusive Forum Nepal, met with CBS in August to ensure that LGBT communities were properly counted in the 2021 population census that was then carried out in November.



In mid-December, NGO Federation's National Civil Society Conference brought together government representatives, key donor representatives, and more than 800 CSO representatives from across the country. The program included thematic sessions on civic space, environment and climate change, the SDGs, and water, sanitation, and hygiene. The conference then issued a fourteen-point declaration reflecting the discussions, including recognition of the need to improve CSO laws and tax exemption and address CSO sustainability challenges.

CSOs also continued to successfully cooperate with government authorities at the local level in 2021, and networks like the Municipal Association of Nepal (MuAN) and the National Association of Rural Municipalities Nepal (NARMIN) again contributed substantive guidance and model laws for local councils regarding CSO registration and renewal regulations and cooperation. In Lumbini Province, for instance, the local council in Khajura Rural Municipality then enacted the recommended law.

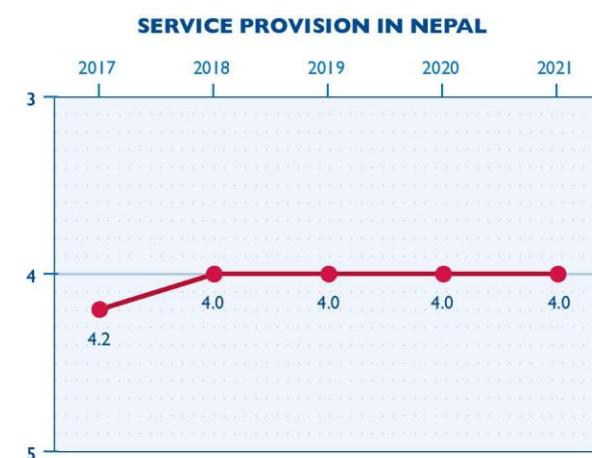
CSOs actively engaged in several policy advocacy campaigns and initiatives in 2021. CSOs were particularly active in pressing for greater government attention to COVID-19 relief, especially for vulnerable communities. Toward that end, CSOs held in-person meetings and online discussions with government authorities demanding accountability and transparency on the COVID-19 response and relief, and issued an advocacy letter and several press releases.

Also in 2021, the Economic, Social, and Cultural Rights (ESCR) network of more than thirty-four CSOs demanded an updated status on the implementation of the Right to Food and Food Sovereignty directive and laws. The campaign included Hope Hermitage Nepal, Samata Foundation, Sancharika Samuha, GoGo Foundation, Nepal Muslim Mahila Kalyan Samaj, National Disability Federation, and others. Over the course of the year, the network organized several discussions and drafted and submitted joint appeals to relevant ministries and parliamentary committees, as well as the National Human Rights Commission (NHRC).

The NGO Federation, GoGo Foundation, and Freedom Forum continued to lobby the parliamentary committee, MoHA, Ministry of Information and Technology, and SWC for citizen- and media-friendly laws. In 2021, this advocacy was particularly successful in stalling several potentially restrictive laws discussed above, such as the IT Management Bill.

Particularly in the first half of 2021 as Nepal faced another wave of COVID-19, both CSOs and the government focused primarily on pandemic relief rather than on CSO law reform. CSOs did, however, continue to campaign against the draft SOA, which MoHA had drafted in 2018 without consulting CSOs and which many stakeholders opposed as potentially restricting the existence and operations of CSOs. Led by the NGO Federation and other CSO networks, CSOs successfully lobbied parliamentarians and prevented further action on the draft in 2021.

SERVICE PROVISION: 4.0



In 2021, CSO service provision remained unchanged overall. Though CSOs continued to struggle to deliver their traditional programming, the government allowed CSO activities despite COVID-19 restrictions and actively encouraged their assistance in preventing and mitigating the impacts of the health crisis.

Traditionally, Nepalese CSOs address a wide range of issue areas, including livelihood development, relief, human rights, governance, health and sanitation, education, and agriculture. The national health emergency, however, continued to limit the scope of CSO activities as they prioritized pandemic prevention and relief. A 2021 assessment conducted by the NGO Federation and FHI360 reported that 58 percent of CSOs saw a decline in their ability to deliver their regular programming.

Given the successive waves of the COVID-19 pandemic, CSOs continued to shift their priorities to meet the most urgent needs of their constituents. In Lumbini Province, for instance, BAS led several mass awareness campaigns and provided a food bank for communities most impacted by COVID-19. Koshish provided psychosocial counselling during the pandemic, while other CSOs distributed personal protective equipment (PPE) and masks, testing kits, sanitizer, and other basic necessities in combatting the virus.

CSOs also continued to provide a range of services to local councils and government authorities. For instance, Samudayik Sarathi drafted policies on agriculture, alcohol management, governance, and complaint redressal for several municipalities. Resource Identification and Management Society (RIMS) Nepal, together with the GoGo Foundation, provided policy support and capacity-building activities for several rural councils in the Dhading District. GoGo Foundation and Accountability Lab's governance experts conducted a study to establish the Hello Sarkar (Hello Government) unit in the Chief Minister's office of Karnali and Sudurpaschim Provinces; the platform

enables individuals to lodge complaints and concerns online or offer suggestions to their respective provincial Chief Minister.

Provided the necessary funding or donor requirements, CSOs typically conduct needs assessments before implementing new projects. Often, this entails visits to intended project sites, meetings with local government representatives, and identification of key beneficiaries. Most CSOs also conduct community consultations, directly engaging with beneficiaries, relevant government authorities, and other local stakeholders to ensure local ownership of the project.

As required by law, CSOs offer their services without discrimination regarding gender, ethnicity, or sexual orientation, but it remains difficult to determine if some discriminate due to political affiliation.

CSOs continued to rely on foreign support to provide services, with government funding providing some support for CSOs' humanitarian and welfare activities. As in 2020, Nepalese CSOs had very limited capacity to recover costs from their services and beneficiaries were typically unable to pay for CSO services in 2021.

Appreciation for CSO work continued to vary across government agencies. In general, government officials at every level remained supportive of CSOs, though some officials were more readily supportive of those focused on welfare and service provision. Government support was especially evident at provincial and local levels, and there were several instances of recognition at the national level in 2021. For instance, at the National Civil Society Conference, Home Minister Balkrishna Khand recognized CSOs' contributions to strengthening democracy in the country. CSO leaders also continued to be appointed to the National Planning Commission and the NHRC. For example, the founder of WHR was appointed to the NHRC in February.

SECTORAL INFRASTRUCTURE: 4.2

In 2021, the infrastructure supporting the CSO sector slightly improved. Though some capacity-building and networking activities were disrupted by COVID-19 restrictions, CSOs were better able to use online tools and hybrid models for both trainings and consultations. This enabled a wider range of CSOs—including more rural-based CSOs—to participate in national-level discussions, exchange knowledge, and form consortiums to submit joint bids for donor funding.

The availability of training opportunities remained largely unchanged in 2021, and, as in 2020, some training activities were conducted online. Several national-level CSOs, including the Nepal Investigative Multimedia Journalism Network, Martin Chautari, Social Welfare Institute (SWI), Media House, and Nari Chetana Kendra, offer CSOs capacity-building opportunities. Others offer project-specific training for CSOs. For instance, Caritas-Nepal worked with youth for social change and resilience in Jhapa, Maiti-Nepal provided training on human trafficking, and the Federation of Women with Disability Nepal supported campaign building and trained its members on networking and documentation. Tewa also provided training to strengthen women's organizations and Women's Power Development Center Nepal initiated a women's leadership development program.

Network-based organizations like the NGO Federation, the Federation of Nepali Journalists (FNJ), and the Federation of Community Forestry Users Nepal (FECOFUN) also invite subject experts to conduct regular training workshops for their members. Some private sector consulting firms provide a range of training services, covering areas like financial management and right to information, but few such trainings were carried out in 2021 due to COVID-19 restrictions.

In previous years, a few organizations redistributed foreign support through small grants to local initiatives. According to experts, however, this practice has evolved with the growth of coalitions within the sector that enabled joint submission of bids for project funding. With that shift, in 2021, funds from international organizations that previously would have been regranted were instead disbursed directly to consortium members.

SECTORAL INFRASTRUCTURE IN NEPAL

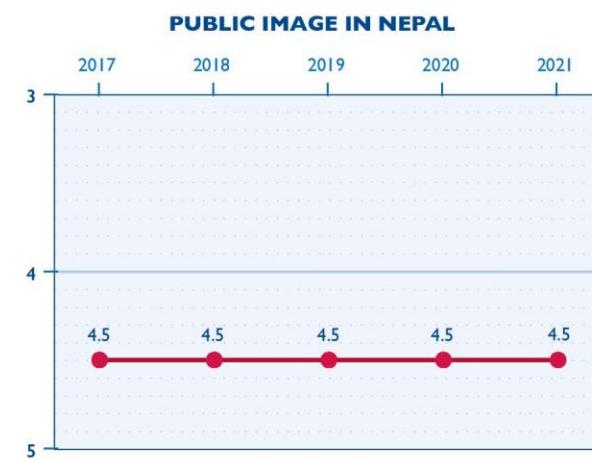


Several CSO networks and alliances continued their operations in 2021, particularly focused on COVID-19 relief, and increasingly made use of hybrid platforms to expand their efforts. This included specialized networks such as FECOFUN, Dalit NGO Federation, NGO Federation, FNJ, and networks focused on youth, senior citizens, and women. As COVID-19 cases continued to rise, networks organized virtual meetings, issued joint press releases and appeals, and collaborated in drafting memorandums that were then submitted to the NHRC and relevant ministries to demand better delivery of the government's COVID-19 relief programs.

CSOs continued to collaborate with federal, provincial, and local government bodies, especially on COVID-19 relief initiatives. Together with local councils, CSOs disseminated awareness-raising campaigns, distributed PPE, and helped at isolation centers for COVID patients.

CSOs also continued to form partnerships with the private sector and commercial banks in 2021. Shanker Group, Infinity Holding, and others collaborated with CSOs to provide humanitarian support through their CSR programs. Banks and corporations also continued to build their own staff capacity through CSO trainings on public relations, right to information, and organizational behavior. In 2021, the Nepal Participatory Action Network (NEPAN), the Forum for Consumer Protection Nepal, and the GoGo Foundation trained the National Management Services (NMS) on organizational behaviors, complaint redressal mechanisms, and customer satisfaction. The banking sector also collaborated with international NGOs in 2021. For example, the Bank of Kathmandu and Siddhartha Bank signed an agreement with Heifer International to conduct financial literacy classes for farmers in Gulmi District of Lumbini Province. CS:MAP also continued to support CSO collaboration with media, the private sector, and the government to discuss laws like SOA, the Media Council Bill, and the IT Management Bill.

PUBLIC IMAGE: 4.5



In 2021, CSOs' public image remained unchanged. Though national media rarely cover CSO activities, coverage at the local level remained strong. Public perceptions of the sector at the local level also remained positive, while the government and business sectors had mixed perceptions of CSOs' work and contributions.

Media coverage of CSOs continued to be mixed, and while local media frequently highlighted CSO activities, as in 2020, national media rarely covered the impact and work of CSOs. CS:MAP initiatives, the NGO Federation, and FNJ continued to work to increase collaboration between CSOs and the media, helping to highlight and explain CSO contributions in the country.

Public perceptions of CSOs remained unchanged in 2021. As in 2020, though there continued to be public concerns about CSOs' internal governance, partisanship, and transparency of funding and programming, CSOs' COVID-19 relief activities were especially beneficial in counteracting those more negative perceptions.

Government officials at various levels openly acknowledged CSOs' contributions in 2021 and particularly highlighted CSO contributions to defending democracy and open governance in several public forums, such as the National Civil Society Conference cited earlier. However, government employees working in frontline service delivery are wary of CSO oversight of government work. CSOs focused on human rights and those publicly pushing for greater government accountability and transparency of public services are also perceived less positively by government representatives. Officially, the government welcomes CSOs as partners in development, but in practice often fails to consult CSOs in relevant tasks and policies. For example, the government's 2021 Ordinance for COVID Crisis Management was intended to improve pandemic prevention and response activities but was drafted without CSO input.

While there were still no formal surveys to confirm the business community's perception of CSOs in 2021, ongoing collaboration through CSR funding for CSOs showed positive engagement from the private sector, particularly in humanitarian support and health and education initiatives.

In 2021, CSOs increasingly used social media to promote their work, and more CSOs disseminated press releases, statements, and posts both on their websites and on their Facebook pages. CSOs and media cooperated through FNJ, and most national CSOs frequently issued press releases and organized forums (in person and online) to develop relationships with media personnel and promote their causes and organizations.

Most CSOs have written codes of conduct and continue to advance self-regulation. The NGO Federation encouraged its partners to abide by those codes of conduct through national and provincial level dialogues, and alongside GoGo Foundation, it continued to promote the development of a CSO accreditation tool to improve self-regulation. In 2021, CSOs further developed the potential indicators of such a tool, attracting more attention within the sector. As of the end of the year, discussions around the formation of a CSO accreditation body were ongoing. All registered CSOs submit annual reports and audited financial statements, which are required in order to renew their registration.

THE PHILIPPINES

Capital: Manila
Population: 114,597,229
GDP per capita (PPP): \$8,000
Human Development Index: Medium (0.699)
Freedom in the World: Partly Free (55/100)

OVERALL CSO SUSTAINABILITY: 3.8



In 2021, the Philippines continued to grapple with the COVID-19 pandemic and its impact and welcomed a gradual though halting return of economic growth.

The second year of the COVID-19 pandemic in the Philippines was similar to the first: lockdowns were implemented in response to two waves of COVID-19, first in March and again in August, and the contact tracing system remained ineffective. In May, police were ordered to arrest and detain any members of the public not fully masked, and in September the government instituted a new framework for smaller, more localized ("granular") lockdowns. This approach was particularly implemented in the National Capital Region (NCR), where by late September, at least 294 areas, including individual houses, streets, and buildings, were under granular lockdowns. In 2021, the country reported 2,372,238 cases of COVID-19 and 42,249 deaths. By the end of the year, 60 percent of the target population (12 years and older) was fully vaccinated, but there were clear disparities in vaccination rates between regions and communities.

In 2020, the government had provided relief and economic stimulus measures through the Bayanihan to Heal as One Act and the Bayanihan to Recover as One Act. Though a third Bayanihan was legislated in 2021, promising to distribute PHP 400 billion (approximately \$7.6 billion) in financial assistance to the poor, health-care workers, and micro, small, and medium enterprises (MSMEs), ultimately Congress did not pass it. Instead, the 2021 budget allocated funds to government agencies involved in the Build, Build, Build infrastructure program and to the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC). Meanwhile, community pantries mushroomed nationwide in an attempt to meet urgent needs for relief, some of which the government initially "red-tagged" (a method of blacklisting in the Philippines by labelling groups or actions as tied to communist terrorist groups). Following a rebuke from the mayor of Quezon City, where the movement began, and vocal public frustration, the police chief later issued an apology to those who had been accused of communist ties.

The administration's pandemic response was criticized in areas of public health policy, public funds management, and governance. The Commission on Audit found "deficiencies" in how the Department of Health (DOH) managed COVID-19 funds due to noncompliance with pertinent laws and regulations: in 2021, approximately PHP 67.32 billion (\$1.3 billion) in funds "remained idle and were not translated to health supplies, equipment, and services that were badly needed." The audit report also found a "pattern of corruption" in the use of COVID-19 funds by the Department of Budget and Management's Procurement Service (DBM-PS), including in transactions with the Pharmally Pharmaceutical Corporation. These findings prompted a Senate investigation, even as President Rodrigo Duterte defended his allies in DOH and DBM and barred Cabinet members from attending the Senate hearings. The House of Representatives, led by many Duterte allies, countered the Senate investigation with its

own hearings, and investigations continued through the end of the year as the public and civil society expressed grave concerns around the massive scandal.

At the same time, however, the country's gross domestic product (GDP) grew by 5.6 percent in 2021, a significant leap from the 9.6 percent decline in 2020. Still, that economic growth remained bumpy and the economy has not yet reverted to pre-pandemic rates. The National Economic and Development Authority (NEDA) projected that it would take another decade before the country returns to its previous economic trajectory. Unemployment was 46 percent higher than it was in 2020, and at the start of 2021, more than 26 million were considered poor, approximately 4 million more than in 2018.

In July 2020, Duterte signed into law the Anti-Terrorism Act of 2020 (ATA). The ATA's vague definition of terrorism covered virtually all advocacy activities, including speeches, publications, and banners in public places, and prompted thirty-seven petitions to the Supreme Court that claimed it infringed on rights guaranteed by the constitution. In December 2021, the Supreme Court ruled that all but two provisions of the ATA are constitutional. It struck down Section 4, which had allowed "advocacy, protest, dissent, stoppage of work, (and) industrial or mass action" to be classed as terrorism, as well as Section 25, which empowered the Anti-Terrorism Council (ATC) to designate people and groups as terrorists at the request of other countries or international organizations.

Serious human rights violations continued in 2021. According to official government records, as of early 2022, Duterte's "war on drugs" had resulted in the killing of 6,221 people since July 2016; human rights groups, however, estimate that the number is much higher, potentially as many as 30,000. Over 300 people were killed in 2021 alone, according to government figures, which in October 2020 had reported a total 5,903 killings. Thus far, just one case among thousands has resulted in the conviction of police officers, though according to a national Commission on Human Rights (CHR) October 2021 report, police were culpable in at least fifty-two cases. The Department of Justice has been criticized for delays, lack of transparency, and excluding CHR from its review of cases. In September, the International Criminal Court (ICC) began an investigation into the bloody drug war, but the investigation was paused in November after the Philippine government asked to defer the case. The Duterte administration's respect for the rule of law remained a significant concern in 2021, even after the Supreme Court ruled that Duterte was obliged to cooperate in the criminal proceedings, though the country had formally withdrawn from the ICC in 2019. The Presidential Spokesperson disregarded the court's remarks, arguing that they represented the opinion of the justices rather than a legally binding verdict.

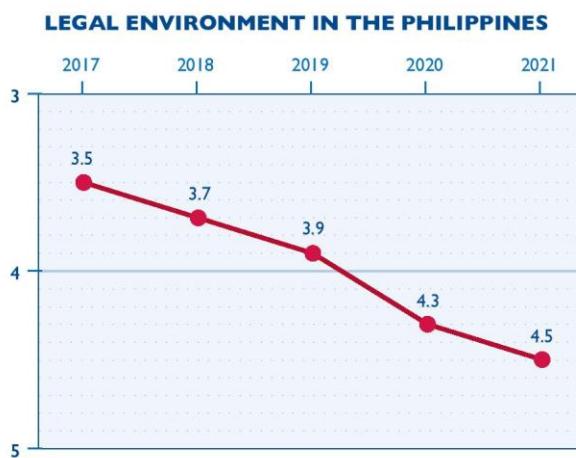
The government's ongoing restrictions on freedom of expression continued to be highlighted by the persistent cases against journalist and press freedom advocate Maria Ressa. When she was awarded the Nobel Peace Prize in October 2021—alongside Russian journalist Dmitri Muratov, for their "courageous fight for freedom of expression"—there were still seven active court cases pending against Ressa and Rappler, the outlet she co-founded and leads.

The year 2021 also launched the seven-month long road toward the national and local elections, to be held on May 9, 2022.

The overall sustainability of the CSO sector deteriorated slightly in 2021, though it recorded both improvements and deteriorations within the underlying dimensions. The legal environment and financial viability of CSOs continued to decline in 2021 as organizations faced further harassment and restrictions from the government and scarce financial support. However, organizational capacity recorded a slight improvement as CSOs better adapted to the operational challenges that had begun in 2020 with the onset of the COVID-19 pandemic. CSO advocacy, service provision, public image, and the infrastructure supporting the sector remained unchanged. Though some positive developments were noted demonstrated their abilities to adapt to a difficult environment, ongoing challenges due to financial limitations, restrictions, and self-censorship continued to prevent wider improvements.

According to various national government agencies, there are approximately 378,500 CSOs registered in the Philippines, as compared to 362,000 in 2020. This includes 172,747 nonprofit organizations as of 2020, 24,693 homeowner's associations (2022), 28,784 cooperatives (2018), 66,407 workers' associations (2019), and 85,833 labor organizations (2019). While these figures show a combined increase since 2020, the various agencies that register CSOs are not consistent in their reporting.

LEGAL ENVIRONMENT: 4.5



The legal environment for CSOs in the Philippines continued to deteriorate for the seventh consecutive year, registering a moderate decline in 2021. State harassment of CSOs intensified and government issuances presented additional administrative burdens.

Most CSOs, including non-governmental organizations (NGOs), foundations, and some people's organizations (POs, a form of membership organization), register and annually update their registration with the Securities and Exchange Commission (SEC). Cooperatives register with the Cooperative Development Authority, while homeowners' associations register with the Department of Human Settlements and Urban Development (DHSUD). Labor organizations and workers associations register with the Department of

Labor and Employment. At the sub-national level, the accreditation process for CSOs and government engagement with CSOs is also regulated by memorandum circulars (MCs) issued by the Department of the Interior and Local Government (DILG) to local government units (LGUs).

As the COVID-19 pandemic continued in 2021, many regular government functions continued to occur online, including the renewal of SEC registration applications. The online application eased registration and the submission of reporting requirements, but the issuance of SEC MC 01 in January 2021 further complicated the registration process by requiring CSOs to disclose additional information on the organization's beneficial owner(s). Typically, regulations requiring transparency of beneficial ownership support anti-money laundering and counter-terrorism measurements. CSOs, however, often do not have clear definitions of who the beneficial owner is considered to be; further, while data on beneficial ownership will not be made public, CSOs fear that it may be shared with and misused by law enforcement and security forces and spur further limits on CSO funding and activities.

In January 2021, DILG issued MC 2021-12 to foster CSO participation in LGUs by encouraging the establishment of CSO Desks and local People's Councils. However, the MC required CSOs to seek clearance from both the Philippine National Police and the Armed Forces of the Philippines in order to participate in the governance of their local LGUs. Following vocal CSO advocacy in opposition to this requirement for clearance, in May 2021, DILG amended the MC to remove the requirement and issued it as MC 2021-054. According to DILG, 526 CSO Desks and 48 People's Councils were created in 2021.

Some CSO operations were severely impacted by targeted government action under the Anti-Money Laundering Council (AMLC), which froze the bank accounts of some CSOs for alleged ties to communist rebels and terrorist groups. According to the human rights group Karapatan, in June 2021, AMLC ordered a twenty-day freeze on the bank accounts of Amihan, an organization of peasant women often critical of the Duterte administration, and eight other NGOs and civil society groups based in Mindanao; the freeze was then extended to six months as investigations continued. The freeze order was spurred by testimonies from two individuals alleging that the bank accounts supported tactical offensive operations of the Communist Party of the Philippines (CPP), the New People's Army (NPA), and the National Democratic Front of the Philippines (NDF), which were earlier listed by the Anti-Terrorism Council as terrorists. With their accounts frozen, the affected CSOs were forced to pause almost all activities. In opposing the freeze order, Amihan maintained that AMLC had mistakenly attributed a bank account as theirs and that it never had any projects in the provinces that were the focus of the investigation. In November 2021, the Court of Appeals lifted AMLC's freeze order on the bank account of Amihan for lack of probable cause. No further information was publicly available regarding the eight other groups, and CSOs continue to view the implementation of the Anti-Money Laundering Act warily, as it could be used to impede other voices of opposition in the country.

State harassment and attacks increased in 2021 and government security forces, led by NTF-ELCAC, continued to red-tag specific activists and CSOs. In a speech on March 5, 2021, Duterte ordered police and soldiers to "finish off" and kill all communist rebels. Two days later, police forces killed nine individuals and arrested six others in a

series of raids against activist groups in Laguna, Rizal, and Batangas provinces dubbed “Bloody Sunday.” According to Karapatan, forty-five activists were killed in the first eight months of 2021.

In April 2021, Ana Patricia “Patreng” Non set up the first community pantry on Maginhawa Street in Quezon City—a bamboo cart containing basic groceries and fresh produce with a sign reading, “Take only what you need, give what you can.” More followed as volunteer groups and families set up pantries in their own communities. One week after setting up the first pantry, however, Non paused the project, fearing for the safety of volunteers after the Quezon City Police District (QCPD) and NTF-ELCAC accused the community pantries of being communist fronts. Other community pantry organizers also reported being approached by the police for their contact details and affiliations. In addition, some government officials issued conflicting statements as to whether community pantries would need permits or not, causing further confusion among pantry volunteers. Following a tidal wave of public support for the pantries and rebukes from several local and national political officials, the QCPD rescinded its accusation and the pantries largely resumed operations, even as some continued to receive threats.

The ATA, enacted in 2020, continued to threaten freedom of expression and the operations of CSOs as the Supreme Court debated the constitutionality of its various provisions. In May 2021, the ATC designated nineteen people as terrorists—including a recently freed peace consultant—allegedly for being central committee members of the CPP, and their assets were immediately frozen. In December 2021, the Supreme Court ruled that the ATA was constitutional with the exception of two provisions: the qualifier of dissent with intent to cause harm as a terrorist act, and the designation of a person or group as a terrorist based on a request by another country. While some lawyers considered the ruling a small victory and others a consolation, all agreed that the retained provisions still present a threat to CSOs. These include vesting authority in the ATC to identify organizations or individuals as terrorists; vague definitions of “inciting to commit terrorism” through speeches, proclamations, writing, emblems, and banners; and allowing detention without judicial warrant or arrest for up to twenty-four days.

A CSO may apply for tax exemption with the Bureau of Internal Revenue (BIR) by registering as a donee institution. Income derived from the use of CSO assets, like building rental, or other income-generating activities is not exempt from taxation.

CSOs are allowed to generate income by charging fees for their facilities and services, if this is stipulated in their Articles of Incorporation. They may also conduct public solicitation or fundraise from the public if they have a permit from the Department of Social Welfare and Development (DSWD). CSOs may also receive foreign funding, though in February 2021, the Department of Foreign Affairs (DFA) issued a directive requiring all foreign diplomatic missions to seek clearance with DFA before channeling funds to Philippine NGOs. Diplomatic sources said that the DFA directive was reportedly part of the ongoing investigation and freezing of assets of several designated terrorist groups or individuals under the ATA, and echoed similar requests in 2019 following the Duterte administration’s claims that foreign governments were providing support to alleged communist fronts.

Given increasing state harassment, CSOs’ need for legal services increased in 2021. The availability of such services continues to be centered in major cities. State harassment and intimidation of lawyers working with CSOs or defending critical voices further obstructs the provision of legal assistance to CSOs, and in April 2021, the National Union of People’s Lawyers (NUPL) reported that there had been a “steady increase” in the number of work-related attacks on lawyers since 2016.

ORGANIZATIONAL CAPACITY: 3.5

The organizational capacity of CSOs slightly improved in 2021, as they were able to better adjust their operations and technological capacities to the challenges presented by the COVID-19 pandemic.

Many LGUs required COVID-19 RT-PCR test results prior to entering the community. Given the added cost of COVID-19 testing and travel restrictions, many CSOs limited their field work in 2021 and adjusted the way they worked with their partner communities. In urban areas, CSOs were able to involve their constituents in online meetings, interviews, and webinars by providing the knowledge and skills needed to access virtual platforms. The use of online platforms, however, remained a challenge in rural areas, so some CSOs and foundations implemented their projects by strengthening collaboration with community-based organizations (CBOs). In providing food assistance, for example, companies and foundations brought deliveries to the boundaries of LGUs then had CBOs distribute them.

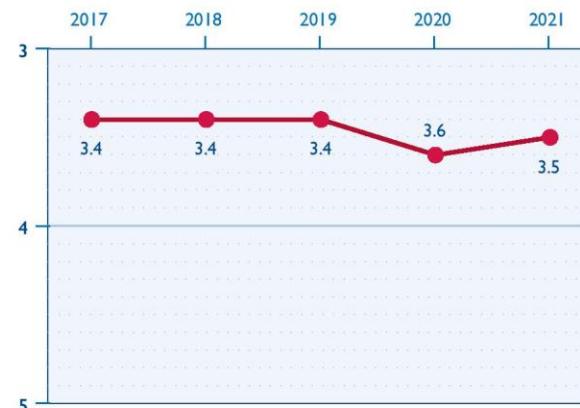
Most CSOs recalibrated their strategic plans because of the pandemic. As in 2020, some smaller CSOs decided to forego discussions around strategic planning due to mobility restrictions, while larger CSOs with more access to resources held strategic planning sessions online. Regardless, there were inherent constraints in facilitating comprehensive discussions remotely. Given the uncertainty of the situation and cyclical surge of COVID-19 cases in 2021, CSOs also found it difficult to articulate long-term plans and objectives. Larger CSOs prioritized short-term support to the sectors most affected by the pandemic.

Larger CSOs, cooperatives, and corporate foundations typically have more sophisticated internal management systems, including detailed governance, human resources, financial management, and fundraising systems, policies, and processes. Smaller CSOs, POs, and CBOs have simpler systems, including board elections and terms of office, that still allow them to practice appropriate decision-making processes. Most CSOs continued to hold their staff and board meetings remotely in 2021 due to mobility restrictions. As lockdown restrictions eased and vaccines were rolled out, smaller CSOs, POs, and CBOs were able to conduct their annual general assemblies in person.

Typically, larger CSOs have clear human resource policies and maintain regular staff while smaller organizations have lean staffing structures and are supported primarily by volunteers. In 2021, some CSOs were able to engage volunteers online, but most CSOs continued to have difficulty maintaining staff and long-term volunteers because they are only able to offer limited salaries and training opportunities. Budget constraints forced some CSOs to downsize, and some ceased operations altogether. Within the Caucus of Development NGO Networks (CODE-NGO), for instance, at least five member-based organizations ended operations in 2021. Some staff from small CSOs and POs also resigned in 2021 due to COVID-related health concerns. Despite limited resources, NGOs, foundations, and large CSOs worked to support their staff's welfare and mental health needs.

As remote work continued, CSOs demonstrated adaptability and resilience, building on the shift to online or hybrid work that had begun in 2020. They became adept at using online platforms and social media to communicate with constituents and development partners and assisted their partner communities in accessing and using information communication technology (ICT). This enabled a wider reach for some webinars and fora, at lower cost to CSOs. Many CSO staff used their personal resources for ICT expenses, and staff of CBOs and POs often shared equipment. Internet connectivity in urban areas somewhat improved in 2021 but remained a challenge in more rural areas.

ORGANIZATIONAL CAPACITY IN THE PHILIPPINES



FINANCIAL VIABILITY: 4.4

CSOs' financial viability slightly deteriorated in 2021, following a significant decline in 2020.

Foreign funding to Philippine CSOs has become less consistent in recent years, and in 2021, major international funding sources continued to divert their attention to meeting urgent needs like COVID-19 prevention and relief. This negatively impacted CSOs that rely on foreign support particularly for work related to elections, governance, and democracy building; CSOs working on human rights were among the few exceptions in the sector that otherwise saw declining support in 2021. Some international organizations and coalitions that provide funding to local CSOs and networks, like Forus International and the CIVICUS Affinity Group of National Associations, scaled down their usual portfolios in the country and globally in 2021. In the humanitarian sector, international and national organizations continued to discuss the localization of humanitarian support, including the need to increase support for local actors and capacity-building programs, but it had little impact on funding opportunities in 2021.

Many human rights NGOs, however, experienced no significant change in funding in 2021. Recognizing the deteriorating human rights situation in the country, funding partners continued to extend support and even allowed human rights NGOs to allocate funds to assist families and communities urgently in need due to the



impact of the pandemic and lockdowns. The Philippine Human Rights Information Center (PhilRights), for example, was able to renew its foreign funding in 2021 for the next three years.

Like foreign funders, corporate donors and corporate foundations also diverted most of their project funding to COVID-19 response and recovery, purchasing personal protective equipment (PPE) for frontline workers and their staff and vaccines for staff and their families. CSOs and corporate foundations formed temporary coalitions to provide food to the most affected communities and fund livelihood opportunities, especially in urban poor communities. This cooperation leveraged scarce resources to meet a multitude of needs.

during the pandemic, and savings were quickly used up in 2021. Communities could not pay for services that were previously provided for a fee, and CSOs' collection of membership dues and loan payments slowed. Income from CSO investments and rental of facilities and equipment also decreased. Fundraising activities were heavily constrained, though some CSOs reached out to their networks to solicit support for communities affected by the pandemic. Government in-kind assistance to CSOs in the form of goods for community livelihood, such as boats and food carts, provided a small boost while economic activity remained sluggish. Even corporate foundations were forced to limit their administrative expenditures and geographic and program focuses. Mobility restrictions caused delays in some project implementation, forcing the recalibration of work plans and adjustment of donor funding. Investment income in 2021 was minimal for CSOs that had investible funds.

The easing of community restrictions somewhat helped CSOs' search for income. As COVID-19 cases declined, social enterprises began to jumpstart their operations and some organizations revived or began new income streams by rendering technical consultancy services. Still, earned income remained negligible for most of 2021. Community enterprises that offered ecotourism services were especially affected due to the drop in tourism amid pandemic restrictions.

Near the end of 2021, CODE-NGO prepared to develop a COVID-19 Recovery Agenda for the Philippine CSO Sector, aiming to ensure the recovery of the sector. It will be developed by CSO leaders from across the country, then used to call for support from key stakeholders.

Foundations, established NGOs, and cooperatives typically maintain good financial management systems. Few organizations publicly post annual and financial statements. Small CSOs submit their financial reports to SEC and other government agencies as required.

ADVOCACY: 4.0

In 2021, CSO advocacy work remained unchanged overall and continued to face significant challenges.

Since the beginning of lockdowns in 2020, most fora, gatherings, campaigns, and other advocacy activities shifted online. This shift proved difficult, however, as internet access remained limited: according to Hootsuite, internet penetration in the country at the start of 2021 was just over 67 percent of the country's population of 110.3 million. Some CSOs also continued to struggle to adapt to maximize audiences through online advocacy, and online platforms could not replace the depth and effectiveness of community organizing in building momentum for broader socio-political advocacy campaigns.

A proliferation of false or misleading information, especially online, has also presented a significant challenge to CSO advocacy. According to a December 2021 survey by the Social Weather Station, 51 percent of Filipinos find it difficult to identify mis- and disinformation on television, radio, and social media. The susceptibility of some of the public to misleading or false claims makes it difficult for some CSO campaigns to gain support. In response, consortiums of CSOs like the PARTICIPATE Coalition and its members have worked to combat mis- and

disinformation since 2020 as part of their work to ensure clean, safe, and free elections in the country, and in 2021 provided online resources to help audiences identify false information.

The hostile environment spurred by the ATA and the operations of the NTF-ELCAC also continued to significantly weaken critical voices, including both individuals and CSOs of all sizes. Fearing red-tagging or designation as terrorists, many CSOs continued to engage in self-censorship, limiting their public criticism of the government in the interest of maintaining relationships with local government officials and executives who were supportive of the Duterte administration.

Despite this, CSOs carried out several advocacy campaigns that influenced decision-making processes at both the national and local levels. For instance, CSOs opposed MC 2021-12's requirement for CSOs to seek clearance from the Philippine National Police and the Armed Forces of the Philippines, as noted above, arguing that such clearance should not be a prerequisite for participation in governance and might further encourage self-censorship; the accreditation process to acquire clearance would also be cumbersome for CSOs. Following this vocal opposition from CSOs and networks like CODE-NGO, DILG amended the MC to remove the requirement for clearances and issued it as MC 2021-054. CSOs at the local level were also able to successfully advocate their positions on environmental protection and oppose plans for reclamation of land in coastal areas.

CSOs engaged in numerous advocacy activities in response to the Commission on Audit's report on improper spending of COVID-19 funds. For example, the Citizens' Urgent Response to End COVID-19 (CURE COVID) organized a number of webinars on the pandemic spending scandal, while CODE-NGO and the Philippine Open Government Partnership (OGP) Non-Government Steering Committee issued a strong statement and formal letter to DBM. The Right to Know Right Now (R2KRN) coalition also continued to use social media in 2021 to promote its work on transparency, using platforms like Viber and Facebook to disseminate reports on public spending for COVID-19 relief.

The OGP continued to offer a platform for negotiation and collaboration, stressing transparency, accountability, and citizen participation. Several CSOs formed part of the commitment holders in the Philippines' Fifth National Action Plan of the OGP and engaged with fourteen agencies in their programs.

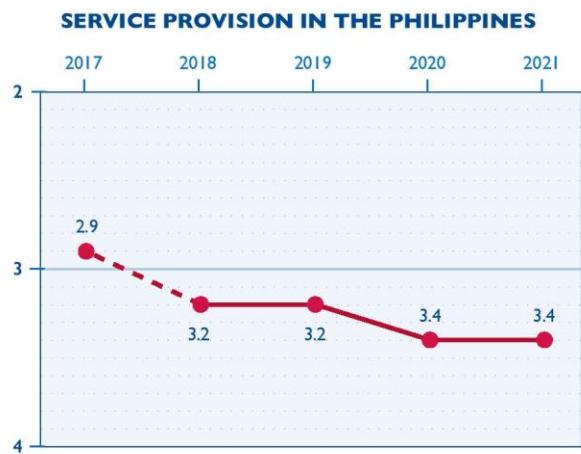
CSOs also more actively participated in advocacy with the start of election season. For instance, the PARTICIPATE coalition worked to ensure greater public participation by commissioning research and evidence-based recommendations for the Commission on Elections (COMELEC) on conducting safe and fair elections in the midst of the health crisis. The coalition then held an online press conference in May 2021, including the COMELEC Commissioner, on the resulting recommendations. Some success was already evident from these efforts in 2021, as COMELEC extended the registration timeline for first-time voters from September to October. PARTICIPATE consortium members also held numerous sessions and voter education webinars on electoral oversight, the role of media, and how advocates can push for electoral reforms.

Political candidates were pressed to include the demands of their communities in their platforms, which were channeled through POs and CSOs. Demands included education reforms and programs for health, sustainable agriculture and fisheries, economic reform, and sustainable development outlined in a Development Agenda adopted by the trans-partisan Change Politics Movement with input from CSO coalitions such as CODE-NGO.

In 2021, there were few initiatives for CSO law reform beyond MC 2021-054, discussed above. The proposed Social Welfare and Development Agencies Act, deliberated in 2020, made no further progress and does not yet have a clear impact on CSOs.



SERVICE PROVISION: 3.4¹



in 2020 due to the ongoing financial drain.

The continued focus on combatting the impact of COVID-19 necessarily halted some CSO activities in traditional service areas, as financial support was largely allotted to pandemic-related activities. CSOs continued to go beyond their traditional clients and services in order to meet urgent needs and those with the financial capacity participated in COVID-19 response measures, demonstrating their responsiveness to their communities even as they shifted their usual focus areas. For example, human rights activists who traditionally support victims of human rights violations and document the cases added COVID-19 relief efforts to their scope of work, actively providing supplies to both their beneficiaries and their staff. CSOs and POs initiated food aid programs and community pantries, though their traditional work focused on training in community development or disaster preparedness. Other networks, like the CSO Collab (formerly named COVID Warriors), trained parents to better assist in their children's schooling as classes continued to be online.

Many larger CSOs were also able to resume services in their usual pre-pandemic areas with the advent of COVID-19 vaccinations in the second half of the year. CSOs slowly returned to community organizing work, and some played a significant role in on-the-ground disaster response to Typhoon Odette (Rai), which hit the southern Philippines in December 2021.

As face-to-face engagements remained restricted to essential activities, educational and informational services like workshops and seminars were largely conducted online. While these platforms were integral for many CSOs to adapt to the pandemic, some worried that online methods were less impactful than face-to-face programs.

Cost recovery remained a challenge for many CSOs, especially those dependent on donor funding. CSOs were already reluctant to charge fees for their services or engage in consultancy services, and the financial impact of the pandemic further limited those opportunities.

Some government agencies, such as DILG and DSWD, continued to recognize CSOs as sources of credible information and reliable service providers. However, government recognition and support of CSO work focused primarily on those that provided social services like health and nutrition programs and capacity building for good governance, and others considered "social welfare and development agencies."

CSO service provision remained unchanged overall in 2021. Although the easing of lockdown measures allowed improvement in some areas, CSO services have not yet fully recovered to pre-pandemic levels.

CSOs traditionally offer a diverse range of services, encompassing areas like training and education, health and nutrition, livelihood development, cooperative development, social services, and lending and microfinancing. In 2021, however, increasing numbers of CSOs were forced to abandon some of their usual programs due to both financial concerns and government restrictions. This particularly impacted, for instance, CSOs previously focused on capacity development or providing micro-finance services. Smaller CSOs and CBOs also faced greater difficulties in 2021 than they had

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

SECTORAL INFRASTRUCTURE: 3.I

In 2021, the infrastructure supporting CSOs was unchanged. As in 2020, lockdown restrictions pushed intermediary support organizations (ISOs) and resource centers to move activities online.

CSOs' capacity-building activities successfully helped their members and partners in transitioning to online work in 2021, and many ISOs, CSO resource centers, and CSO networks strengthened their capacities to provide training services online. As COVID-19 cases dropped and restrictions eased in some areas, some of these organizations offered a combination of face-to-face and online training activities. However, smaller and more rural organizations still struggled to access some of these opportunities, given their lack of reliable internet connectivity and ICT.

Several CSO networks and other local CSOs provided capacity-building activities for their members and partners in 2021. For instance, the Association of Foundations continued its Lead2Serve program by conducting online training workshops with member foundations, while the Ramon Aboitiz Foundation's Center for Leaders piloted limited face-to-face training courses on youth and professional development. Agriterra's Generating Rural Opportunities by Working with Cooperatives (GROW-Coop) initiative continued to support in-depth mentoring and partnerships for capacity development, tapping larger cooperatives such as AgriCoop as local resource organizations. In 2021, it shifted to online training activities on financial management, governance, and business management. The GROW-Coop project also facilitated the development of the Agricultural Cooperative Development Agenda (ACDA) and the Cooperative Resiliency Mechanism (CRM) with partner networks and other POs to promote the sustainability of agricultural cooperatives, particularly in times of crises.

With USAID support, in 2021, Save the Children implemented a new project on Capacitating Strategic Organizations to Strengthen the Civil Society Sector (CSO2), partnering with CSOs and CSO networks to act as local resource organizations for capacity-building interventions among small NGOs and POs.

Local grantmaking organizations such as Peace Equity Foundation and Foundation for Sustainable Society Inc. (FSSI) provided some support to other local CSOs, using funds they generate locally. However, that funding remained limited in 2021 due to ongoing economic difficulties and a decrease in their own financial resources.

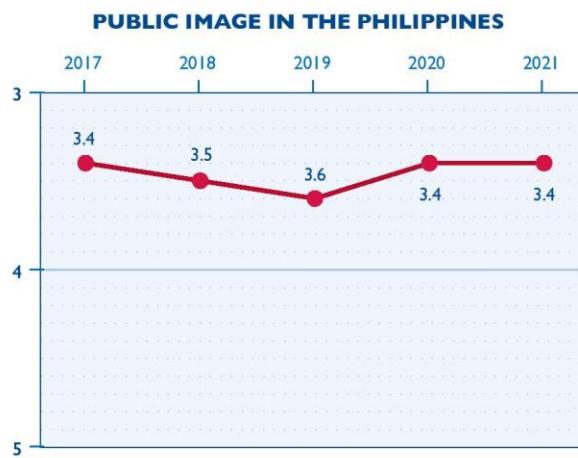
CSO collaboration continued to ensure an effective and responsive approach to meeting the needs of constituents and other vulnerable sectors. Some coalitions that had formed in the first year of the pandemic continued to work through 2021. For instance, the CSO Collab group—which began in 2020 and is composed of numerous CSOs like the Peace and Equity Foundation, corporate foundations like the Seaoil Foundation, and networks like the Association of Foundations—provided services for community health, including COVID-19 vaccinations, to those sectors and communities most affected by COVID-19. The group also developed multi-pronged interventions to provide food support for poor urban communities, community food stores, and training in micro-entrepreneurship.

CSO collaboration beyond the sector continued in 2021, particularly in capacity-building initiatives. For instance, alongside DILG, CODE-NGO, Zuellig Family Foundation, and Synergia Foundation conducted a pilot of a capacity-building program for the CSO members of special local bodies, including local development councils, school boards, and health boards. The program aims to support the development of accountable, transparent, and participatory local governance, and training activities are to be fully implemented nationwide by the start of the third quarter of 2022.

SECTORAL INFRASTRUCTURE IN THE PHILIPPINES



PUBLIC IMAGE: 3.4



CSOs' public image remained largely unchanged in 2021. Despite improvements in public perceptions, media coverage and positive government relationships remained limited.

CSOs' leadership and responsiveness to the challenges caused by the pandemic improved public perceptions of their missions and work, especially as their services reached poor and marginalized communities and continued even as pandemic conditions improved. Community pantry initiatives particularly boosted the public image of CSOs and volunteer groups, as did medical assistance for non-COVID concerns, which was otherwise difficult to access in the midst of the larger health crisis. According to the EON Group's Philippine Trust Index 2021, public trust in NGOs rose from 37

percent in 2020 to 70 percent in 2021. According to the study, the primary driver for this significant boost was CSOs' impactful work in areas like livelihood, health care, and education.

CSOs actively engaged online and further utilized technology in the second year of the pandemic, better showcasing their work and encouraging transparency by giving the public the opportunity to ask questions and directly engage through platforms like Zoom and Facebook. CSOs also increasingly promoted their events and projects through Facebook and Twitter.

However, media coverage of CSO work remained limited, worsened by the ongoing crackdowns on press freedom. For instance, one of the largest local broadcasters, ABS-CBN, is now limited to online coverage after its television broadcasting was effectively shut down in 2020, while others actively self-censor in regard to sensitive issues. Still, in 2021, some media coverage of the red-tagged community pantries helped to promote the public outcry that soon led to their re-opening.

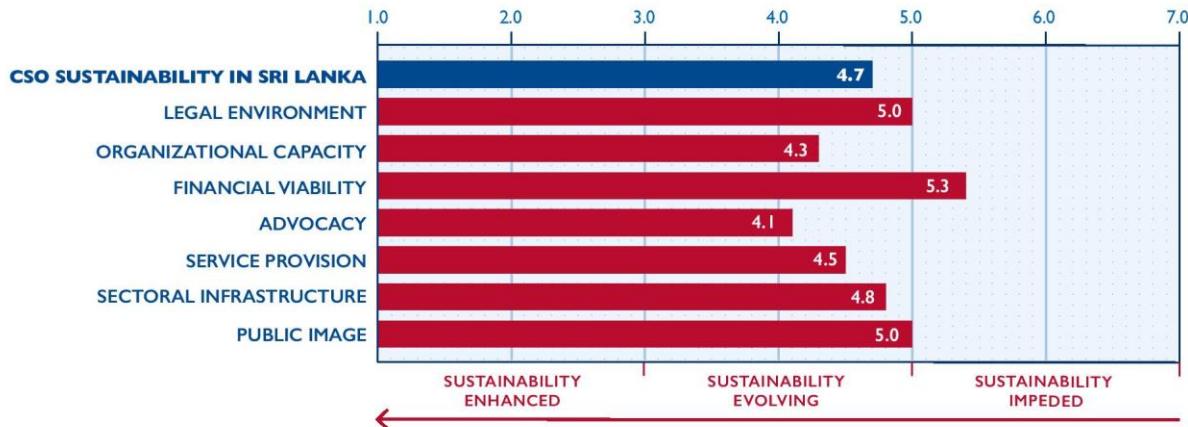
As in previous years, the military and police forces continued to red-tag some activists and CSOs, causing some LGU officials to avoid partnerships or collaboration with CSOs. However, as noted above, other government agencies like DILG and DSWD continued to recognize CSOs as sources of credible information and partners in development, and several high-profile government representatives publicly spoke against red-tagging in the case of the community pantries.

CSOs continued to practice transparency by submitting project reports to donors and reporting to partner communities and their members. Larger CSOs published their annual reports in print or post them online. CSO networks and other membership-based organizations continued to adhere to their own codes of ethics.

SRI LANKA

Capital: Sri Jayawardenepura Kotte
Population: 23,187,516
GDP per capita (PPP): \$12,500
Human Development Index: High (0.782)
Freedom in the World: Partly Free (55/100)

OVERALL CSO SUSTAINABILITY: 4.7



The COVID-19 pandemic and related restrictions continued to impact daily life in Sri Lanka throughout 2021, even as the country gradually lifted lockdowns. By late January, the Bandaranaike International Airport (BIA) officially reopened for tourists, several villages were released from lockdown, and the government commenced COVID-19 vaccinations. Beginning in mid-April, however, the country experienced a third wave of COVID-19, and after a spike in cases in July, a nationwide lockdown was imposed from August to October. Over the course of the year, lockdowns and related restrictions were put in place for specific districts and towns in response to rising COVID-19 cases. According to official data, Sri Lanka had vaccinated more than 62 percent of its population by December 2021.

In late February, Sri Lanka lifted its policy ordering the cremation of those who had died of COVID-19. The policy had been in place since April 2020 and was heavily criticized by CSOs, religious leaders, and international rights activists as a violation of religious rights, particularly impacting Sri Lanka's Muslim and Christian minorities.

Political unrest and problematic government regulations continued to cause concern in 2021. In February, CSOs from the northern and eastern provinces organized a five-day peaceful march from Pottuvil to Jaffna, timed to align with the country's Independence Day celebrations on February 4. The peaceful protest called for the attention of the United Nations and the international community in pressing for justice in Sri Lanka's ongoing reconciliation process. In particular, the protest aimed to bring attention to minority rights, and it emphasized topics such as enforced disappearances, militarization, the continued use of the Prevention of Terrorism Act (PTA), and the imprisonment of political prisoners without trial. Sri Lankan officials issued several court orders against the march, the Jaffna magistrate court banned all protests for four days beginning on February 3, and seven march participants were summoned by the Kalmunai Magistrate Court.

On March 23, the United Nations Human Rights Council (UNHRC) adopted Resolution 46/1 on promoting reconciliation, accountability, and human rights in Sri Lanka. As in previous resolutions, the UN Office of the High Commissioner for Human Rights (OHCHR) will evaluate the country's progress or lack thereof in implementing UNHRC recommendations. The new resolution further empowers OHCHR "to collect, consolidate, analyze, and preserve information and evidence" of gross human rights violations committed in Sri Lanka.

The use of presidential pardons continued to highlight concerns around reconciliation and accountability following Sri Lanka's civil war and ongoing political divides. In June, to mark the Buddhist festival Poson Poya, President Gotabaya Rajapaksa pardoned and released ninety-four prisoners, including sixteen political prisoners. Among the prisoners released was former parliamentarian Duminda Silva, who had been sentenced to death, along with four

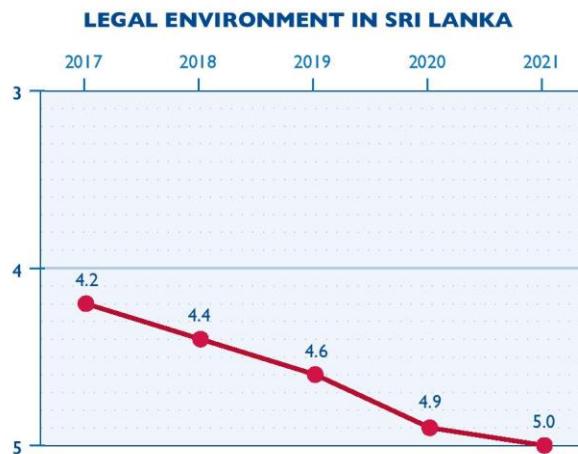
others, for the murder of a political rival in 2016. While many rights activists welcomed the release of prisoners who were detained under the PTA, the pardon of the former member of parliament, whose conviction had been upheld by the Supreme Court in 2018, sparked criticism for undermining the rule of law. In July, Rajapaksa appointed Silva as the chairman of the Housing Development Authority. Transparency International Sri Lanka (TISL) filed a right to information request to ensure that the proper process was followed in granting the presidential pardon.

The Sri Lankan government pledged to reform the PTA in 2021. In December, seven UN human rights experts published five benchmarks that were “necessary prerequisites” for making the law compliant with Sri Lanka’s international human rights obligations and joined Sri Lankan activists in calling for a moratorium on the use of the PTA.

Even as the pandemic continued to exacerbate the existing difficulties faced by CSOs, the overall sustainability of the sector improved slightly in 2021. The legal environment for CSOs recorded a slight deterioration due to increased state harassment and scrutiny of registration procedures. CSO organizational capacity moderately improved with improved strategic planning and use of technology, while the infrastructure supporting the sector also moderately improved with increased training opportunities and CSO coalitions. Financial viability and service provision both recorded slight improvements in 2021, while CSOs’ public image and advocacy work remained largely unchanged.

The Non-Governmental Organization (NGO) Secretariat maintains a directory of NGOs registered under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 (VSSO Act). The official website of the NGO Secretariat directory listed 1,639 NGOs as of April 2022. Although this official number has not changed since 2020, and while other data is not publicly available, in a September 2021 interview, the director general of the National NGO Secretariat, Raja Gunaratne, estimated that over 30,000 local and foreign CSOs were operating in the country.

LEGAL ENVIRONMENT: 5.0



The legal environment for CSOs deteriorated slightly in 2021 due to irregular regulations and ad hoc requirements attached to CSO registration. Harassment, state intimidation, and official scrutiny during registration and in banking also continued to create a difficult climate for new CSOs.

CSOs in Sri Lanka may legally register through any of six legal instruments: the Societies Ordinance of 1892; Companies Act, No. 07 of 2007; Trusts Ordinance of 1917; Co-operative Societies Act, No. 05 of 1972; the VSSO Act; and an Act of Parliament sponsored by a member of parliament through a private member’s bill. Most CSOs prefer to register under the Companies Act or VSSO Act.

In 2021, CSOs faced extreme pressure to register with the NGO Secretariat, an informal requirement that began in 2020 after this body was moved under the Ministry of Defense, in addition to registering under the Companies Act, VSSO Act, or other legal instruments outlined above. In addition, for CSOs engaged in community development programs, registration with the NGO Secretariat became a prerequisite to bid on some projects. While CSOs are legally able to continue operations without this registration, government authorities were typically hesitant to provide assistance to CSOs not registered with the NGO Secretariat (for instance, if the CSO required permission from health inspectors to hold an in-person meeting or event). Registration with the NGO Secretariat is a complex process and enables increased government scrutiny. CSOs that receive funding from international organizations or that focus on reconciliation and human rights efforts also came under increased state surveillance in 2021.

All CSOs registered under the VSSO Act were also required to submit their annual and quarterly reports for projects, along with proposed plans for the upcoming year, for approval by the Divisional Secretary or NGO Secretariat. Without the required approvals, projects gradually came to a halt. While this reporting requirement has always been in place, it was more strictly implemented in 2021. Colombo-based CSOs without district-level branches generally collaborated with regional CSOs to execute programs at the district level; these regional CSOs were also asked to provide reports to the Divisional Secretaries in order to continue the projects. This stricter implementation of the requirement in 2021 was logistically difficult for regional CSOs that lacked staff capacity to prepare the required reports.

CSOs that are already registered with the NGO Secretariat were also asked to provide quarterly reports. The NGO Secretariat also required quarterly reports from the primary funders of all projects. The reports would then be compared and if there were inconsistencies, the CSO would be called in for further questioning. CSOs that have recently been registered with the NGO Secretariat are also required to submit five-year fund utilization reports, including funding sources and project details.

Some CSOs working in the north and east reported that some government agencies began to require them to contribute 5 percent of their budgets to the national COVID-19 relief fund.

Unregistered CSOs continued to face difficulties opening bank accounts and with banking transactions in 2021. In addition, regulations enacted in March required individual foreign currency transactions above \$15,000 to be backed by supporting documents.¹ This regulation particularly hampered unregistered organizations that received funding directly from foreign donors, while organizations that functioned as sub-granting agencies were less scrutinized and maintained some flexibility.

Heightened surveillance continued in 2021, and many CSOs based in Colombo reported frequent, ad hoc visits from the NGO Secretariat and state intelligence agencies like the Criminal Investigation Department (CID) and Terrorism Investigation Department (TID). These agencies requested information on staffing, the management board, financial and administrative records, donor funding details, and bank accounts. CSOs based in the eastern province were also asked to report to the CID and TID for investigations that have been ongoing since 2020.

Increasing government scrutiny also impacted some CSOs' access to resources in 2021. Muslims who meet the necessary criteria are expected to provide zakat, a donation of a certain portion of their wealth to charitable causes each year; CSOs based on Islamic faith previously collected these donations and used them to distribute relief packages to marginalized Muslim communities. However, over the course of the year, the government's increasing scrutiny of funding sources created difficulties for these CSOs, particularly in the north and east, which struggled to comply with information.

CSOs may compete for government contracts and procurements but continued to experience bureaucratic delays in the procurement process and payments. CSOs are legally allowed to earn income from the provision of goods and services, and they can accept funds from foreign donors.

There were no significant changes to the tax policies applicable to CSOs in 2021. According to the Inland Revenue Act, No. 24 of 2017, 3 percent of funds received by CSOs from grants, donations, or contributions are subject to a 28 percent tax. Tax reductions and exemptions are available for CSOs engaged in rehabilitation, infrastructure facilities for disabled persons, and humanitarian relief, with no exemptions on earned income. However, in general, foreign donors are unwilling to pay the tax, and CSOs have to cover the tax from their own budgets.

Groups such as iProbono continued to provide limited legal assistance to CSOs working in the human rights sector, but most grassroots CSOs lack funds to seek legal expertise and support.

¹ CBSL official website at Microsoft Word - Directions No. 4 - Personal Foreign Currency Accounts at https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/cdg/Foreign_Exchange_Act_Direction_No_4_of_2021_e.pdf [Last accessed on 10 June 2022]

ORGANIZATIONAL CAPACITY: 4.3

The organizational capacity of CSOs moderately improved in 2021 with the improvement of strategic planning and use of technology and virtual platforms among CSOs.

In some regions of the country, CSOs, community-based organizations (CBOs), and informal networks struggled to carry out fieldwork in 2021 due to the reimposition of COVID-19 restrictions. Because the government's pandemic response was entirely managed by the military-led National Operation Centre for the Prevention of COVID-19 Outbreak (NOCPCO), CSO operations were often interrupted by the military. CSOs in the north and east were particularly isolated due to ongoing COVID-19 restrictions, which were imposed there beginning in January 2021.

CSOs' online presence became a requirement for constituency building in 2021, given the ongoing COVID-19 restrictions. CSOs such as Hashtag Generation were better able to operate online and organized many virtual events over platforms like Zoom, Microsoft Teams, and Facebook in the second year of the pandemic. Hashtag Generation provided technical support and training for grassroots-level organizations on the use of social media platforms to engage with constituents and promote their daily activities.

Most CSOs continued to have strategic plans and visions and were able to successfully re-strategize in accordance with COVID-19 regulations. To remain responsive to urgent needs and crises, however, CSOs sometimes rapidly shifted their focus, regardless of their strategic plan. For instance, when the X-Press Pearl cargo ship caught fire off the coast of Sri Lanka in May 2021, many CSOs working in the environmental sector diverted their attention toward the incident to evaluate the harm and respond immediately to the environmental disaster.

Smaller CSOs and unregistered organizations continue to lack formal structures and internal governance systems. Larger, urban-based CSOs such as Sarvodaya and Women in Need (WIN) have strong internal administration units and dedicated staff for each department.

Some CSOs continued to face challenges retaining permanent staff, and employees that were specialists in their field shifted their focus to COVID-19 related issues. Though many CSOs were successful in utilizing online platforms for internal communication, those that maintained a larger staff faced difficulties in shifting to online operations. For instance, CSOs with hundreds of employees spread across several regions required a shared network to connect; each staff member had to be provided with a user account, which took time. Additionally, overall productivity was dependent not only on staff performance, but also on their technical knowledge, working environment, and network connection. Most staff members had to use their personal resources to meet work requirements.

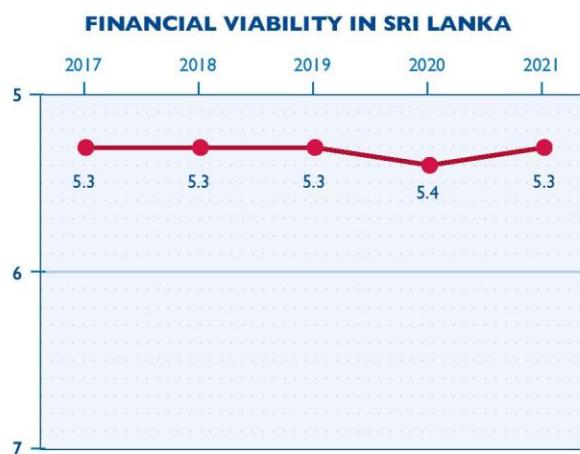
CSOs were better able to recruit and engage volunteers in 2021. According to the Charities Aid Foundation World Giving Index 2022, which reports on developments in 2021, 37 percent of respondents in Sri Lanka reported volunteering, placing it in the top ten in the world on this metric. Many CSOs utilized social media and virtual meeting platforms like Zoom, Google Meet, and Microsoft Teams, in addition to limited in-person meetings, to provide training for both staff and volunteers.

Internet facilities are generally accessible throughout the country, and many CSOs continued to increase their use of information communication technology (ICT) in 2021, often out of necessity, as described above. Many CSOs received funding from donors to improve their ICT and technical capacity, thereby improving their ability to engage with stakeholders despite COVID-19 restrictions. Larger, Colombo-based CSOs continued to make swift transitions to virtual platforms, while some rural CSOs still lacked sufficient ICT resources and therefore struggled with the shift to virtual platforms.

ORGANIZATIONAL CAPACITY IN SRI LANKA



FINANCIAL VIABILITY: 5.3



Initiatives (CFLI) increased its average minimum funding for a project from CA\$15,000 to CA\$30,000. Funding was frequently targeted to address urgent needs; for instance, UNDP supported a CSO to open short-term relief shelters for victims of gender-based violence, which increased during the pandemic. As a result of the emergency funding, the CSO was able to continue operating the shelter well into 2021.

USAID provided \$39 million to Sri Lanka in 2021, out of which \$9 million was allocated to democratic participation and civil society; this was an increase from \$28 million and \$8.9 million, respectively, in 2020. The USAID Bureau for Humanitarian Assistance (USAID/BHA) also provided more than \$850,000 to support early recovery, risk reduction, and resilience initiatives in Sri Lanka to strengthen the capacity of community organizers, the government, and NGOs to prepare for and respond to humanitarian emergencies. USAID's Civil Society Impact project provided grants to CSOs to help them expand their technical and organizational capacity and continue work in the areas of economic governance, gender equality, youth empowerment, and environmental protection. The project will distribute a total of \$13.5 million between June 2021 and June 2026. USAID's Increased Demand and Engagement for Accountability (IDEA) project was also a key source of funding and support for CSOs in 2021. The project has a total budget of \$13.9 million, \$11 million of which is targeted at government and civil society management. In 2021, CSO grants awarded under the IDEA project ranged in size from \$25,000 to \$90,000.

Access to domestic sources of funding remained limited in 2021. As a result of the government's increasing scrutiny of sources of zakat funding, as noted above, the collection and distribution of these funds was largely halted in 2021. Some companies continued to implement their corporate social responsibility (CSR) initiatives by partnering with CSOs. For instance, the John Keells Company partnered with the NGO Ruk Rakaganno to reforest twenty hectares of Suduwalipotha Forest. Hemas also initiated a reforestation project, partnering with Rainforest Protectors Sri Lanka in 2021.

CSOs may compete for government contracts and procurements, but this is only possible when the government initiates open, transparent procurement processes. Some CSOs reported difficulties in navigating these processes. Raising funds from local communities and constituencies remained a challenge.

The maintenance of adequate financial management systems also continued to be a challenge for CSOs in 2021. Large, urban-based CSOs generally release financial statements and annual reports, while smaller and grassroots-level CSOs continue to maintain financial records predominantly to comply with donor requirements. As noted earlier, some donor agencies that provide funding only to CSOs registered under the NGO Secretariat also require thorough reporting.

The overall financial viability of CSOs improved slightly in 2021 with the benefit of increased foreign funding, particularly for COVID-19 relief efforts and to improve CSOs' technological capabilities.

CSOs continue to depend on foreign funding, and diversification of funding sources remains limited. This is particularly true of grassroots organizations, which often struggle with proposal development and grant administration or are unfamiliar with alternative funding opportunities.

Bilateral donors like Canada and the United States increased their financial support in 2021. Multilateral donors like the European Union (EU) and the UN Development Programme (UNDP) also provided support. For instance, in 2021, the Canada Fund for Local

ADVOCACY: 4.I

CSO advocacy remained unchanged in 2021.

Government engagement with CSOs improved slightly in 2021, largely in response to international pressure and in certain areas like COVID-19 relief. Despite this positive CSO engagement with government in certain areas, government authorities continued to lack the political will to cooperate with CSOs or incorporate their input in decision making in a systematic manner.

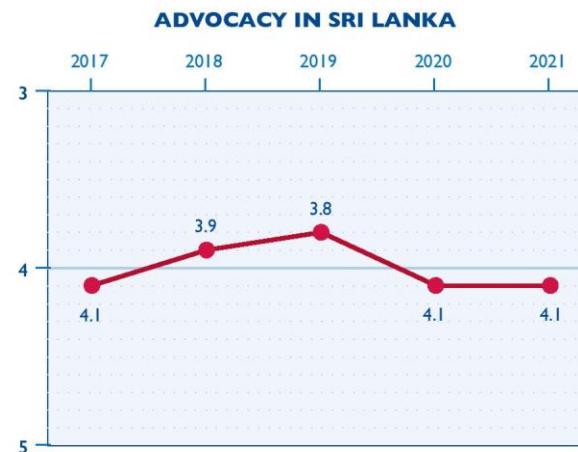
Despite this challenge, CSOs engaged in numerous policy advocacy initiatives in 2021. For instance, in April 2021, the ruling party tabled the Colombo Port City Economic Commission Bill in parliament, which nineteen petitioners then challenged before the Supreme Court. CSOs, including TISL and the Center for Policy Alternatives (CPA), raised concerns that the bill was in violation of the constitution and would create pathways for corruption by facilitating and enabling illicit financial flows and money laundering. The Supreme Court held that the bill contained twenty-six clauses that were incompatible with the constitution, but also suggested several amendments to the bill to bring it in line. With those amendments, the bill was passed in May 2021.

In November, the ministerial subcommittee on amending the PTA met with members of the Sri Lankan Collective for Consensus (SLCC) to discuss their proposals to amend the Act. The SLCC includes representatives from multiple sectors of society, religion, academia, and civil society. Then, in December 2021, CSOs and human rights activists called for the repeal of the PTA and an immediate moratorium on the use of the law. Mannar Women's Development Federation, Rural Development Foundation, Tamil Civil Society Forum, Viluthu, and Women's Action Network, among others, were signatories of this joint statement.

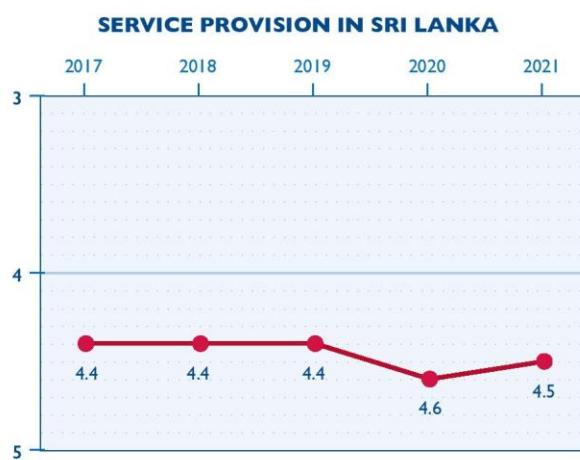
CSOs also issued a joint statement in 2021 in response to the appointment of Supreme Court Justice Upali Abeyratne as the Chairperson of the Right to Information Commission, stating that the appointment was against the rule of law as Justice Upali Abeyratne was already chairperson of the Presidential Commission of Inquiry on Political Victimization. Signatories of the statement included TISL, Law & Society Trust (LST), People's Action for Free and Fair Elections (PAFFREL), CPA, and Viluthu.

As pandemic restrictions continued to limit movement, CSOs conducted advocacy primarily through online platforms. For instance, in July 2021, the Center for Equality and Justice (CEJ) facilitated a virtual meeting of the Core Lobby Group—which consists of CSOs, academia, and legal and health experts—to develop strategic interventions to influence law and policy reform addressing sexual bribery. Hashtag Generation also used online platforms to campaign for the protection of marine life and hold discussions on the collective social responsibility to prevent child abuse. CPA also published a number of materials to educate the public on COVID-19 regulations. However, CSOs' ability to conduct broad-based advocacy campaigns continued to be limited due to the lack of ICT resources in some rural areas.

In 2021, the National Peace Council (NPC) raised concerns over the planned drafting of new NGO legislation that would implement unified oversight of NGOs. NPC noted that legislation would potentially further restrict CSOs working on human rights and corruption and emphasized that it is vital to guarantee that legislation pertaining to the sector is drafted with the broad participation of the sector, rather than just those organizations loyal to the government.



SERVICE PROVISION: 4.5



CSO service provision slightly improved in 2021 as CSOs reprioritized their services in response to the changing needs of their constituencies. CSOs also somewhat benefitted from government acknowledgement of their contributions to development, job creation, and pandemic relief. Still, CSOs were subjected to COVID-19 restrictions and state surveillance, particularly impeding their ability to reach populations in the north and east.

Traditionally, CSOs in Sri Lanka have provided a wide range of goods and services, including health care, peacebuilding and reconciliation, and environmental protection. In 2021, CSOs were responsive to the most urgent needs of their communities, with an immediate focus on the ongoing health crisis.

CSOs across the country continued supporting COVID-19 relief initiatives in 2021. For instance, with support from the German embassy, in September, NPC distributed LKR 75,000 (approximately \$200) to each of seventeen districts in the form of dry rations and sanitary items, reaching fifty-four orphanages, homes for the elderly, and medical centers. NPC also worked with twelve divisional secretariats and three mediation boards in the Colombo district to provide COVID-19 relief assistance, including 730 personal protective equipment (PPE) kits for government institutions and dry ration packs for low-income families.

Many CSOs increasingly used online platforms to facilitate workshops and training sessions for their constituents in 2021. The Family Planning Association (FPA) conducted an online program for fifty youths in the Hambantota District to discuss challenges around sexual and reproductive health. Hashtag Generation made use of online platforms to disseminate its research, including an extensive report on social media, the law, and electoral integrity.

Ongoing restrictions on physical contact in 2021 further marginalized those communities that were already disadvantaged by non-inclusive infrastructure, and the organizations that traditionally served them struggled to adequately meet their needs. For example, the safety guidelines issued by the government to control the COVID-19 pandemic severely impacted the operations of CSOs for people with disabilities, whose constituents rely on in-person assistance.

Continuing state surveillance and harassment blocked many CSOs in the northern and eastern provinces from engaging in their traditional peace, reconciliation, and transitional justice activities in 2021. The state encouraged CSOs in those areas to turn instead to livelihood or economic development activities such as developing infrastructure facilities, poultry house projects, sanitation infrastructure, and providing COVID-19 relief. Many of them shifted their attention to COVID-19 relief efforts and held discussions on topics such as disinformation and hate speech in relation to the pandemic. However, those CSOs often had limited internal resources and lacked the training or capacity to rapidly make this shift in focus.

Increasing state surveillance in the north and east, together with ongoing COVID-19 restrictions, meant that communities and CSOs in those regions had limited interaction with CSOs from other districts in 2021. Overall, however, CSOs continued to supply products and services to beneficiaries outside of their own members.

CSOs remain dependent on donor funding and most services are provided free of charge.

Government recognition of CSO service provision varied widely depending on their areas of focus. For instance, the government responded positively to CSOs working on gender equality and gender-based violence, which increased during the pandemic lockdown. The government collaborated with CSOs to build the capacities of frontline staff of the Sri Lanka Police's women and children's desks to ensure continuous service in responding to complaints. Government authorities also recognized CSO contributions to COVID-19 relief, such as the NPC programs noted above.

SECTORAL INFRASTRUCTURE: 4.8

After significant deterioration in 2020, the infrastructure supporting the CSO sector recorded a moderate improvement in 2021 with an increase in CSO coalitions and training opportunities.

CSOs have access to a limited number of resource centers and intermediary support organizations (ISOs). The USAID-funded IDEA project, for instance, promotes a dynamic civil society in Sri Lanka to advance democratic values and government accountability on a variety of governance and reform topics. IDEA works with CSOs to help them build organizational capacity, safeguard and improve their operating environment, and lobby for good governance changes.

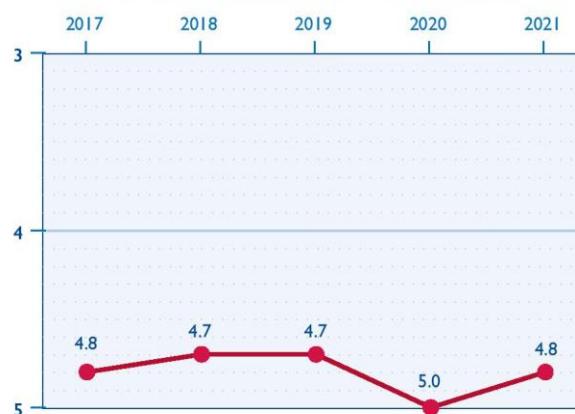
Several local grantmaking organizations provided funds for CSOs in 2021. The Neelan Thiruchelvam Trust provided grants through a COVID-19 emergency fund that focused on vulnerable communities. Also in 2021, with support from Global Affairs Canada, The Asia Foundation provided funding for district-level CSOs to strengthen social cohesion in Sri Lanka. Sri Lanka Unites launched the Small & Mighty Grants Program with US Embassy support to provide funding to smaller organizations and individuals with the capacity to lead and develop programs but without the infrastructure to compete for funding.

Issue-based CSO coalitions and cooperation within the sector notably increased in 2021. For instance, CSOs held a series of meetings to discuss the possible impact of a proposed draft bill to replace the VSSO Act. In February, a coalition of twenty-two organizations issued an open letter calling for a new UNHRC resolution to protect human rights, justice, and accountability in Sri Lanka. In June, the National Forum Against Gender-Based Violence (NFAGBV) publicly called for action regarding the challenges faced by victims of domestic violence during the pandemic. Formed in 2005, NFAGBV is a multi-stakeholder collective, including CSOs, state entities, and international organizations.

CSOs had access to a growing number of capacity-building initiatives in 2021. NPC conducted a workshop for forty-two CSOs on preventing violent extremism, incorporating both virtual and in-person training. Also in 2021, the Sri Lanka Preparedness Partnership organized a training program for CSOs in the Kalutara district to develop their capacity in disaster risk reduction and management. However, grassroots CSOs, predominantly based in rural areas, often lacked access to the internet and other ICT and therefore faced challenges in participating in online activities.

CSOs continued to partner with both state entities and the private sector in 2021. In February, CEJ partnered with Power of Play (Pvt) Ltd to sensitize the staff of the Office for Reparations regarding issues of gender, women, and reparations. Twenty mid-level employees attended the workshop, which was conducted simultaneously in Sinhala and Tamil. In March and June, CEJ worked with government officials in Polonnaruwa and Hambantota districts to organize two forums, with the support of the Sunila Women and Children Development Centre (SWCDC) in Polonnaruwa and Women Development Federation (WDF) in Hambantota. The forums enabled meaningful dialogue between government officials and women and youth regarding memorialization and collective remembrance, using movie screenings and art workshops to help participants communicate their ideas.

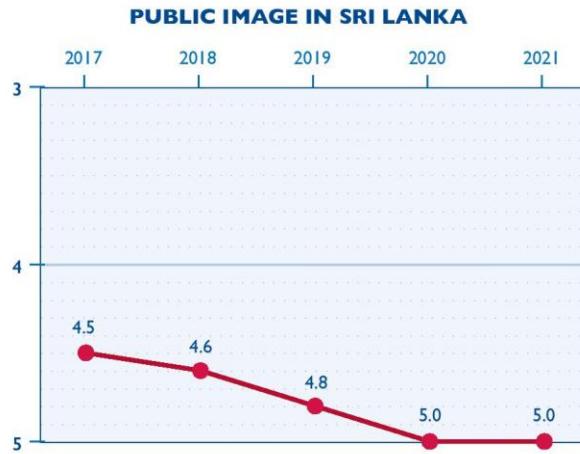
SECTORAL INFRASTRUCTURE IN SRI LANKA



PUBLIC IMAGE: 5.0

The CSO sector's public image remained unchanged in 2021.

Media coverage remained largely positive in 2021, especially of CSOs providing COVID-19 relief or working on environmental issues and anti-corruption. For instance, various online media platforms provided coverage of TISL's new website ApeSalli.lk and its efforts to ensure accountability following revelations from the Pandora Papers disclosure.



to resolve community-level issues. CSOs used these opportunities to expand their scope and networking with government officials. However, at the same time, CSOs in the north and east experienced ongoing and increased government surveillance, disapproval, and intimidation.

Many CSOs continued to expand their use of social media for public outreach in 2021 and had a strong online presence. CPA, TISL, and Hashtag Generation have particularly led the way in developing a strong online presence in recent years. Public outreach in rural areas remained limited due to the lack of resources and online access.

Most CSOs do not have formal codes of ethics. In October 2021, the Sri Lanka Center for Development Facilitation held a training program for CSOs in eighteen districts with the goal of popularizing the Code of Conduct for CSOs. This code was developed in 1995 by the NGO National Action Front (NNAF), a national-level organization with the membership of eighteen district consortia, encompassing over 250 NGOs and more than 3,000 CBOs in eighteen districts. The initiative included thirty-five awareness sessions for over 370 NGOs, reaching all eighteen districts and 625 participants. CSOs have also reported an interest in developing a formal certification mechanism or system to prove the credibility of an organization. CSOs hope that such an initiative may also increase funding opportunities. Typically, only larger, well-established CSOs publish their annual reports, and CSO self-regulation and reporting mechanisms are implemented predominantly at the request of donors and larger CSOs.

The public perception of CSOs, particularly those engaged in work related to the COVID-19 pandemic, slightly improved in 2021. For instance, NPC's provision of dry rations and PPE was highly visible and well received among the public. However, as in previous years, the public remained skeptical of CSO engagement with Western organizations and foreign donors.

The government also developed a somewhat more positive relationship with select CSOs that provided training sessions to government employees. For instance, NPC conducted several training sessions with government officials on non-discriminatory customer service and organized three webinars to increase awareness of the Community Policing Service and strengthen collaboration between civil society and police

THAILAND

Capital: Bangkok
Population: 69,648,117
GDP per capita (PPP): \$17,300
Human Development Index: Very High (0.800)
Freedom in the World: Not free (29/100)

OVERALL CSO SUSTAINABILITY: 5.2



Faced with the continuation of the COVID-19 pandemic, a weakening economy, and ongoing waves of pro-democracy protests, Thailand's political environment remained highly unstable in 2021. The country has become increasingly authoritarian as existing laws continued to have a chilling effect on the public sphere by restricting expression, association, assembly, and privacy. Additionally, the executive and legislature regularly signaled an intention to increase the severity of these measures and the discretion of enforcement bodies in ways that do not comply with international norms.

The Emergency Decree on Public Administration in the State of Emergency, put in place to limit the spread of COVID-19, was repeatedly extended in 2021. The government imposed a series of lockdowns and restrictions across the country, including curfews and limitations on travel and public gatherings, with tighter restrictions on those areas experiencing higher rates of infection. In response to a rise in cases in July, gatherings were capped at five people in Bangkok and four southern border provinces. By July 17, this expanded to a nationwide ban on all public gatherings, but three days later was adjusted to a nationwide ban on gatherings and activities with more than five people. By mid-October, restrictions eased nationwide to allow for assemblies of up to fifty people. COVID-19 vaccinations began in March but progressed slowly over the course of the year. By the end of the year, the country had recorded a total of 2,223,435 cases and 21,698 deaths due to the virus.

The restrictions had a heavy impact on the economy, particularly damaging the crucial tourism industry. The resulting job losses were most prominent in urban areas and among low-income groups occupying the more precarious jobs, many of whom were already struggling with the flagging economy. This, combined with the government's use of COVID-19 to justify increasing repression and two draft laws that further threatened the democracy movement, spurred increased dissatisfaction with the government and a resurgence of anti-government protests.

In addition to demanding improvements in the government's response to the pandemic, demonstrations across the country, which were especially prevalent in Bangkok, called for constitutional amendments, reform of the monarchy to ensure greater accountability, and the resignation of Prime Minister Prayuth Chan-o-cha. These protests were most prominent in late July and August, marking a year since the large-scale student protests in 2020. According to reports by Amnesty International, riot police used excessive force in response to the demonstrations, firing rubber bullets and tear gas canisters at short range towards protesters, bystanders, and journalists. Some demonstrators were restrained for hours in tight plastic wrist cuffs, and authorities often refused to disclose where they were detained, delayed or denied them access to legal representation, and in some cases denied bail. According to Thai Lawyers for Human Rights (TLHR), in August 2021 alone, at least 260 protesters

were arrested for allegedly violating the Emergency Decree, including at least 70 children and youths under the age of 18. Dozens of protesters, including children, were reportedly injured during the August anti-government protests; although police denied using live rounds, according to Amnesty International, at least three boys under the age of 16 suffered gunshot wounds, one of whom later died from the injury. From July 2020 to September 2021, at least 1,341 individuals faced criminal charges for joining protests.

The ongoing conflict in Thailand's Deep South again abated in the first half of 2021, partly due to a unilateral ceasefire announcement by Barisan Revolusi Nasional (BRN) to facilitate humanitarian assistance for people affected by the COVID-19 pandemic. However, as in 2020, the ceasefire was short-lived and insurgent attacks on military targets and civilians have since increased. Communities also expressed concerns that the region remains over-regulated and the Muslim community was subjected to continued state surveillance, including CCTV surveillance, ethnic profiling, disproportionate stops at security checkpoints, and biometric data collection through the government's facial recognition system.

Due to its lack of transparency and serious questions around its independence and neutrality, the National Human Rights Commission of Thailand (NHRCT) was again given a "B" rating from the Sub-Committee on Accreditation of Global Alliance of National Human Rights Institutions and thus can only participate in the work of the United Nations Human Rights Council (UNHRC) as an observer.

As Freedom House reported in Freedom in the World 2022 (which covers 2021 developments), the Thai judicial system continued to suffer from politicization and corruption. Most notably, in November 2021, the Constitutional Court ruled that the demands of activists for royal reform were an attempt to overthrow the monarchy, setting a dangerous precedent of using the legal system to suppress opposition and intimidate dissidents.

Overall CSO sustainability in Thailand deteriorated in 2021, driven by deteriorations in four dimensions. The legal environment underwent extreme deterioration due to increasing state oppression and restrictions on civic space, highlighted in the threat of a draft law intended to regulate the sector. Organizational capacity and service provision both recorded slight declines, primarily due to the effects of COVID-19 restrictions and limited capacity, further spurred by the slight deterioration in financial viability. At the same time, however, the infrastructure supporting the CSO sector improved slightly as CSO collaboration increased. Though the government continued to discredit CSOs' activities in 2021, the overall public image of the sector also improved slightly, thanks to notable improvements in public perceptions of CSO work, while advocacy remained relatively unchanged overall.

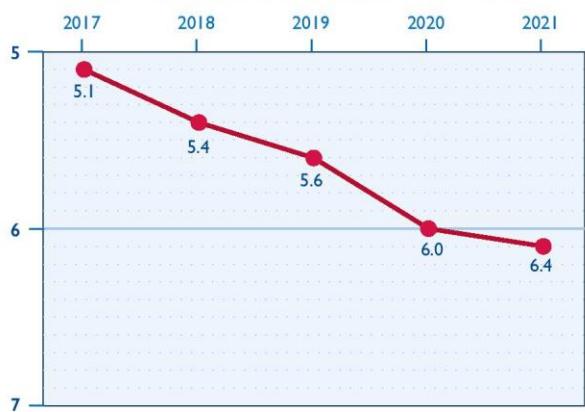
The CSO sector in Thailand is made up of both registered and unregistered organizations. Foundations are the most common type of registered organization; others include associations, clubs, social enterprises, community-based organizations (CBOs), grassroots movements, and international non-governmental organizations (INGOs). According to a May 2021 estimate by the Bangkok Post, there are more than 25,000 local CSOs and about 86 international CSOs operating in the country. This estimate suggests relatively little change since a 2019 count of 13,572 foundations and 12,973 associations registered with the Department of Provincial Administration, as reported by CIVICUS in 2020.

LEGAL ENVIRONMENT: 6.4

The legal environment for CSOs again recorded extreme deterioration in 2021. CSOs worked within an increasingly difficult and unpredictable regulatory environment, and the government regularly abused current laws to assess, monitor, and impede CSOs—particularly those working on democracy and governance issues—while it also prepared a severely restrictive new draft law. The government also enhanced its efforts to restrict freedom of expression and peaceful assembly. The massive youth-led protests that began in 2020 continued throughout 2021, but dwindled over time due to systematic harassment, intimidation, imprisonment of activists, and restrictions imposed under COVID-19.

CSOs in Thailand generally operate as foundations and register with the Ministry of Interior in accordance with the Thai Civil and Commercial Code. According to current laws, foundations must work for the public benefit, have at least three Thai nationals on their boards of directors, provide bank statements showing a balance of at least THB 200,000 (approximately \$6,400), and not violate the law, good morals, or national security. The complicated registration process can take over two years, especially for organizations based outside of Bangkok. In 2021, CSOs experiencing the most problems with registration were those defending human rights, since they tend to be critical

LEGAL ENVIRONMENT IN THAILAND



when the Thai cabinet approved a proposal to prepare a Draft Act on the Operations of Not-for-profit Organizations (NPOs). The draft was prepared with little to no public consultation, made available for comments through an online platform for just two weeks in March 2021. The draft law would require all NPOs (which it does not clearly define) to register with the Ministry of Interior, which it also authorized to approve NPO activities. In practice, this would empower the Thai government to shut down any organization it considered to be working against the government's interest. Anyone operating an unregistered NPO could be jailed for up to five years, fined up to THB 100,000 (approximately \$3,200), or both.

The draft NPO law particularly threatened increased restrictions on organizations receiving foreign funds, which the government has previously accused of working in support of foreign interests and trying to destabilize the country. Section 6 of the draft law permitted NPOs to accept money or materials from foreign donors only for "activities in the Kingdom as permitted by the Minister," giving the Minister of Interior full discretion to authorize or block any foreign funding. The draft law also authorized invasive inspections of any NPO office without prior notice or warrant and did not allow for any process of appealing decisions taken, including suspension or termination.

In June 2021, the Cabinet further released a set of principles laying out a number of anti-money laundering and counter-terrorism concerns and connecting them to NPO activity in what appeared to be an attempt to justify the draft NPO law under security concerns. The government had an open comment period for the Cabinet principles in the following weeks.

In December 2021, a new draft NPO law created by the Office of the Council of State was leaked. Although significantly revised from the February 2021 version, the new draft was still significantly restrictive and contained a catch-all provision (Section 20) allowing the government to prohibit CSOs from engaging in an extremely broad range of activity. The revised draft was approved by the Cabinet in January 2022.

In November 2021, foreign funding was further restricted through an amendment to the 1999 Anti-Money Laundering Bill (AML Bill). In particular, section 16/1 of the amendment requires all CSOs to maintain records of all transactions, detailed annual statements, and information on the directors or those in charge as well as the beneficiaries of funds for five years, unless otherwise directed. If an organization fails to maintain these records, the authorities may conduct warrantless searches of its office. Importantly, this section does not apply to foundations under Royal Patronage, a stamp of approval for foundations that have been recognized by the monarchy as transparent and operating for the greater good of the country.

New regulations issued under the Emergency Decree in July 2021 added to the weight of COVID-19 restrictions—which, as described above, were also used to arrest numerous peaceful protesters over the course of the year. Regulations No. 27 and 29 broadly prohibited the dissemination of false or potentially misleading content that could incite fear among the public during emergency situations. Under Regulation No. 29, internet service providers (ISPs) were required to identify IP addresses accused of producing content deemed illegal, report the details to the government, and immediately suspend internet service to that IP address. Petitioned by Thai media and a group of human rights lawyers, in August, the Civil Court suspended Regulation No. 29, determining that such internet censorship and the potential suspension of media organizations excessively restricted rights.

of the government. Once registered, CSOs must submit regular reports and financial audits. This continued to present challenges to many CSOs, which have limited access to financial specialists trained in the public sector and often must hire additional administrative and financial staff to meet the requirements.

Many organizations—especially those working on issues deemed politically sensitive, such as land tenure and peace and security—have chosen not to register in recent years, in part because registered CSOs may be inspected by government authorities at any time and government reporting requirements and license renewals are burdensome.

The future of CSO registration and operations requirements became highly uncertain in February 2021,

However, Regulation No. 27 remained in place at the end of 2021 and provided for up to two years' imprisonment for dissemination of "fake news."

On September 21, the Thai Cabinet approved draft amendments to the 2015 Communicable Diseases Act (CDA) as the government prepared for the eventual end of the Emergency Decree, at which point the CDA will become the primary legislation governing the country's response to COVID-19. The amendments had not yet been introduced to the parliament for endorsement by the end of the year. In the meantime, in 2021, several Thai and international CSOs issued a statement to express their concern over the law's repressive provisions, which, like the Emergency Decree, could provide the government with broad and unchecked powers and enable continued restrictions on freedoms of expression and assembly.

The government also used other preexisting laws to hamper CSO activities and freedom of speech online and offline. As in 2020, those laws included the Public Assembly Act of 2015, which regulates freedom of assembly, and the Computer Crimes Act (CCA), which authorizes the Ministry of Digital Economy and Society to request and enforce the removal of "false content" online and to punish those who spread the information. Several sections of the Penal Code were also used to obstruct free speech and CSO activities: Section 112 on royal defamation, known as *lèse majesté*; Section 116 on sedition; Section 198 on contempt of court; Sections 326 through 328 on defamation; Section 110 on violations of the Queen's liberty; and Section 368, which punishes those who refuse to comply with an official's order without reasonable cause or excuse.

In May 2021, the government established an anti-fake news center to investigate information about the pandemic deemed to be false or undermining the government's efforts to mitigate it. The authorities also invoked the CCA and Section 112 of the Criminal Code to prosecute individuals criticizing the government's COVID-19 response.

After a two-year pause in cases of *lèse majesté*, the use of Section 112 was revived in November 2020 in the midst of ongoing pro-democracy protests and government criticism. According to Amnesty International, between January and November 2021, at least 116 people were charged with *lèse majesté*. Among them was one of the harshest sentences ever handed in such a case: Anchan Preeert, a former civil servant, was sentenced to eighty-seven years in prison for uploading twenty-nine audio clips of "Banpot," a radio host critical of the Thai monarchy, to YouTube. Her sentence was reduced to forty-three years after she pleaded guilty. In November 2021, the Thai Constitutional Court also ruled that calls for royal reform are an attempt to overthrow the monarchy, setting a legal precedent that could be applied to *lèse majesté* cases and spurring further self-censorship among activists.

INGOs were also impacted by the 2021 crackdown on civil society. Following Amnesty International's campaign to bring an end to criminal charges against protesters calling for monarchical reform, in November, an ultra-royalist group sent a letter to the government urging the authorities to revoke Amnesty International's license and expel it from the country. The prime minister ordered an investigation into the organization, about twenty government officials visited the office, and Seksakol Atthawong, a vice-minister in the office of the prime minister, launched a petition to expel the CSO. The petition gained one million signatures from pro-royalists and the investigation remained ongoing at the end of the year.

As described above, 2021 also recorded continuing and increasing crackdowns on pro-democracy protests, and the authorities pursued demonstrators and protest leaders on multiple charges. Beyond the protest arrests described above, according to Amnesty International, in 2021, criminal and civil proceedings were initiated against at least 1,460 individuals for expressing views perceived to be critical of government actions; several protest leaders face sentences up to life imprisonment if convicted. Authorities also harassed perceived dissidents through house visits, forcing individuals to pledge not to talk about the monarchy, intimidating their families, and taking individuals to police stations without arrest warrants. Reports of torture and ill-treatment also surfaced in 2021: in August, pro-democracy activist Parit "Penguin" Chiwarat was extensively beaten by police officers for his involvement in a protest, and Jeerapong Thanapat died after being suffocated with a plastic bag by police officers at Muang Nakhon Sawan police station. In September 2021, the Thai parliament approved a bill criminalizing torture and forced disappearances but failed to address other significant concerns, such as cruel and degrading treatment by law enforcement personnel.

Government agencies use a variety of surveillance technologies that may impede or deter CSO work. In November, some human rights activists were notified by Apple regarding a possible state-sponsored spyware, Pegasus, surveilling their electronic devices; the government later confirmed the use of the Pegasus spyware for national security purposes.

In 2021, CSOs were still permitted to accept funds from domestic and foreign donors, engage in fundraising campaigns, and earn income; the draft NPO law, however, threatens to severely restrict foreign funding, as discussed above. As in previous years, any profit earned by foundations and associations is taxed at a rate of 1 percent. CSOs are able to apply for tax-exempt status but most are unaware of this possibility and unfamiliar with the process. Foundations may receive tax-free donations from companies, but to do so, the foundation must be registered with the Ministry of Finance and produce monthly reports. Individuals and corporations that donate to foundations and associations can receive tax deductions at a maximum of 10 percent of income for individuals and 2 percent for corporations.

CSOs' access to legal representation was increasingly important in petitioning courts to drop lawsuits against CSOs. Thanks to collaboration among CSOs and the availability of relevant information online, experts reported that CSOs were less reliant upon assistance from lawyers in 2021 as they increased their internal legal capacities. This greater capacity is particularly important because lawyers tend to be a costly investment, which many CSOs cannot afford.

ORGANIZATIONAL CAPACITY: 4.5

In 2021, the organizational capacity of CSOs in Thailand declined slightly due to challenges brought on by COVID-19 restrictions, coupled with increased restrictions on CSO operations; this particularly impacted organizations' ability to adjust and follow strategic plans.

As in the first year of the pandemic, while some CSOs were able to better leverage digital space and make use of new technologies, most grassroots organizations continued to struggle to move activities online and adapt to new ways of working. In this way, COVID-19 restrictions on in-person gatherings continued to emphasize the digital divide and hamper some CSOs' ability to directly engage and communicate with their constituents.

Large, well-established CSOs typically have websites and reports that clearly set out their visions, missions, and successes; established missions and strategic plans are often necessary in order to win grants. Large organizations also generally have dedicated funds to support their organizational development and find it easier than small and local CSOs to manage their human resources. Such well-established CSOs typically have internal management structures, accounting systems, and written policies and procedures in place.

Smaller (and often unregistered) CSOs, however, continued to face challenges in conducting their work or establishing clear long-term missions. Broadly, this is due to their lack of resources, such as administrative or technical expertise; insecure and primarily short-term, project-based funding; and difficulty in gaining donor trust and support. In 2021, small and local CSOs experienced additional challenges in setting out and following strategic plans, largely due to the shifting nature of COVID-19 restrictions and the resulting impact on their ability to carry out activities.

Volunteers continued to play a key role in many CSOs, particularly due to limited resources and challenges in maintaining paid staff. However, according to the Charities Aid Foundation World Giving Index 2022, which covers 2021 developments, just 19 percent of survey respondents in Thailand reported having volunteered their time to an organization in the past year. Though this was slightly higher than the 17 percent reported in 2020, it shows the continuing impact of COVID-19 restrictions on CSOs' ability to benefit from active volunteer engagement.

Overall, CSO technical capacity and digital adaptability somewhat improved in 2021, though as in previous years, there remained a clear difference in capacities within the sector. Some larger CSOs, such as Amnesty International, placed a high priority on technology, while other CSOs, especially in more rural areas, continued to struggle to access the internet due to lack of funds or infrastructure. In 2021, some CSOs were also able to provide training

ORGANIZATIONAL CAPACITY IN THAILAND



for their members and constituents to be more adept online, including the use of online meeting platforms like Zoom, recognizing the growing importance of online engagement. During the 2021 pro-democracy protests, for instance, activists used social media to gain support, raise awareness, and inform communities of the protest strategies and places of assembly.

FINANCIAL VIABILITY: 5.5



The financial viability of the CSO sector in Thailand continued to slightly deteriorate in 2021. This was largely due to ongoing decreases in foreign funding since the start of the COVID-19 pandemic and CSOs' limited ability to fundraise online, though some CSOs reported that funding was more easily accessible for COVID-19-related work.

The disbursement of funds within Thailand also continues to be a large challenge for the financial sustainability of CSOs in the country. Often, local CSOs receive only project funding, and therefore a small portion of the total funding to the sector, while INGOs retain general management fees, allowing them to bolster their core funding. Smaller CSOs and subgrantees, on the other hand, struggle to sustain operations in the long-term.

Although Thailand has received increasingly less support from foreign donors in recent years, as noted in 2020, a number of foreign donors continued to provide support to Thai CSOs in 2021, particularly for health-related projects. USAID, for instance, continued to provide foreign aid to Thailand in 2021, covering health, environment, and governance issues, and the European Union funded TLHR in 2021. As in previous years, however, most foreign support was provided to international organizations in Thailand, such as the United Nations Children's Fund (UNICEF) and Winrock International, which then sub-granted a small amount of the funding to national CSOs and local groups.

CSOs continued to experience fluctuations in foreign funding due to the shifting priorities of international donors, and in 2021, as in previous years, some CSOs struggled to access foreign funds, impeded by the stringent requirements, language barriers, or difficult application formats and time constraints. As a result, foreign funding available at the country level, such as through embassies providing small grants, continued to be the more accessible and attractive option for local CSOs because they present no language barriers and tend to have less complex funding requirements.

The decreased availability of foreign funding has pushed CSOs to depend more on domestic support. In 2021, for instance, Migrant Workers Federation received funding and food assistance from Buddhist temples, which it then distributed to over 300 families in need. Organizations also continued to rely heavily on non-financial support and volunteers. For example, individuals offer the use of their cars as needed, or provide certain services to support organizations, such as cooking for CSO staff.

Unregistered CSOs particularly continued to struggle to raise funds, but by avoiding registration were able to secure and disburse their own funding without being curtailed by the government. To do so, however, CSOs need to be well connected and have strong and trustworthy networks, which is less feasible for new, small, or remote CSOs.

Limited internet access and lack of familiarity with online platforms hindered CSOs' ability to fundraise online in 2021. As in 2020, those CSOs that had earned some income by selling handmade clothes and textiles in markets before the health crisis were limited by COVID-19 restrictions, as were CSOs that previously generated income through social enterprises.

As in previous years, the government was not a reliable source of funding for most CSOs; government funding amounts are typically minimal or delayed, come with numerous restrictions, and are available only to CSOs

perceived to align with the government agenda. No official information regarding government funding in either 2020 or 2021 was made publicly available.

Most CSOs continue to lack skilled finance specialists and financial management systems. CSO employees, especially in smaller organizations, often have numerous responsibilities, including taking care of human resources, finances, and administrative tasks. This can cause further issues regarding audits and a CSO's status with the government, especially if the organization is already under investigation.

ADVOCACY: 5.3

CSOs' ability to carry out advocacy remained unchanged overall in 2021. CSOs better utilized social media platforms to advocate for their causes and engage with members of parliament and other decision makers. This increased utilization of online platforms was especially important as COVID-19 restrictions and government crackdowns continued to hamper in-person demonstrations and activities. At the same time, however, CSO advocacy around sensitive topics such as democratic rights and monarchical reform was restricted by several laws and regulations, as discussed above.

Compared to 2020, the level of government interaction with civil society on some specific issues increased, particularly within the legislative branch, facilitating CSO activism and campaigning. One expert highlighted, for instance, greater government engagement with civil society in working to ensure the safety of lesbian, gay, bisexual, and transgender (LGBT) individuals. CSOs also saw some success in the September 2021 adoption of a bill criminalizing torture and forced disappearance, though some crucial provisions were left out, as mentioned above; the bill had emerged largely from the work and advocacy of CSOs like the Cross Cultural Foundation.

The Ordinance on Public Opinion Act requires the prime minister to ensure that all central and local government agencies operate transparently and hold public discussions. However, CSOs reported that they were rarely invited to public consultations. Such consultations, including those addressing the draft NPO law and climate change, were held online in 2021 due to COVID-19 precautions, but CSOs found it difficult to get involved as they were either unaware, not invited, or unable to attend due to limitations on participant numbers. Experts also reported that CSOs led by young people, women, or members of the LGBT community faced greater difficulties in having their voices heard when engaging with some government authorities.

In 2021, CSOs were particularly well placed to conduct advocacy and hold the government accountable around two UN review processes: Thailand's Third Universal Periodic Review (UPR), which reviews the human rights records of all UN Member States and was prepared in November 2021, and the Committee on the Elimination of Racial Discrimination (CERD) Review. Manushya Foundation, together with local community members and partner CSOs like Young Pride Club, capitalized on the opportunities to voice concerns from their beneficiaries and marginalized groups through both processes, and led online advocacy campaigns around both reviews. Following the publication of the Concluding Observations of the CERD Review in December, CSOs integrated them into their ongoing advocacy activities, thereby strengthening long-term advocacy objectives.

COVID-19 restrictions limited in-person events in 2021, particularly in the south. Instead, CSOs successfully made use of social media in 2021 to promote their advocacy agendas; online platforms also played a vital role in mobilizing youth in the pro-democracy protests.

CSOs engaged in several lobbying efforts in 2021 to oppose development projects impacting communities' livelihoods and the environment. For instance, in December, the Chana community peacefully protested in front of the Government House, calling on the prime minister to keep the promise made in 2020 to revoke all cabinet resolutions involving the industrial mega-project in Songkhla, Southern Thailand, and conduct a community-led Strategic Environmental Assessment. The campaign was amplified by CSOs like Manushya Foundation, which

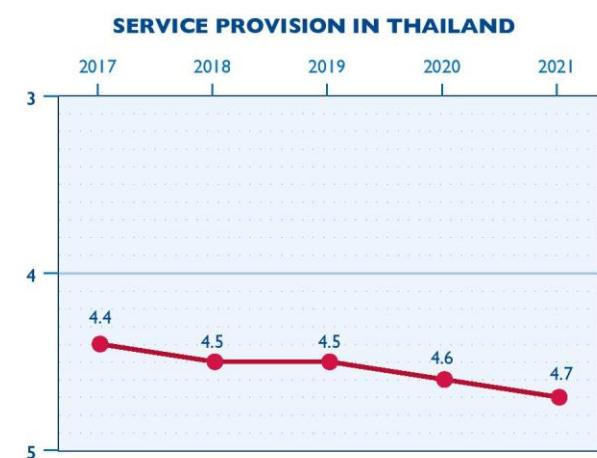


posted on social media and campaigned relevant UN experts to bring attention to the case. Protesters were dispersed and some were arrested, but soon after, the Cabinet agreed to defer the project in Songkhla until the resolution and evaluation of the project's Strategic Environmental Assessment.

In 2021, civil society actors increasingly reached out to the international community to call upon the Thai government to respect its human rights obligations, further bolstered by the findings of the UPR and CERD reviews. In several cases, this succeeded in drawing greater international attention. In June, for instance, CIVICUS sent a letter to the Thai Minister of Justice urging Thailand to end prosecution of pro-democracy activists and protesters, and in October, a large rally attracted further international attention and support. Three civil society representatives also submitted a letter opposing absolute monarchy to the Germany Embassy, as the king has spent most of his time in Germany since taking the throne in 2016.

Over the course of 2021, CSOs were also very actively engaged regarding the draft NPO law, and on December 27, forty-seven CSOs released a joint open letter expressing their concern.

SERVICE PROVISION: 4.7



CSOs' ability to provide services deteriorated slightly in 2021, largely due to COVID-19 restrictions. CSOs working on issues beyond COVID-19 relief were also hampered by the continuing decline of available funding.

The CSO sector in Thailand provides services in a variety of areas, ranging from human rights and community rights to labor issues, education, women's empowerment, and sexual and reproductive health. In 2021, for example, SHero began to build a network of lawyers to support survivors of domestic violence, while TLHR continued to provide legal aid to human rights defenders facing charges.

Restrictions on travel and in-person activities for the majority of the year especially impacted those providing on-the-ground services, such as CSOs working with peoples, and farmers. For instance, Green World Network, a community network in southern Thailand that fights to protect community rights and natural resources, reported that its work in 2021 was limited to online advocacy campaigns, which it found to be only marginally effective.

migrant workers, impoverished communities, indigenous peoples, and farmers. For instance, Green World Network, a community network in southern Thailand that fights to protect community rights and natural resources, reported that its work in 2021 was limited to online advocacy campaigns, which it found to be only marginally effective.

Many CSOs continued to refocus or adapt their work to help those affected by COVID-19, as they had in 2020. For example, Childline Thailand provided 19,900 counseling sessions via social media and received 7,047 calls from children who were particularly affected by the third wave of COVID-19. Additionally, in 2021 alone, 6,465 children made use of Childline Thailand's services for homeless children (Hub Saidek), which provides daily meals, showers, and mental health support.

Despite ongoing challenges of both logistics and limited resources, CSOs remained responsive to community needs in 2021. For instance, Covid-Thailand Aid, a volunteer-based organization, particularly helped vulnerable groups during the pandemic, and in March provided 100 families in the Samut Sakorn province with essential care packages, including food. In May, the organization provided care packages to 600 individuals in the Klong Toey area. As mentioned above, however, those CSOs not working on COVID-19 relief saw continuing declines in their funding, and, faced with ongoing travel restrictions, were forced to limit their activities in 2021.

CSOs offer their services without discrimination with regards to race, gender, or ethnicity. CSO services are also typically free of charge, given that they frequently serve local and marginalized communities with low incomes.

Despite some engagement from the legislative branch on specific issues, as mentioned above, broadly, the government showed neither appreciation nor support for CSOs' work and role in the country. Given the

increasing lack of trust in public institutions, some CSOs also did not actively seek support of any kind from the government.

SECTORAL INFRASTRUCTURE: 4.7

The infrastructure supporting the CSO sector slightly improved in 2021 as a result of increased cooperation within the CSO sector, despite some deterioration in available assistance from intermediary support organizations (ISOs).

As financial resources continued to decrease in 2021, ISOs were less able to provide direct support to CSOs. COVID-19 restrictions on in-person activities also impeded ISO activities and support until the lifting of most restrictions in October, particularly impacting grassroots organizations with limited internet access. Instead, as in 2020, many CSOs received support from larger organizations that do not identify themselves as ISOs or resource centers. For instance, in 2021, Migrant Workers Federation provided training sessions to local CSOs and community groups on social media platforms and video editing.

As in previous years, and as referenced above, sub-granting of foreign funds remained a limited but important source of funding for some local CSOs and grassroots movements.

Thailand still does not have strong centralized CSO networks, given that CSOs work on various issues, become more or less active over time, and are relatively decentralized. CSOs working on the same issues compete for funding between themselves, and unregistered CSOs particularly face difficulties forming alliances or formal networks. Instead, informal and person-to-person connections continue to be important in civil society networks. In 2021, CSOs also increasingly used social media platforms and online communication tools to gain community support and exchange knowledge. Though grassroots communities faced some obstacles in online networking, in terms of both access and staff capacities, digital platforms were especially successful in engaging youth in CSO collective work and activities.

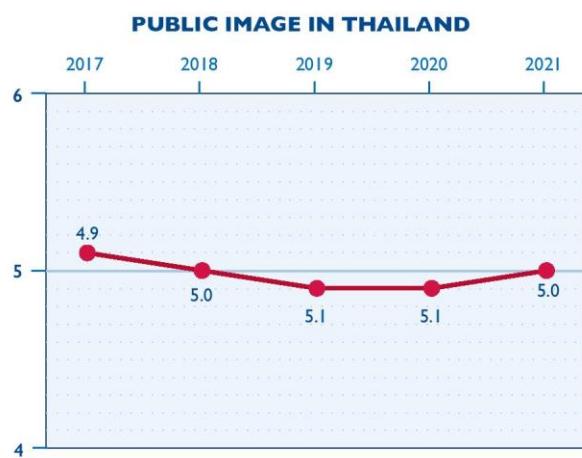
Increasing concern around government restrictions in 2021 also encouraged greater cooperation among CSOs, as like-minded CSOs—particularly those working on human rights—mobilized to collaborate on activities and outreach. This was evident, for instance, in the joint statement issued by forty-seven CSOs regarding the draft NPO law. Similarly, the UPR and CERD reviews processes both required CSO collaboration during the year and provided an important opportunity for improvement in long-term cooperation in the sector, owing to the relationships forged to inform the two processes and hold the government accountable. CSO coalitions contributed thirty-four reports to the UPR process, and a total of twenty-five reports were submitted by CSOs individually. For the CERD review, twelve CSOs and two CSO coalitions—the Thai CSO Coalition for the UPR, formed in 2016, and the Thai BHR Network, formed in 2018—submitted four reports.

CSOs continued to struggle to develop partnerships with the government, and they rarely formed partnerships with businesses in 2021, as in previous years.

SECTORAL INFRASTRUCTURE IN THAILAND



PUBLIC IMAGE: 5.0



Overall, the public image of CSOs slightly improved in 2021 as the public increasingly supported CSOs, particularly in the face of government restrictions and the poor handling of the pandemic. At the same time, however, the government continued to discredit CSOs that did not align with their agenda.

Throughout 2021, as in 2020, media covered a variety of CSO issue areas and activities, including, for instance, freedom of expression, human rights, and same-sex marriage and LGBT issues. However, the extent of media coverage of CSOs and their work continued to vary according to the issues they address. Media were somewhat more hesitant to cover pro-democracy protests, and numerous journalists were injured or arrested while covering the protests. News outlets gave

increasing attention to CSOs working to provide COVID-19 relief, while other issues areas, such as the environment, tended to be overlooked. CSOs with limited resources and connections also received less media coverage.

Public perceptions of CSOs also depend on a CSO's focus area but improved overall in 2021. CSOs working on humanitarian relief and providing support during the pandemic especially saw improvement in public perceptions, and CSOs campaigning for human rights improved their reputation and benefited from increased public support and participation in their activities. At the same time, some ultra-royalist figures continued to discredit CSOs in 2021. This was evident, for instance, when a petition to revoke Amnesty International's license and expel them from the country amassed one million signatures. Broadly, however, the public was increasingly aware and appreciative of CSOs' role in society.

As in 2020, the government continued to discredit human rights defenders, and evidence again suggested that the government was running an illegal propaganda campaign and promoting harassment of civil society actors, financed by taxpayer money. For instance, the founders of Justice for Peace Foundation and the Duay Jai Group filed a lawsuit against the Prime Minister's Office and the Royal Thai Army for allegedly promoting disinformation in 2020 to discredit CSOs working to expose government wrongdoings and human rights violations. That lawsuit was ongoing in 2021.

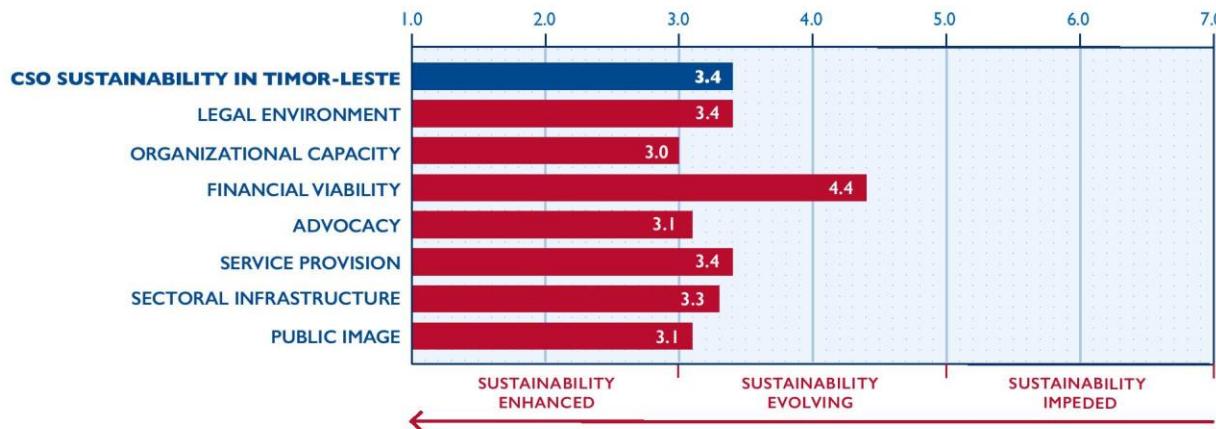
Continuing these concerns in 2021, as part of the Information Operations (IO) of the Internal Security Operations Command (ISOC), a coordinated network of military-linked social media accounts promoted pro-government narratives and worked to discredit the legitimacy and reputation of human rights defenders and CSOs. For instance, a video of a protest by Karen peoples, posted on Facebook, was overwhelmed with negative comments from IO accounts. In February 2021, Facebook's Coordinated Inauthentic Behavior Report confirmed the detection and removal of 185 social media accounts and pages linked to ISOC propaganda, which had targeted audiences in the country's Deep South.

In 2021, CSOs' increasingly effective use of online platforms enabled them to better disseminate information about their work. However, most CSOs still lack a strong communications strategy, and due to limited resources and staff, CSOs typically do not produce annual reports.

TIMOR-LESTE

Capital: Dili
Population: 1,445,006
GDP per capita (PPP): \$3,200
Human Development Index: Medium (0.607)
Freedom in the World: Free (72/100)

OVERALL CSO SUSTAINABILITY: 3.4



In 2021, Timor-Leste faced the ongoing impact of the COVID-19 pandemic, severe damage from a cyclone, and bureaucratic hurdles and delays in responding to both. In March 2020, Timor-Leste declared a state of emergency in response to the COVID-19 pandemic, which remained in place through most of 2021 as the country experienced two waves of increased COVID-19 cases. During the state of emergency, the government closed national borders, prohibited events and large gatherings, limited transportation, and mandated social distancing and quarantine procedures to limit community transmission of the virus. The state of emergency was lifted at the end of November 2021, but some COVID-19 measures remained in place, such as mandatory face masks and social distancing. Though Timor-Leste had recorded only a few cases of COVID-19 in 2020, by the end of 2021, the country had recorded 19,833 cases and 122 deaths. On April 7, World Health Day, the government began its COVID-19 vaccination campaign. By the end of the year, roughly half of the total population had received at least a first dose.

The already-difficult situation swiftly worsened in April 2021, when the country was struck by Tropical Cyclone Seroja. The cyclone caused extensive flooding, landslides, damage to infrastructure, livestock, and crops, and at least forty-four fatalities. The impact was especially evident in the capital city, Dili, where the majority of the population was affected and many families lost their homes and belongings. According to a World Bank report, the cost of recovery could exceed \$420 million. The devastation caused by the cyclone posed a significant challenge to the government, which was already focused on mitigating the impact of COVID-19.

The government lacked emergency funding to sufficiently support recovery in the wake of the cyclone, and significant bureaucratic delays notably impacted the government's interventions and relief for victims of the cyclone. Given the government's delays and limitations, the most active support came from international donors and agencies, United Nations (UN) agencies, religious organizations, and civil society, including national and municipal-level CSOs. Much of the affected population was housed in temporary shelters. CSOs worked to provide hygienic supplies and humanitarian support to those in shelters, while religious congregations supported the rebuilding of homes.

Although the broader environment was challenging, the overall sustainability of CSOs in Timor-Leste improved slightly in 2021. While the legal environment and financial viability remained unchanged overall, every other dimension of CSO sustainability recorded improvement over the course of the year. Benefiting from the experience of 2020 and increasingly prevalent training opportunities, organizational capacity in the sector improved moderately in 2021; the infrastructure supporting the sector also recorded moderate improvement, particularly due to a growth in training opportunities and intersectoral partnerships as all stakeholders worked together to

meet emergency needs. CSOs provided urgently needed relief services in response to COVID-19 and Tropical Cyclone Seroja, and the public image of the sector moderately improved as media and others increasingly recognized the integral work of CSOs. CSO advocacy improved slightly in 2021 as the government was increasingly responsive to CSO campaigns, aided by greater cooperation between the CSO sector and government representatives. CSOs were increasingly adaptable and responsive to the most urgent needs of their communities, even as financial support and staff capacity remained somewhat limited. The government and private sector continued to see CSOs as strong and vital partners in development, and the sector's public image remained strong.

According to data from the Ministry of Justice (MoJ), 79 national and 3 international associations were newly registered in 2021, as were 31 national and 2 international foundations. This brings the total number of registered organizations to 170 national and 2 international foundations, 609 national associations, and 85 international non-governmental organizations (INGOs). However, MoJ does not regularly update its database and many organizations registered with MoJ may no longer be active. According to the NGO Forum Timor-Leste (Forum ONG Timor-Leste, FONGTIL), a total of 223 national and 27 international NGOs were active in the country in 2021.

LEGAL ENVIRONMENT: 3.4



The legal environment regulating the CSO sector remained largely unchanged in 2021.

Law No. 5/2005 (Decreto Lei do Governo 5/2005) continues to govern associations and foundations. The law is written in Portuguese and translated into Tetun, the country's other official language, as well as English. However, the Portuguese version continues to take precedence if there is any misunderstanding, posing an ongoing complication to CSOs that predominantly use Tetun.

Slightly easing the process of registration, in 2021, MoJ established a notary department in each municipality, enabling CSOs to register at the municipal level rather than needing to travel to Dili. In principle, organizations must register with MoJ before implementing any

programs, but some unregistered organizations were active in 2021.

In 2021, FONGTIL—an umbrella organization serving both registered and unregistered NGOs—held a meeting regarding the possible amendment of Law No. 5/2005. The meeting focused on the fact that though an article of the law specifically requires that organizations established in Timor-Leste be registered with MoJ, it does not address organizations established elsewhere that operate in the country, allowing several organizations to operate without registration in the country. The discussion was ongoing at the end of the year.

As in 2020, MoJ sometimes rejected organizations' names, especially those that referred to the resistance or national identity, complicating the registration process. In 2021 FONGTIL held a meeting with MoJ notary staff to discuss the issue. The law also requires each organization to have a bank account, but the requirement is not applied consistently. These complications continued to make some organizations hesitant to apply for registration, particularly when combined with the need to translate all documents into Portuguese.

The law does not limit the scope of a CSO's work and the government generally does not interfere with CSOs' activities. However, in 2021, CSOs and informal movements continued to lobby against a draft amendment to the criminal code regarding criminal defamation. As drafted, the amendment would threaten to criminalize all defamation, thereby threatening individuals and organizations for criticizing the government or sharing information. Following the public pushback, the draft law was shelved in March 2021 but remained a concern.

CSOs are legally permitted to organize or participate in demonstrations but must notify the national police in advance. Demonstrations within 100 meters of government offices and the national parliament remain restricted.

CSOs do not pay taxes on their grant income but must pay taxes on imported goods. According to the Law on Taxation (Lei Tributária No. 8/2008 de 30 de Junho), employers should collect taxes equal to 10 percent of the income of employees who earn more than \$500 per month. However, CSOs, especially Timorese organizations, struggle to adhere to this requirement. Therefore, typically only staff that work for INGOs and CSOs working at the national level comply with the law. Every organization is required to have a Tax Identification Number (TIN).

CSOs are legally permitted to earn income, engage in fundraising campaigns, and accept funds from the government and international donors. However, Catholic organizations' access to funding was made more difficult in 2021. A change to an ongoing agreement between the government and the Church (*Câmara Eclesiástica*, Ecclesiastic Chamber) determined that support from the Office of the Prime Minister would go directly to each Diocese, which would then allocate the funding; this change was implemented beginning in 2021. Previously, all religious organizations were able to submit proposals for funding directly to the Office of the Prime Minister. Non-Catholic organizations are still able to do so, while Catholic organizations must now go through the Diocese.

There is some in-country capacity for legal assistance, particularly around public policy, but national and municipal-level CSOs typically lack the funds for legal assistance and there are no Timorese lawyers with expertise in CSO-related regulations.

ORGANIZATIONAL CAPACITY: 3.0

The organizational capacity of CSOs in Timor-Leste moderately improved in 2021, largely due to improvements in technical capacities, internal management, and increased training for CSO staff.

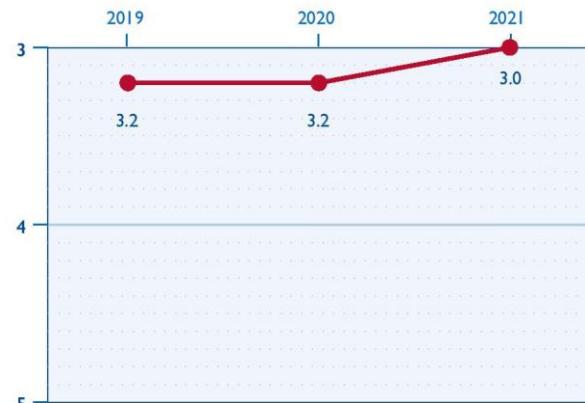
CSOs proved resilient in adapting to the challenges of 2020. With that experience, they were better equipped to respond to the ongoing impact of COVID-19 in 2021, while remaining adaptable in the face of additional needs and obstacles. Most CSOs maintained strong relationships with their constituents, continuing to communicate over the phone and through messenger platforms like WhatsApp. Beginning in 2021, some CSOs were also able to return to engaging with constituents in person. Parliament recognized CSOs' role in responding to the health crisis and allowed some organizations to receive licenses from the Integrated Center for Crisis Management (ICCM) that enabled them to work in the field during lockdown periods.

Most CSOs have statutes that clearly define their missions and strategic plans for periods of three to five years. While registration requires the establishment of basic statutes, strategic planning is typically spurred by donor requirements. As in 2020, in 2021, organizations often shifted away from their defined missions and planned activities in order to respond to the most urgent needs as well as they could with limited resources. Many activities remained on hold due to COVID-19 restrictions, but CSOs continued to provide humanitarian support as they worked to prevent and mitigate the impacts of COVID-19.

CSOs generally have boards but board members rarely offer active support or contribute meaningfully to organizational governance. There was some progress in 2021, however, when FONGTIL members conducted a social audit program and provided several recommendations in order to improve the internal management policies and structures of CSOs, which were swiftly implemented. For instance, by the end of 2021, most organizations had established internal policies and procedures addressing sexual abuse and fraud, a clear improvement since 2020. FONGTIL also advised that the founder of an organization should not also be its director; this recommendation remained under discussion at the end of the year.

CSO staff capacity notably improved in 2021, benefiting from trainings over the course of the year and the application of lessons learned in 2020 capacity-building workshops. However, staff turnover continued to be a

ORGANIZATIONAL CAPACITY IN TIMOR-LESTE



problem as skilled and qualified staff are often hired by the government or other institutions. CSOs typically recruit staff on a project basis; project staff are then trained in relevant programming and other skills.

CSOs' technical capacity continued to improve in 2021, as they necessarily shifted to more online work. The majority of CSOs were able to access the internet and information and communications technology (ICT) in 2021, and even at the municipal level, CSOs expanded their online work from WhatsApp and e-mail to platforms like Zoom, Microsoft Teams, and WebEx.

FINANCIAL VIABILITY: 4.4



project funding.

Through the annual state budget, the government provides support for CSOs for both programmatic and operational costs. In 2020, the prime minister announced a new government commitment to support CSOs every fiscal year, channeling those funds through FONGTIL. In 2021, 145 CSOs received a total of \$2,158,225 in government funding. Though this was a notable decrease compared to the \$3.2 million the Office of the Prime Minister allocated for CSO support in 2020, the lengthy delay in budget approval in 2020 had delayed transferring any funds until November 2020. In contrast, in 2021, CSOs immediately benefited from the much-needed support, and the government extended the deadline to use the funds to March 2022.

Organizations are invited to apply for funding from the Office of the Prime Minister, so long as they collaborate with government authorities to achieve the agreed upon objectives. While the government funds both national and municipal-level CSOs, it often gives priority to local organizations over Dili-based national CSOs.

Some CSOs have raised concerns about the selection of proposals and noted that the government selection process can be opaque, failing to explain why some CSOs are rejected while seemingly less competent organizations receive support. Some experts reported that government decision making may be biased by personal connections or other conflicts of interest. However, CSOs sometimes hesitate to report concerns about the selection process, for fear that criticism of the government might impede their chances of receiving support in the future.

The ongoing financial impact of the pandemic continued to limit funding opportunities from bilateral donors and international agencies, which slightly reduced their support to CSOs in 2021. During the year, foreign donors again prioritized programming around COVID-19, forcing CSOs to cancel or postpone other activities. Foreign funders tend to focus their support on programmatic, not operational costs or staff salaries. Some donors fund the provision of assets that are necessary to implement activities, but then request that those assets be returned at the end of the project. Regardless, CSOs continued to rely heavily on foreign support. The European Union- and UN-funded Spotlight Initiative, for instance, continued to support efforts to eliminate harmful practices and violence against women and girls. The initiative, launched in 2020 with a total budget of \$15 million over three years, is implemented by the government and local CSOs such as Belun, Asia Justice and Rights (AJAR), Asosiasiun Chega! ba ita (ACbit), and others. Religious organizations also received emergency program support through Santa Sé, the

The overall financial viability of the CSO sector remained unchanged in 2021. Though both foreign and local funding declined, the government continued to provide much-needed assistance to the sector. Organizations reported that available funding, though less than previous years, tended to be more flexible in 2021. Some CSOs also improved their ability to earn income, and others benefited from improvements in their financial management systems and policies.

The majority of CSOs in Timor-Leste depend on funding from international donors and the government. Some organizations receive funding from multiple donors, which allows them to sustain their activities. Most organizations, however, continue to struggle to diversify their financial resources and rely primarily on short-term

representative of the Pope in Timor-Leste, which has signed a memorandum of understanding (MoU) with the government.

There was no record of private sector support to CSOs in 2021, though some companies collaborated with CSOs to provide humanitarian or in-kind support to communities in need.

Few CSOs in Timor-Leste actively engage in fundraising, and as in 2020, there were no known instances of fundraising activities. FONGTIL continued to collect membership fees, as established in its internal regulations.

While most CSOs continued to struggle to earn additional income, some increased and improved these efforts in 2021. For instance, some community groups working with women and youth were able to earn profit through agricultural activities and the production of handicrafts. Some CSOs have also begun to earn income by renting out meeting rooms or vehicles.

The majority of FONGTIL member CSOs—encompassing a wide range of international, national, and local CSOs—have internal financial management systems in place, which increasingly include anti-fraud and anti-corruption policies. Community-based organizations, however, have less capacity. Some donors provide financial guidelines to ensure compliance with proposed budgets, though some flexibility was permitted due to the impact of COVID-19 on project implementation. Some CSOs conduct annual audits, but this is largely dependent upon their having the resources to do so. All CSOs that receive government funding are required to submit annual reports to the government, and many publish their reports to fulfill donor requirements and inform their primary stakeholders and partners about their work.

ADVOCACY: 3.1

CSO advocacy saw a slight improvement in 2021 as the government was increasingly responsive to CSO advocacy campaigns, aided by greater cooperation and communication between the CSO sector and government representatives.

The government continues to recognize CSOs as active development partners, and CSOs are legally guaranteed the right to demonstrate and criticize decisions of the government or National Parliament. As in 2020, even as pandemic restrictions continued to limit in-person gatherings, CSOs experienced no additional challenges to advocacy and remained actively engaged in 2021.

During the year, CSOs provided recommendations to the government through reports and an ongoing talk show, in which they discuss the most relevant issues in their communities. CSO research, for example, highlighted the impact of COVID-19 restrictions on communities, including a rise in gender-based violence, and alerted government authorities to basic needs. FONGTIL's media center has become a primary channel for CSOs to share information with the government and advocate on behalf of their communities. For instance, following conflict between some police officers and members of the community violating lockdown orders, FONGTIL and its members used the media center to highlight the case, ultimately spurring a formal investigation.

CSOs also directly cooperated with the central government around several draft laws. For instance, in 2021, Rede Feto, a network of organizations working to promote gender equality and women's empowerment, worked closely with the government through the Secretary of State Equality and Inclusion, with technical support from UN Women. This collaboration and advocacy ultimately resulted in National Parliament's approval of a human trafficking law in 2021. CSO advocacy also resulted in the successful approval of the stalled Children's Rights Law. In 2016, the draft law had been discussed and submitted to parliament for approval, but further discussions were postponed. With a push and recommendations from Rede Feto, the draft law was unanimously approved by National Parliament in September 2021 and proceeded to further discussions with relevant entities like the Women's Parliamentary Group of Timor-Leste (Grupo das Mulheres de Timor-Leste, GMPTL).



Also in 2021, through discussions with the Secretary of State of Professional and Employment Training (SEFOPE), CSOs recommended the drafting of a Specific Domestic Labor Law. After speaking at the FONGTIL media center, SEFOPE committed to following up on the law; the possibility of a new law remained under discussion at the end of the year.

The Justice System Monitoring Program (JSMP), a CSO, provided legal advice to the National Parliament about proposed laws. For instance, in 2021, JSMP provided opinions to the National Parliament on draft laws related to pardons and commutation of sentences, the election of the president and electoral administration bodies, and voter registration. JSMP also pressed policymakers to prepare and circulate drafts in Tetun, in addition to the original Portuguese, to better enable input from and socialization among relevant CSOs and the public

CSOs also provide oversight of the government. In 2021, though the country was reeling from the impact of both COVID-19 and flooding, the government spent much-needed resources to participate in the Dubai Expo; allegations additionally suggested that some government representatives used public funds for their families to travel to and participate in the event. FONGTIL reported the case to the court and advocated for an investigation into the misuse of government funds. That investigation was ongoing at the end of the year.

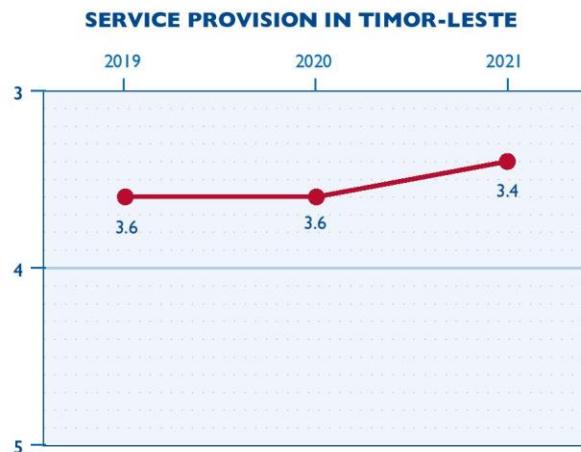
In 2021, CSOs were very comfortable with the concept of lobbying and readily organized meetings and dialogues with government officials in order to present their research findings and reports. These efforts demonstrated strong communication between the CSO sector and relevant ministries, and CSOs had ample opportunities to speak with members of the National Parliament.

In 2021, FONGTIL again conducted social audits of several government programs, recommended adjustments, and called for the government to establish a system to measure the implementation of recommended changes in each sector. The Decree Law, which would institutionalize such audits and was submitted to the Council of Ministers in 2020, was successfully passed in 2021.

As in 2020, CSOs' social audit reports continued to influence the government's budget allocation and highlight other areas of concern. For instance, in response to lobbying from CSOs like Rede Feto, the National Parliament recognized the need for and required gender budgeting in all line ministries, though only some ministries have implemented it thus far. Still, not all CSO recommendations are taken into consideration in public policies, and government follow-up and implementation are sometimes very limited.

In 2021, FONGTIL held a meeting regarding the possible amendment of Law No. 5/2005 to specifically regulate organizations established outside of Timor-Leste that operate in the country, as discussed above. Beyond that, advocacy for CSO law reform was limited. Though CSOs were actively engaged in efforts against the defamation law in 2020, arguing instead for a more democratic Cybercrime Law to regulate the online space, both were tabled and little discussed in 2021.

SERVICE PROVISION: 3.4



CSO capacity to provide services moderately improved in 2021 as CSOs were increasingly responsive to their communities in the wake of both the COVID-19 pandemic and Tropical Cyclone Seroja.

In the past, CSOs in Timor-Leste provided services in diverse programmatic areas, including human rights, peacebuilding and conflict prevention, gender and social inclusion, youth engagement, agriculture, education, advocacy, humanitarian support, and research. In 2021, given the ongoing impact of COVID-19 and the added devastation brought by Tropical Cyclone Seroja, most CSOs focused on basic social services and humanitarian support, putting less urgent activities on hold.

CSOs were significantly more adept and efficient in responding to urgent needs in 2021. They better utilized

virtual platforms to facilitate their work and were typically the first to provide support to communities in need. Continuing their work in response to the COVID-19 crisis, in 2021, CSOs set up hand-washing stations in public areas like local markets, schools, churches, and community centers. CSOs were also vital partners for government relief efforts, despite their limited budgets and staff capacity. For example, CSOs were key government partners in the COVID-19 vaccination campaign, helping to distribute information and encourage communities, especially in rural and remote areas, to get the vaccine once it became available. In addition, CSOs conducted needs assessments and monitored the implementation of government programs at the community level.

The FONGTIL media center, established as a temporary platform in 2020 to share information about COVID-19, was increasingly active in 2021. During the year, it served as an integral source of trustworthy information for both the community and the government.

CSOs do not discriminate in the selection of their beneficiaries on the basis of race, culture, religion, or gender. In 2021, CSOs rapidly expanded their services to meet the needs of displaced communities following the April cyclone and flooding, offering humanitarian support even before government intervention. Members of Rede Referral (Referral Network), such as Rede Feto, AlFeLa (Asistensia Legal ba Feto no Labarik, Legal Assistance for Women and Children), and Psychosocial Recovery and Development in East Timor (PRADET), also provided support and safe spaces for women and children in temporary shelters. Humanitarian support from CSOs was particularly necessary in 2021 because it was provided directly to communities in need, whereas government support was typically channeled through community leaders and therefore was more at risk of biased or uneven distribution.

CSOs continue to provide their services for free, using funding from international donors and the government.

In 2021, CSOs remained key government partners. Government authorities recognized the value of their support particularly in responding to emergency needs and aiding the most vulnerable communities at both national and local levels.

SECTORAL INFRASTRUCTURE: 3.3

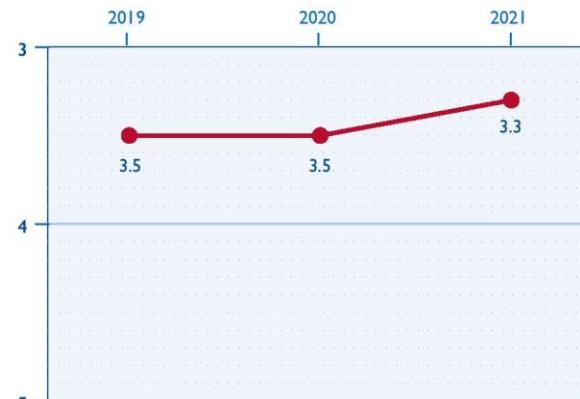
The infrastructure supporting the CSO sector moderately improved in 2021 due to increases in CSO training opportunities and partnerships with the government and private sector to meet emergency needs.

FONGTIL continues to serve as a valuable platform and support organization for CSOs, facilitating the capacity building of its members and coordination both within the sector and with government authorities. Responding to previous assessments of the CSO sector, in 2021, FONGTIL provided training for its members on advocacy, organizational and leadership management, financial policy, sexual abuse policy, and fundraising, with all materials available in Tetun.

In 2021, UN Women's Spotlight Initiative Program, with funding from the European Union, also provided trainings on gender-based violence for CSOs at the national and municipal levels; CSOs that participated in the trainings then held a workshop to integrate gender issues into the National Program for Village Development program. The USAID/Timor-Leste NGO Advocacy for Good Governance Activity conducted capacity-building activities on program and financial management, advocacy, research, and analysis for NGO partners both virtually and in person, in compliance with health protocols. This was a notable improvement compared to 2020, when most trainings were suspended due to restrictions on gatherings and CSOs' prioritization of COVID-19 relief work.

While no local organizations or foundations provide local funding to CSOs, a few organizations sub-granted foreign support in 2021, as in 2020. In addition, some local companies provided humanitarian support and basic supplies to CSOs, to be distributed to those most affected by the impact of COVID-19 and the cyclone.

SECTORAL INFRASTRUCTURE IN TIMOR-LESTE



In 2021, CSOs continued to engage in coalitions and networks to strengthen their relationships and improve their effectiveness and impact, at both national and local levels. These networks included, for instance, Baucau Association in Baucau Municipality and the Referral Network in Covalima; CSO engagement in these platforms included monthly meetings to provide activity updates and develop action plans, such as in providing legal assistance and shelter to victims of gender-based violence. Other CSO collaborative efforts held joint meetings to share updates on and plan campaigns around issues relating to land, human rights, women and youth issues, people with disabilities, and members of the lesbian, gay, bisexual, and transgender (LGBT) community. CSOs also collaborated over the course of the year as members of the government taskforce for combating the COVID-19 pandemic, launched in 2020 and continuing through 2021.

In 2021, CSOs increasingly collaborated with other sectors, including the government, the private sector, media, and religious organizations. As in 2020, these intersectoral partnerships particularly focused on preventing and mitigating the impact of COVID-19. For instance, the private sector continued to supply disinfectant and masks, while CSOs coordinated the distribution of that support. Also in 2021, several CSOs working in the agricultural sector established a syndicate to help farming communities better communicate with the Ministry of Agriculture, private sector, and suppliers. CSOs working alongside the government have also served as resources for several ministries in program implementation, particularly in work tied to gender issues—such as promoting gender budgeting in the line ministries, as discussed above—and providing policy recommendations to combat corruption and collusion.

PUBLIC IMAGE: 3.1



CSOs' public image moderately improved in 2021 as positive media coverage of CSO work grew, both through news outlets and the continued development of FONGTIL's media center. The private sector also demonstrated somewhat more positive perceptions of CSOs, setting aside previous hesitations to focus on collaborative responses to emergency needs in 2021.

CSOs enjoyed increasing and positive media coverage in 2021, especially regarding their work around COVID-19 health protocols and the vaccination campaign. CSO work was frequently featured on national television, and some organizations collaborated with community radio to promote their activities. In some cases, however, media coverage focused on the involvement of government representatives rather than on the work

itself, and it could be difficult for CSOs to maintain media attention. Both Timorese and international CSOs also provided media with summaries of their activities to encourage coverage, but the provided material was sometimes then poorly edited and misinterpreted when published by Timorese media. FONGTIL's media center also provided greater media coverage of CSO work related to COVID-19 in 2021.

The public perception of CSOs, both urban and rural, remained positive in 2021. Communities see CSOs as primary partners in the development process of Timor-Leste, and as a bridge between them and the government. CSO engagement with communities on the ground and their accurate assessment of the most urgent needs significantly contributed to this positive perception in 2021, as did their rapid support in times of emergency. Because CSO activists have sometimes gone on to become politicians or are actively engaged with political parties, there is still some confusion among the public about CSO political affiliations; in 2021, however, this was limited, overshadowed by the significantly positive impact of CSO work.

Both the government and the private sector held positive perceptions of CSOs in 2021, especially as the sector continued to be an integral partner in responding to national crises. The government and National Parliament particularly turned to CSOs for critical information about needs on the ground and for assistance in meeting community needs without discrimination. Similarly, the private sector saw CSOs as important partners in distributing supplies and material goods to those in need, especially in response to the flooding and COVID-19. In

2020, the private sector had sometimes perceived CSOs as political activists or clashed with them on particular issues, but no such concerns arose in 2021 as both sectors worked together to provide much-needed relief services.

Most CSOs continued to promote their activities through the national media and their own websites, donor websites, e-mail, and on social media platforms like Facebook. CSOs continued to invite journalists to cover activities like publication releases, seminars, workshops, and meetings, but were often expected to provide payment for that coverage as sponsored content. The FONGTIL media center also actively promoted member activities.

The majority of CSOs have their own codes of ethics and policies on fraud, sexual abuse, and child protection; this is particularly true of FONGTIL members, which include a wide range of CSOs, while community-based organizations continue to lack the capacity for such internal development. Most CSOs continue to publish annual reports, which are then distributed to the organization's donors and published online or through a bulletin. FONGTIL members also present their reports at the annual assembly meeting.

ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

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, the 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.

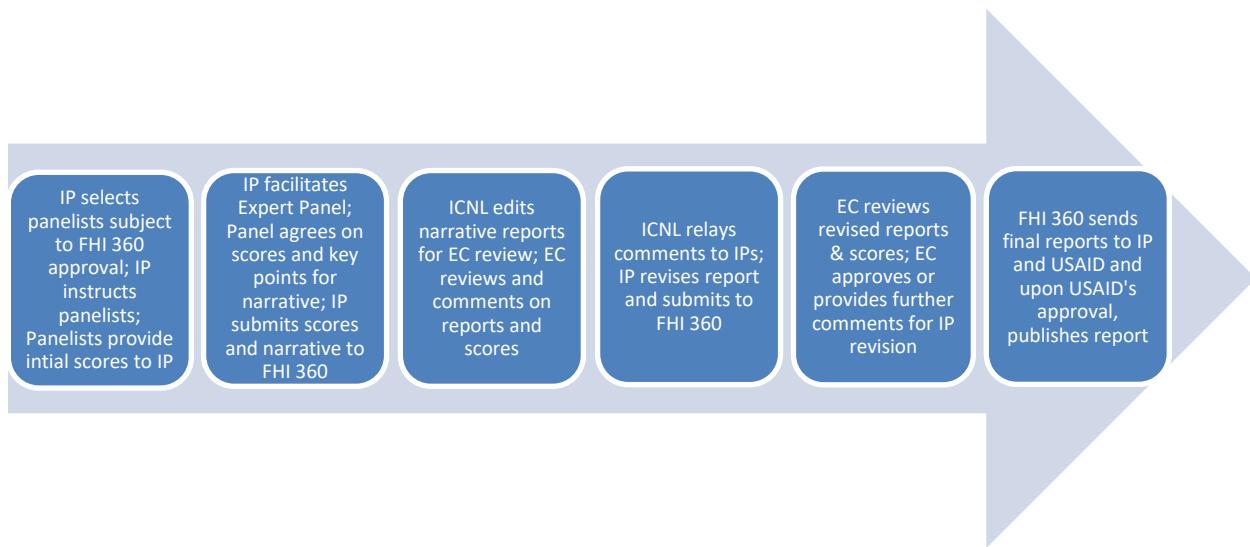
Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior USAID/Washington officials. FHI 360 will provide small grants to local CSOs to implement the CSOSI methodology in the 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 2021 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, and 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 whom 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 2021 calendar year (January 1, 2021, through December 31, 2021).

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 for 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. We would appreciate implementers recording and submitting any observations they might have that will increase the usefulness of this important tool. In addition, we will solicit feedback through regional debriefs and will continue to maintain 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 into 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 reflect developments during the year. For example, if an improved score is proposed, this should be based on concrete positive developments during the year that are noted in the report. On the other hand, if the situation worsened during the year, this should be reflected in a worse score (i.e., a higher number on the 1-7 scale).

Please note that for countries where a democratic revolution took place in the previous year, the panelists should be conscious to avoid scoring based on 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

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

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 need to be reset with a new baseline. Ultimately, each score should reflect a 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). 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 2021 (January 1, 2021, through December 31, 2021).

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 upfront. 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 State of Civil Society Report - <https://www.civicus.org/index.php/media-center/reports-publications/socs-reports>
- 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/>
- Media Sustainability Index - <https://www.irex.org/projects/media-sustainability-index-msi>
- Nations in Transit - <https://freedomhouse.org/report-types/nations-transit#.VdugbqSFOhI>
- Freedom in the World - <https://freedomhouse.org/report/freedom-world>
- Freedom of the Press - <https://freedomhouse.org/report-types/freedom-press>
- ITUC Global Rights Index - <https://www.globalrightsindex.org/en/2021>
- ITUC Survey of Violations of Trade Union Rights - <https://survey.ituc-csi.org/?lang=en>
- U.S. Department of State Human Rights Report - <https://www.state.gov/j/drl/rls/hrrpt/>
- ICNL Civic Freedom Monitor - <https://www.icnl.org/resources/civic-freedom-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 2021 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 visibility. This may include organizing a local public event, panel discussion, or workshop and 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 the 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 overall viability of civil society organizations (CSOs) in a particular country. 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 CSOs, governments, donors, academics, and others to better understand the opportunities, challenges, and sustainability of the civil society sector in a particular country or region. In 2021 the CSOSI was implemented in 73 countries.

For the period of 2017-2022, 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 and technical support to local CSOs who serve as Implementing Partners (IPs) responsible for leading the in-country process to prepare the annual country report, using the CSOSI methodology. ICNL oversees the editing of 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 (EP) 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 management 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.

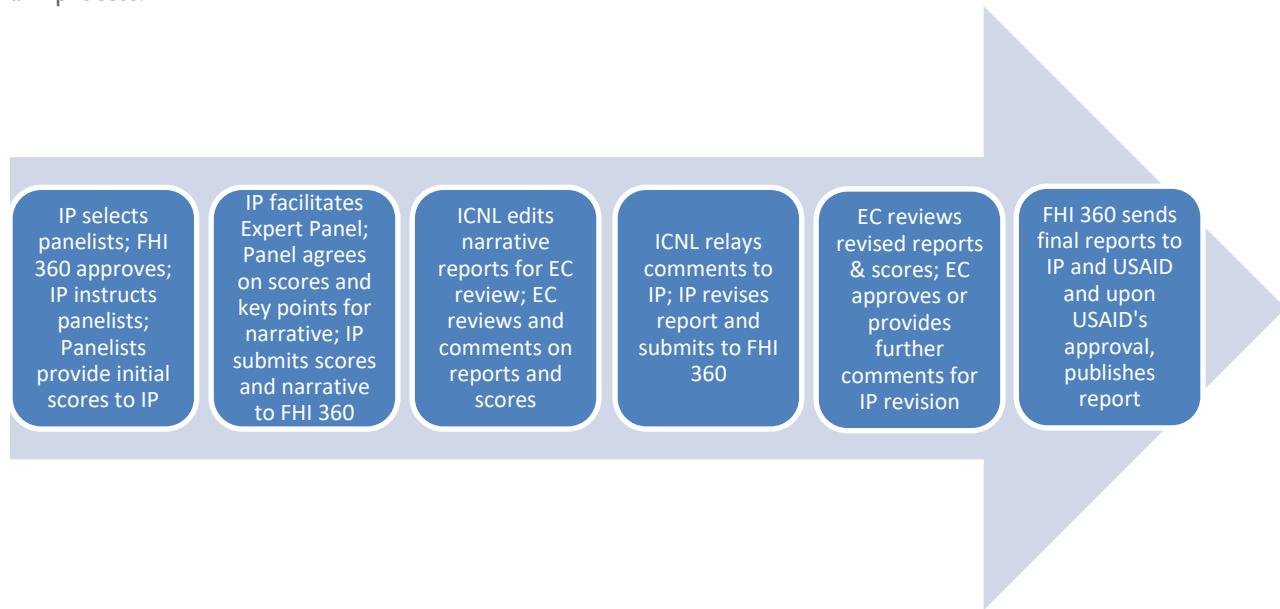
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process,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

This document 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 used not only by CSOSI, but also variety of well-known reviews such as Freedom House in its publications "Nations in Transit" and "Freedom in the World."

The IP in each country leads the process of organizing and convening a diverse and representative panel of CSO experts. EPs discuss the level of change during the year being assessed in each of the seven dimensions and determine proposed scores for each dimension. The IP then drafts narratives that document the rationale for each score. 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) for consistency, completeness, and methodological adherence, 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."²

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

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.

Civil Society Sector

The CSOSI defines the CSO sector to include all of the following: non-governmental organizations (focused on advocacy, oversight, or service provision), social movements, community-based organizations and faith-based organizations, trade and labor unions, women's groups, youth groups, resource centers and intermediary support organizations, research institutes and think tanks, professional associations, cooperatives, and natural resource users' groups, recreational organizations, cultural institutions, social enterprises, and informal movements, networks, and campaigns.

Throughout the report, please address differences between these different types of CSOs and note where trends and developments have affected specific types of CSOs.

Seven Dimensions of Sustainability

The CSOSI measures sustainability across seven dimensions by analyzing a series of indicators related to each dimension. (see **Scoring: Dimensions and Indicators, provided as Annex A, for the full list of questions to guide your analysis of each indicator**):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

How to Score

The CSO Sustainability Index uses a seven-point scale from 1 to 7. **Lower numbers indicate more robust levels of CSO sustainability.** These characteristics and levels are drawn from empirical observations of the sector's development in the country, rather than a causal theory of development. Given the complex 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 Evolving³ (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 Process⁴

The primary role of the EP 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 analyzing each dimension and any recent developments, identifying and discussing initial scores for each dimension, including their evidence for these

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

⁴ NOTE: For countries in which the CSOSI is being implemented for the first time, the below scoring process does not apply. Instead, please refer to the document Scoring Process for Setting Country Baselines. For countries discussing baseline score recalibration, please use the Recalibration Guidance Sheet.

scores, and determining their final proposed scores for each dimension. The overall score for the country will be an average of these seven scores.

Each expert panel member is asked to follow the steps below:

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 related to each dimension and its indicators. Then, based on the evidence, rate each dimension on the 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 6 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 and narrative. Please carefully consider the importance of any developments and weigh more heavily those changes that have had an impact at the sector level, especially in cases when there have been both positive and negative changes. In determining the level of change, including the incremental change over the past year, look at the evidence of change, the various factors over the year being assessed that led to those changes (events, policies, laws, etc.), the durability of the change and the extent to which the change impacts the sector as a whole.

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 IP before you attend the expert panel discussion.

Step 4: Attend the EP 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. Should the panel achieve consensus regarding the scores, the consensus scores will be the panel's final proposed scores. If consensus is not reached among the panelists, the IP will average the panelists' scores, removing one instance of the highest and lowest scores each, to arrive at the final scores that will be proposed to the EC.

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 to support trends you have noted during the year. If adequate supporting information is not provided, the EC has the right to adjust the scores accordingly, to ensure objectivity and methodological consistency in scoring.

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 information 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 the 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. When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

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

Scoring Based on Level of Change

The level of change in a dimension from one year to the next is determined by assessing the impact of multiple factors including new policies and laws, changes in implementation of existing policies and laws, various organization-level achievements and setbacks, changes in funding levels and patterns, as well as contextual political, economic, and social developments. While individual examples may seem impactful on their own, ultimately a sector's long-term sustainability only changes gradually over time as the implications of these positive or negative developments begin to be felt and their long-term effects take hold. Therefore, dimension-level score changes each year should not in normal circumstances exceed a 0.5-point change from the previous year.⁵

When determining what weight to give different trends and developments in how they affect the scores, consider the relative scope of the changes and the duration of their impacts. Those trends and developments that will have larger and longer-term impacts on the sector as a whole should be weighted more heavily compared to those that affect only limited parts of the sector and are more likely to change from year to year. For example, a demonstrated increased capability to mobilize domestic resources (e.g. through corporate philanthropy or crowdfunding) broadly witnessed throughout the sector, 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 such as during a year of national elections or following an emergency.

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:

⁵ 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.

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

| | | |
|----------------------|--|----------------|
| Deterioration | Cataclysmic deterioration: Trends and developments have had a completely transformative negative effect on at least one or two indicators in the dimension and significantly affected other dimensions as well. Example: Legal Environment – A law has banned all international CSOs and their affiliates from the country, as part of the government's systematic crackdown on civil society organizations. | 0.5 or greater |
| | Extreme deterioration: Trends and developments have had very important negative effects on at least one or two indicators in the dimension. Example: Organizational Capacity – Economic depression and instability have led donor basket funds to close abruptly, leaving many major CSOs without funding for their activities. Outreach efforts to constituencies have been halted due to funding shortages and many major CSOs have lost their well-qualified staff members. | 0.4 |
| | Significant deterioration: Trends and developments have had important negative effects on at least one or two indicators in the dimension. Example: Public Image – The government conducts a relentless media campaign to discredit the image of CSOs by calling them agents of foreign actors seeking to destabilize the country. At the same, the government intimidates media outlets and threatens them with retaliation should they partner with or cover CSO activities without prior approval by the government. | 0.3 |
| | Moderate deterioration: Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension. Example: Legal Environment – In an effort to increase public revenue, the government has decided to increase fees by 100% for some types of government services, including CSO registration renewal fees, which were already very high according to many CSOs. As a result, some CSOs, particularly community-based organizations (CBOs), had to delay or suspend their activities. | 0.2 |
| | Slight deterioration: Trends or developments have had a slightly negative impact on at least one or two indicators in the dimension. Example: Legal Environment – The government has decided that CSOs should submit their financial statement and annual activity report to the registration agency every year. This may have a long-term positive effect but in the short term, it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials. | 0.1 |
| | 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 |
| | Slight improvement: Trends or developments have had a slightly positive impact on at least one or two indicators in the dimension. Example: Legal Environment – To facilitate CSO registration, particularly for those in rural areas, the government has decided its registration agency will allow the agency to take applications locally and process registration directly at the district level. Now, CSOs in rural areas are not required to travel to the capital to apply. However, this measure is accompanied with a small increase in the registration fee. | 0.1 |

| | | |
|--------------------|--|-------------------------------------|
| Improvement | <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> <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> <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 fund 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> <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> | 0.2 0.3 0.4 0.5 or greater |
|--------------------|--|-------------------------------------|

INSTRUCTIONS FOR BASELINE RECALIBRATION

BACKGROUND

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) incorporated several activities into its annual process. These activities respond directly to the methodological issues identified through consultations conducted with stakeholders in 2018 and 2019.

One of these activities to strengthen the CSOSI methodology is to reset dimension-level scores which are not accurate, either because their baseline scores were inaccurate 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.

There are two scenarios in which a score can be recalibrated:

- Scenario 1 - FHI 360 informs the Implementing Partner (IP) about the dimension score(s) that the Editorial Committee (EC) has flagged for needing recalibration
- Scenario 2 - A majority of expert panelists flag the score for recalibration at the panel discussion.

Scenario I: EC recommended recalibration

Instructions

1. **Inform participating expert panel members about the scores flagged for recalibration –** When the IP sends the expert panelists the annual CSOSI package of relevant materials, it also communicates to them the purpose of baseline score recalibration and the dimension scores that have been selected by the EC, in consultation with regional experts, for recalibration.
2. **To determine the new score(s), use Sustainability Categories and Scores – A Closer Look and a comparison to other scores in the region –** 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 should fall on the one-to-seven scoring scale, as well as a comparison with the other countries' CSOSI scores for that dimension in the same 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 to the tenth decimal point 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 CSOSI regional report.
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 in the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included in 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.
4. **Prepare and submit a recalibration justification note to FHI 360 –** To justify a proposed baseline recalibration, or to disagree with the EC's recommendation to recalibrate a score, the IP should prepare a justification note to be sent to FHI 360. The note should summarize the panel members' decision to accept or reject a requested recalibration. It should also outline the evidence and examples provided by the panelists related to each and every dimension being recalibrated, justifying the new score specifically in relation to the vignettes in Sustainability Categories and Scores – A Closer Look.
5. **The Editorial Committee will decide to accept or reject the proposed score –** As with scoring decisions based on the level of change, the EC will make a final decision on the proposed baseline recalibration. If EC rejects the proposed new score, it will propose an alternative score for the dimension.

Scenario 2: Expert Panel (EP) recommended recalibration

Instructions

- 1. Inform participating expert panel members about the changes in methodology regarding recalibration** – When the IP sends the expert panelists the annual CSOSI package of relevant materials, it also communicates to them the purpose and the process of optional baseline score recalibration. If expert panel members believe that one or more dimension-level scores are significantly out of place, they should attend the panel discussion about a proposed score recalibration, bringing supporting evidence for the score(s) to be recalibrated.
- 2. To determine the new score(s), use Sustainability Categories and Scores – A Closer Look and a comparison to other scores in the region** – 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 should fall on the one-to-seven scoring scale, as well as a comparison with the other countries' CSOSI scores for that dimension in the same region. Expert panelists that want to propose a recalibration should review the vignettes and illustrative examples in Sustainability Categories and Scores – A Closer Look for the relevant dimension(s), to familiarize themselves with how various levels of CSO sustainability should correspond to the CSOSI's scoring spectrum. Scores should be proposed to the tenth decimal point 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 CSOSI regional report.
- 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** – If a majority of expert panelists want to recalibrate a score, the dimension(s) should be discussed in the context of what the recalibrated score should be. The narrative report should be drafted the same as in the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included in 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.
- 4. Prepare and submit a recalibration justification note to FHI 360** – To justify a proposed baseline recalibration, the IP should prepare a justification note to be sent to FHI 360. The note should summarize the panel members' decision. It should also outline the evidence and examples provided by the panelists related to each and every dimension being recalibrated, justifying the new score specifically in relation to the vignettes in Sustainability Categories and Scores – A Closer Look.
- 5. The Editorial Committee will decide to accept or reject the proposed recalibration** – As with scoring decisions based on the level of change, the EC will make a final decision on the proposed baseline recalibration. If EC rejects the proposed new score, it will propose a score for the dimension(s).

Tips

If FHI 360 informs the IP that certain dimension scores have been identified for recalibration by the EC, the IP 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 advance notification 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.

If the local EP decides to recalibrate the score unprompted by the EC, the IP should ensure that the panelists present evidence during the panel discussion to justify the change and include it in the recalibration justification note.

In either case, the IP should be prepared to respond to the EC's questions about the justifications for recalibrated scores.

INSTRUCTIONS FOR ELECTRONIC QUESTIONNAIRE

BACKGROUND

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) has incorporated several activities into its annual process. These activities respond directly to the methodological issues identified through the feedback and consultation process conducted with project stakeholders in 2018 and 2019.

One of these activities to enhance the methodology's implementation is to disseminate an electronic questionnaire or e-questionnaire to a larger group of individuals. The questionnaire allows a larger, more diverse group of individuals to contribute their perspectives and insights on the CSOSI dimensions, strengthening the representativeness and inclusiveness of the process and data, enhancing Expert Panel (EP) deliberations, and providing Implementing Partners (IPs) more evidence to improve report quality. Dissemination of the questionnaire also helps to improve the visibility of the IP and Index and foster engagement with stakeholders who are the most likely to subsequently use the Index when completed.

Instructions

- **Identify approximately 50 participants to whom to send the questionnaire** – The IP selects individuals who will expand the scope and diversity of inputs into the process. The selected individuals should include representatives of or specialists in specific sub-sectors of civil society organizations (CSOs), such as labor unions, capacity-building organizations, organizations representing marginalized and vulnerable groups, informal movements, community-based organizations, faith-based organizations, intermediary support organizations, resource centers, and research institutes. Emphasis should be placed on selecting individuals who are in other localities of the country and those located in rural areas. The objective is for the IP to select a group of people who would add new perspectives on various aspects of the sector on which the in-person panelists might not have deep expertise, as well as individuals who have broad knowledge but would be unable or available to attend the in-person panel discussion. FHI 360 and the local USAID Mission may request additions to the list of questionnaire recipients from their own network of contacts.
- **Design your e-questionnaire** – Look at the mandatory and optional questions shared by FHI 360 to design an e-questionnaire that best responds to the needs of the civil society sector in your country. You can translate the e-questionnaire into the principal local language(s) of the country. The country-specific questionnaire should be brief and should take no more than 10-15 minutes to complete.
- **Disseminate the electronic questionnaire to your selected additional participants** – The IPs can disseminate the electronic questionnaire on the online platforms of their choice or consult with FHI 360 on setting up the e-questionnaire on SurveyMonkey, to be distributed to the IP's selected additional participants. The IP can use snowball sampling to disseminate the questionnaire to both increase the number of responses as well as to diversify them. To reach larger audiences, the IP can work with local CSO umbrella organizations to tap into their mailing lists, social media pages, and other sector-specific online platforms to share the questionnaire link. The IP should ask the additional participants to complete the questionnaire within a period of two weeks or less.
- **Compile analysis of the questionnaire's results** – After the e-questionnaire deadline that the IP identified has expired, the IP compiles the quantitative and qualitative data received. In cases when FHI 360 supported the IPs to set up the e-questionnaire on SurveyMonkey's CSOSI account, FHI 360 collects the electronic questionnaire results and submits them to the IP.
- **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. When responses are not conclusive or do not align with the experts' opinions, the IP should still present them at the panel discussion for the panelists' consideration.
- **Write the conclusions reached into the narrative report** – While panels should analyze the questionnaire results and use them to inform their discussions, the e-questionnaire responses do not directly translate into scoring decisions. The data received from the electronic questionnaire should be incorporated into the narrative report in the same way that the expert panelists' insights are incorporated

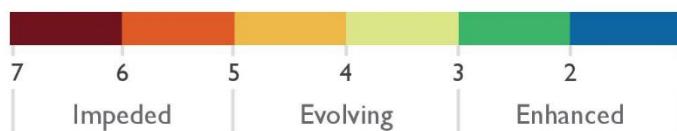
-- justifying scores, sharing without attribution to a particular individual, or reference to the questionnaire. Instead, the inputs should simply be mentioned where relevant as evidence of what has changed positively or negatively in ways that affected the sustainability of the CSO sector in the relevant year. Anecdotal evidence, specific examples, and references to events through open-ended questions may provide IPs necessary data to strengthen their narrative reports.

Tips

- When selecting additional participants, please keep the following points in mind:
 - Sending the e-questionnaire to people with whom you already have a working relationship may increase the response rate, so consider sharing it with organizations and individuals in other areas of the country with whom you have worked;
 - Sharing the e-questionnaire with donor agencies operating in your country and allowing them to propose individuals to receive the e-questionnaire can be a useful way of reaching new experts and perspectives outside of your own organization's network;
 - Sharing the e-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 e-questionnaire, it may be useful to commit to sending participants a copy of last year's final country and regional reports, so they feel a sense of participation in the larger process of developing the CSOSI;
 - When preparing your distribution list, consider whether the situation in the country is such that individuals may try to manipulate the e-questionnaire results. If that is a possibility, consider steps to target distribution, and establish specific time frames or other measures to address the concern.
- When disseminating an e-questionnaire, inform your audience about the survey deadline, and send a reminder a few days before the last day.
- 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 EP members before the panel discussion, so they can review it. 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.
- When e-questionnaire findings are not conclusive, the IP should ask the expert panelists to analyze the results to better understand the data.
- Pay special attention to geography – if your country has breakaway regions, is experiencing a civil war, or has regions' that may be unrepresented or marginalized, 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.
- The IPs can use any online platform of their choice to disseminate the electronic questionnaire. In the past, FHI 360 used SurveyMonkey while some other IPs reported using Google Forms. The IPs should take relevant measures to ensure data privacy.

ANNEX B: STATISTICAL DATA

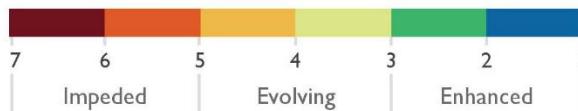
2021 ASIA SCORES



| Country | CSO Sustainability | Legal Environment | Organizational Capacity | Financial Viability | Advocacy | Service Provision | Sectoral Infrastructure | Public Image |
|-----------------|--------------------|-------------------|-------------------------|---------------------|----------|-------------------|-------------------------|--------------|
| Bangladesh | 4.0 | 5.1 | 3.4 | 4.6 | 4.0 | 3.4 | 3.7 | 4.1 |
| Cambodia | 4.7 | 5.4 | 4.0 | 5.4 | 5.2 | 4.1 | 4.3 | 4.6 |
| Indonesia | 3.9 | 4.7 | 3.7 | 4.5 | 3.1 | 3.4 | 3.9 | 4.0 |
| Nepal | 4.2 | 4.2 | 4.3 | 4.6 | 3.7 | 4.0 | 4.2 | 4.5 |
| The Philippines | 3.8 | 4.5 | 3.5 | 4.4 | 4.0 | 3.4 | 3.1 | 3.4 |
| Sri Lanka | 4.7 | 5.0 | 4.3 | 5.3 | 4.1 | 4.5 | 4.8 | 5.0 |
| Thailand | 5.2 | 6.4 | 4.5 | 5.5 | 5.3 | 4.7 | 4.7 | 5.0 |
| Timor-Leste | 3.4 | 3.4 | 3.0 | 4.4 | 3.1 | 3.4 | 3.3 | 3.1 |

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

COUNTRIES RANKED BY SCORE



Legal Environment

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| Timor-Leste | 3.4 |
| Nepal | 4.2 |
| The Philippines | 4.5 |
| Indonesia | 4.7 |
| Sri Lanka | 5.0 |

| SUSTAINABILITY IMPEDED | |
|------------------------|-----|
| Bangladesh | 5.1 |
| Cambodia | 5.4 |
| Thailand | 6.4 |

Organizational Capacity

SUSTAINABILITY ENHANCED

Timor-Leste 3.0

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| Bangladesh | 3.4 |
| The Philippines | 3.5 |
| Indonesia | 3.7 |
| Cambodia | 4.0 |
| Nepal | 4.3 |
| Sri Lanka | 4.3 |
| Thailand | 4.5 |

SUSTAINABILITY IMPENDED

Financial Viability

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| The Philippines | 4.4 |
| Timor-Leste | 4.4 |
| Indonesia | 4.5 |
| Bangladesh | 4.6 |
| Nepal | 4.6 |

| SUSTAINABILITY IMPENDED | |
|-------------------------|-----|
| Sri Lanka | 5.3 |
| Cambodia | 5.4 |
| Thailand | 5.5 |

Advocacy

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| Indonesia | 3.1 |
| Timor-Leste | 3.1 |
| Nepal | 3.7 |
| Bangladesh | 4.0 |
| The Philippines | 4.0 |
| Sri Lanka | 4.1 |

| SUSTAINABILITY IMPENDED | |
|-------------------------|-----|
| Cambodia | 5.2 |
| Thailand | 5.3 |

Service Provision

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| Bangladesh | 3.4 |
| Indonesia | 3.4 |
| The Philippines | 3.4 |
| Timor-Leste | 3.4 |
| Nepal | 4.0 |
| Cambodia | 4.1 |
| Sri Lanka | 4.5 |
| Thailand | 4.7 |

Sectoral Infrastructure

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| The Philippines | 3.1 |
| Timor-Leste | 3.3 |
| Bangladesh | 3.7 |
| Indonesia | 3.9 |
| Nepal | 4.2 |
| Cambodia | 4.3 |
| Thailand | 4.7 |
| Sri Lanka | 4.8 |

Public Image

SUSTAINABILITY ENHANCED

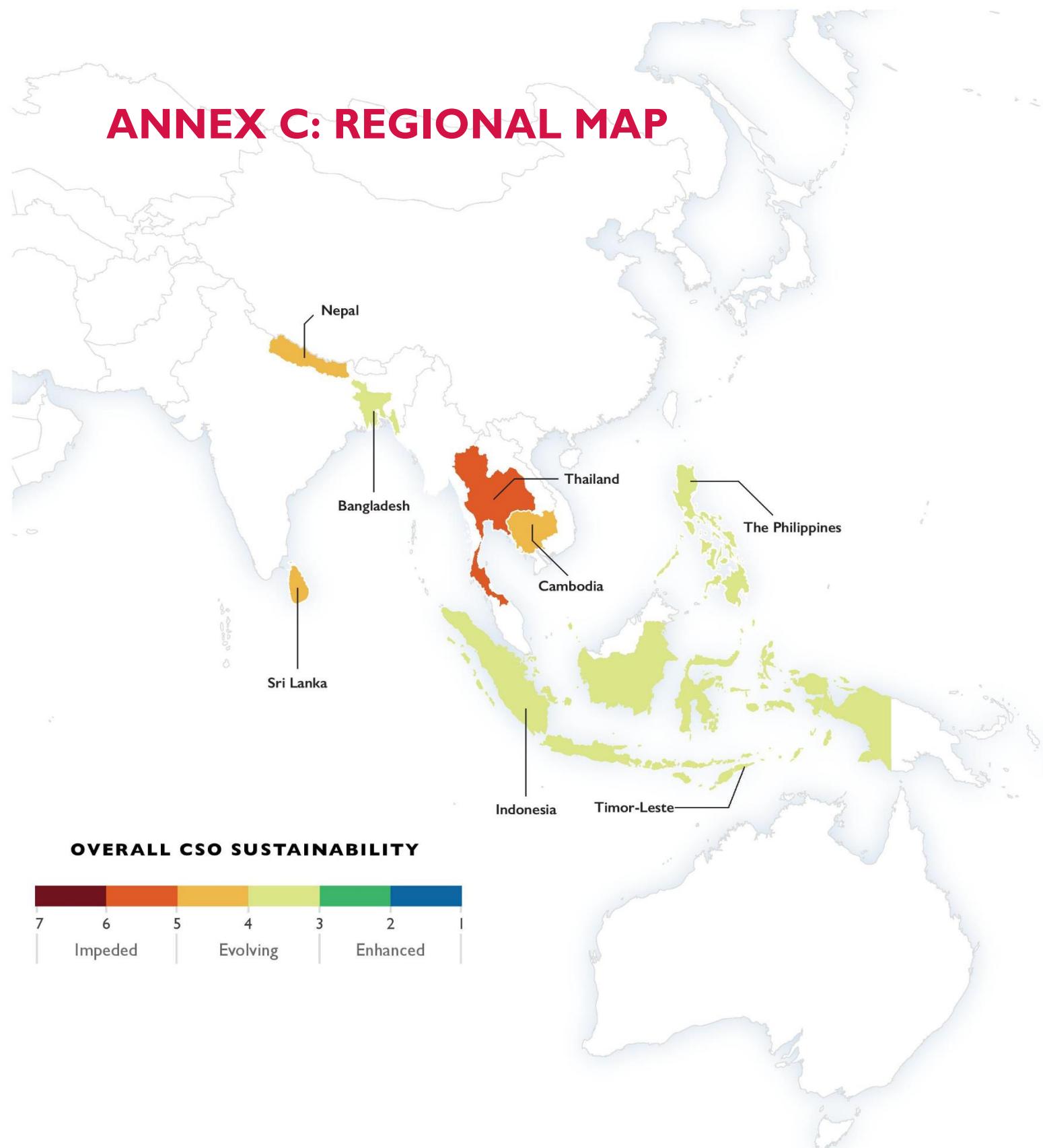
| SUSTAINABILITY EVOLVING | |
|-------------------------|-----|
| Timor-Leste | 3.1 |
| The Philippines | 3.4 |
| Indonesia | 4.0 |
| Bangladesh | 4.1 |
| Nepal | 4.5 |
| Cambodia | 4.6 |
| Sri Lanka | 5.0 |
| Thailand | 5.0 |

SUSTAINABILITY IMPENDED

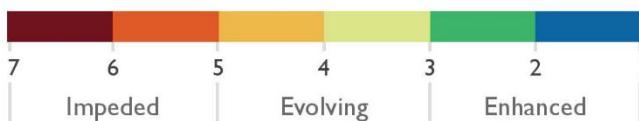
SUSTAINABILITY IMPENDED

SUSTAINABILITY IMPENDED

ANNEX C: REGIONAL MAP



OVERALL CSO SUSTAINABILITY



ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

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, the 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.

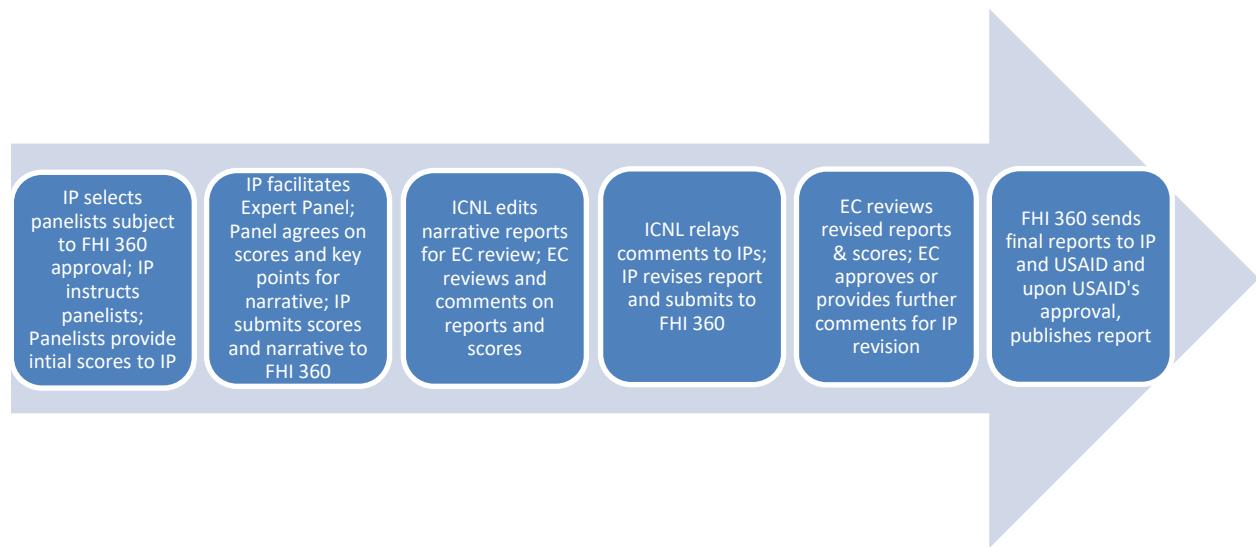
Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior USAID/Washington officials. FHI 360 will provide small grants to local CSOs to implement the CSOSI methodology in the 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 2021 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, and 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 whom 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 2021 calendar year (January 1, 2021, through December 31, 2021).

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 for 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. We would appreciate implementers recording and submitting any observations they might have that will increase the usefulness of this important tool. In addition, we will solicit feedback through regional debriefs and will continue to maintain 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 into 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 mean³ 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 reflect developments during the year. For example, if an improved score is proposed, this should be based on concrete positive developments during the year that are noted in the report. On the other hand, if the situation worsened during the year, this should be reflected in a worse score (i.e., a higher number on the 1-7 scale).

Please note that for countries where a democratic revolution took place in the previous year, the panelists should be conscious to avoid scoring based on 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.

³ Arithmetic mean is the sum of all scores divided by the total number of scores.

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

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

If the panel does not feel that the proposed score is accurate after these two reviews, please note this when submitting proposed scores in your narrative report, and the Editorial Committee will discuss whether one or more scores need to be reset with a new baseline. Ultimately, each score should reflect a 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). 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 2021 (January 1, 2021, through December 31, 2021).

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 upfront. 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 State of Civil Society Report - <https://www.civicus.org/index.php/media-center/reports-publications/socs-reports>
- 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/>
- Media Sustainability Index - <https://www.irex.org/projects/media-sustainability-index-msi>
- Nations in Transit - <https://freedomhouse.org/report-types/nations-transit#.VdugbqSFOhI>
- Freedom in the World - <https://freedomhouse.org/report/freedom-world>
- Freedom of the Press - <https://freedomhouse.org/report-types/freedom-press>
- ITUC Global Rights Index - <https://www.globalrightsindex.org/en/2021>

- ITUC Survey of Violations of Trade Union Rights - <https://survey.ituc-csi.org/?lang=en>
- U.S. Department of State Human Rights Report - <https://www.state.gov/j/drl/rls/hrrpt/>
- ICNL Civic Freedom Monitor - <https://www.icnl.org/resources/civic-freedom-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 2021 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 visibility. This may include organizing a local public event, panel discussion, or workshop and 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 the 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 overall viability of civil society organizations (CSOs) in a particular country. 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 CSOs, governments, donors, academics, and others to better understand the opportunities, challenges, and sustainability of the civil society sector in a particular country or region. In 2021 the CSOSI was implemented in 73 countries.

For the period of 2017-2022, 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 and technical support to local CSOs who serve as Implementing Partners (IPs) responsible for leading the in-country process to prepare the annual country report, using the CSOSI methodology. ICNL oversees the editing of 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 (EP) 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 management 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.

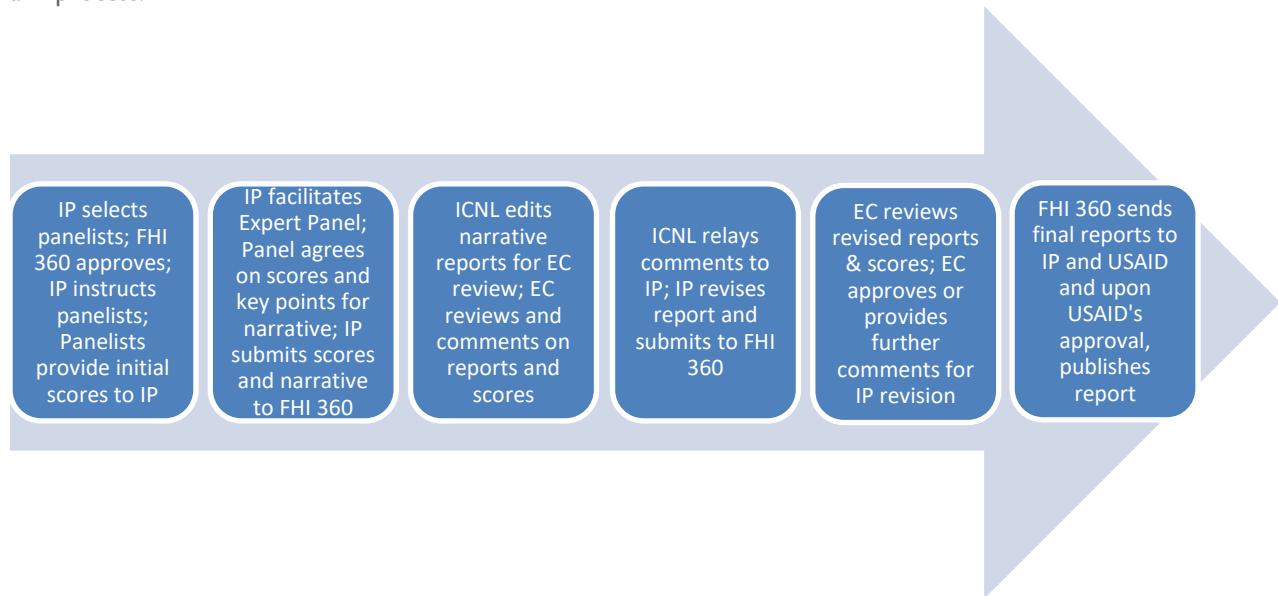
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process,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

This document 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 used not only by CSOSI, but also variety of well-known reviews such as Freedom House in its publications "Nations in Transit" and "Freedom in the World."

The IP in each country leads the process of organizing and convening a diverse and representative panel of CSO experts. EPs discuss the level of change during the year being assessed in each of the seven dimensions and determine proposed scores for each dimension. The IP then drafts narratives that document the rationale for each score. 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) for consistency, completeness, and methodological adherence, 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

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.

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.

Civil Society Sector

The CSOSI defines the CSO sector to include all of the following: non-governmental organizations (focused on advocacy, oversight, or service provision), social movements, community-based organizations and faith-based organizations, trade and labor unions, women's groups, youth groups, resource centers and intermediary support organizations, research institutes and think tanks, professional associations, cooperatives, and natural resource users' groups, recreational organizations, cultural institutions, social enterprises, and informal movements, networks, and campaigns.

Throughout the report, please address differences between these different types of CSOs and note where trends and developments have affected specific types of CSOs.

Seven Dimensions of Sustainability

The CSOSI measures sustainability across seven dimensions by analyzing a series of indicators related to each dimension. (see **Scoring: Dimensions and Indicators, provided as Annex A, for the full list of questions to guide your analysis of each indicator**):

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

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

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

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

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

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

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

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

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

| |
|---|
| <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>Clientele and beneficiaries – 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 Networks and 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>Media Coverage – Presence of CSOs and their activities in the media (print, television, radio, and online)</i> |
| <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 country, rather than a causal theory of development. Given the complex 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 Process³

The primary role of the EP 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 analyzing each dimension and any recent developments, identifying and discussing initial scores for each dimension, including their evidence for these

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.

³ NOTE: For countries in which the CSOSI is being implemented for the first time, the below scoring process does not apply. Instead, please refer to the document Scoring Process for Setting Country Baselines. For countries discussing baseline score recalibration, please use the Recalibration Guidance Sheet.

scores, and determining their final proposed scores for each dimension. The overall score for the country will be an average of these seven scores.

Each expert panel member is asked to follow the steps below:

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 related to each dimension and its indicators. Then, based on the evidence, rate each dimension on the 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 6 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 and narrative. Please carefully consider the importance of any developments and weigh more heavily those changes that have had an impact at the sector level, especially in cases when there have been both positive and negative changes. In determining the level of change, including the incremental change over the past year, look at the evidence of change, the various factors over the year being assessed that led to those changes (events, policies, laws, etc.), the durability of the change and the extent to which the change impacts the sector as a whole.

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 IP before you attend the expert panel discussion.

Step 4: Attend the EP 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. Should the panel achieve consensus regarding the scores, the consensus scores will be the panel's final proposed scores. If consensus is not reached among the panelists, the IP will average the panelists' scores, removing one instance of the highest and lowest scores each, to arrive at the final scores that will be proposed to the EC.

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 to support trends you have noted during the year. **If adequate supporting information is not provided, the EC has the right to adjust the scores accordingly, to ensure objectivity and methodological consistency in scoring.**

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 information 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 the 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. When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

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 year⁴.

When determining what weight to give different trends and developments in how they affect the scores, consider the relative scope of the changes and the duration of their impacts. Those trends and developments that will have larger and longer-term impacts on the sector as a whole should be weighted more heavily compared to those that affect only limited parts of the sector and are more likely to change from year to year. For example, a demonstrated increased capability to mobilize domestic resources (e.g. through corporate philanthropy or crowdfunding) broadly witnessed throughout the sector, 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 such as during a year of national elections or following an emergency.

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:

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

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

| | | |
|----------------------|--|----------------|
| Deterioration | Cataclysmic deterioration: Trends and developments have had a completely transformative negative effect on at least one or two indicators in the dimension and significantly affected other dimensions as well. Example: Legal Environment – A law has banned all international CSOs and their affiliates from the country, as part of the government's systematic crackdown on civil society organizations. | 0.5 or greater |
| | Extreme deterioration: Trends and developments have had very important negative effects on at least one or two indicators in the dimension. Example: Organizational Capacity – Economic depression and instability have led donor basket funds to close abruptly, leaving many major CSOs without funding for their activities. Outreach efforts to constituencies have been halted due to funding shortages and many major CSOs have lost their well-qualified staff members. | 0.4 |
| | Significant deterioration: Trends and developments have had important negative effects on at least one or two indicators in the dimension. Example: Public Image – The government conducts a relentless media campaign to discredit the image of CSOs by calling them agents of foreign actors seeking to destabilize the country. At the same, the government intimidates media outlets and threatens them with retaliation should they partner with or cover CSO activities without prior approval by the government. | 0.3 |
| | Moderate deterioration: Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension. Example: Legal Environment – In an effort to increase public revenue, the government has decided to increase fees by 100% for some types of government services, including CSO registration renewal fees, which were already very high according to many CSOs. As a result, some CSOs, particularly community-based organizations (CBOs), had to delay or suspend their activities. | 0.2 |
| | Slight deterioration: Trends or developments have had a slightly negative impact on at least one or two indicators in the dimension. Example: Legal Environment – The government has decided that CSOs should submit their financial statement and annual activity report to the registration agency every year. This may have a long-term positive effect but in the short term, it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials. | 0.1 |
| | 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 |
| | Slight improvement: Trends or developments have had a slightly positive impact on at least one or two indicators in the dimension. Example: Legal Environment – To facilitate CSO registration, particularly for those in rural areas, the government has decided its registration agency will allow the agency to take applications locally and process registration directly at the district level. Now, CSOs in rural areas are not required to travel to the capital to apply. However, this measure is accompanied with a small increase in the registration fee. | 0.1 |

| | | |
|--------------------|--|-------------------------------------|
| Improvement | <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> <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> <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 fund 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> <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> | 0.2 0.3 0.4 0.5 or greater |
|--------------------|--|-------------------------------------|

INSTRUCTIONS FOR BASELINE RECALIBRATION

BACKGROUND

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) incorporated several activities into its annual process. These activities respond directly to the methodological issues identified through consultations conducted with stakeholders in 2018 and 2019.

One of these activities to strengthen the CSOSI methodology is to reset dimension-level scores which are not accurate, either because their baseline scores were inaccurate 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.

There are two scenarios in which a score can be recalibrated:

- Scenario 1 - FHI 360 informs the Implementing Partner (IP) about the dimension score(s) that the Editorial Committee (EC) has flagged for needing recalibration
- Scenario 2 - A majority of expert panelists flag the score for recalibration at the panel discussion.

Scenario I: EC recommended recalibration

Instructions

1. **Inform participating expert panel members about the scores flagged for recalibration –** When the IP sends the expert panelists the annual CSOSI package of relevant materials, it also communicates to them the purpose of baseline score recalibration and the dimension scores that have been selected by the EC, in consultation with regional experts, for recalibration.
2. **To determine the new score(s), use Sustainability Categories and Scores – A Closer Look and a comparison to other scores in the region –** 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 should fall on the one-to-seven scoring scale, as well as a comparison with the other countries' CSOSI scores for that dimension in the same 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 to the tenth decimal point 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 CSOSI regional report.
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 in the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included in 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.
4. **Prepare and submit a recalibration justification note to FHI 360 –** To justify a proposed baseline recalibration, or to disagree with the EC's recommendation to recalibrate a score, the IP should prepare a justification note to be sent to FHI 360. The note should summarize the panel members' decision to accept or reject a requested recalibration. It should also outline the evidence and examples provided by the panelists related to each and every dimension being recalibrated, justifying the new score specifically in relation to the vignettes in Sustainability Categories and Scores – A Closer Look.
5. **The Editorial Committee will decide to accept or reject the proposed score –** As with scoring decisions based on the level of change, the EC will make a final decision on the proposed baseline recalibration. If EC rejects the proposed new score, it will propose an alternative score for the dimension.

Scenario 2: Expert Panel (EP) recommended recalibration

Instructions

- 1. Inform participating expert panel members about the changes in methodology regarding recalibration** – When the IP sends the expert panelists the annual CSOSI package of relevant materials, it also communicates to them the purpose and the process of optional baseline score recalibration. If expert panel members believe that one or more dimension-level scores are significantly out of place, they should attend the panel discussion about a proposed score recalibration, bringing supporting evidence for the score(s) to be recalibrated.
- 2. To determine the new score(s), use Sustainability Categories and Scores – A Closer Look and a comparison to other scores in the region** – 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 should fall on the one-to-seven scoring scale, as well as a comparison with the other countries' CSOSI scores for that dimension in the same region. Expert panelists that want to propose a recalibration should review the vignettes and illustrative examples in Sustainability Categories and Scores – A Closer Look for the relevant dimension(s), to familiarize themselves with how various levels of CSO sustainability should correspond to the CSOSI's scoring spectrum. Scores should be proposed to the tenth decimal point 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 CSOSI regional report.
- 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** – If a majority of expert panelists want to recalibrate a score, the dimension(s) should be discussed in the context of what the recalibrated score should be. The narrative report should be drafted the same as in the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included in 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.
- 4. Prepare and submit a recalibration justification note to FHI 360** – To justify a proposed baseline recalibration, the IP should prepare a justification note to be sent to FHI 360. The note should summarize the panel members' decision. It should also outline the evidence and examples provided by the panelists related to each and every dimension being recalibrated, justifying the new score specifically in relation to the vignettes in Sustainability Categories and Scores – A Closer Look.
- 5. The Editorial Committee will decide to accept or reject the proposed recalibration** – As with scoring decisions based on the level of change, the EC will make a final decision on the proposed baseline recalibration. If EC rejects the proposed new score, it will propose a score for the dimension(s).

Tips

If FHI 360 informs the IP that certain dimension scores have been identified for recalibration by the EC, the IP 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 advance notification 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.

If the local EP decides to recalibrate the score unprompted by the EC, the IP should ensure that the panelists present evidence during the panel discussion to justify the change and include it in the recalibration justification note.

In either case, the IP should be prepared to respond to the EC's questions about the justifications for recalibrated scores.

INSTRUCTIONS FOR ELECTRONIC QUESTIONNAIRE

BACKGROUND

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) has incorporated several activities into its annual process. These activities respond directly to the methodological issues identified through the feedback and consultation process conducted with project stakeholders in 2018 and 2019.

One of these activities to enhance the methodology's implementation is to disseminate an electronic questionnaire or e-questionnaire to a larger group of individuals. The questionnaire allows a larger, more diverse group of individuals to contribute their perspectives and insights on the CSOSI dimensions, strengthening the representativeness and inclusiveness of the process and data, enhancing Expert Panel (EP) deliberations, and providing Implementing Partners (IPs) more evidence to improve report quality. Dissemination of the questionnaire also helps to improve the visibility of the IP and Index and foster engagement with stakeholders who are the most likely to subsequently use the Index when completed.

Instructions

- **Identify approximately 50 participants to whom to send the questionnaire** – The IP selects individuals who will expand the scope and diversity of inputs into the process. The selected individuals should include representatives of or specialists in specific sub-sectors of civil society organizations (CSOs), such as labor unions, capacity-building organizations, organizations representing marginalized and vulnerable groups, informal movements, community-based organizations, faith-based organizations, intermediary support organizations, resource centers, and research institutes. Emphasis should be placed on selecting individuals who are in other localities of the country and those located in rural areas. The objective is for the IP to select a group of people who would add new perspectives on various aspects of the sector on which the in-person panelists might not have deep expertise, as well as individuals who have broad knowledge but would be unable or available to attend the in-person panel discussion. FHI 360 and the local USAID Mission may request additions to the list of questionnaire recipients from their own network of contacts.
- **Design your e-questionnaire** – Look at the mandatory and optional questions shared by FHI 360 to design an e-questionnaire that best responds to the needs of the civil society sector in your country. You can translate the e-questionnaire into the principal local language(s) of the country. The country-specific questionnaire should be brief and should take no more than 10-15 minutes to complete.
- **Disseminate the electronic questionnaire to your selected additional participants** – The IPs can disseminate the electronic questionnaire on the online platforms of their choice or consult with FHI 360 on setting up the e-questionnaire on SurveyMonkey, to be distributed to the IP's selected additional participants. The IP can use snowball sampling to disseminate the questionnaire to both increase the number of responses as well as to diversify them. To reach larger audiences, the IP can work with local CSO umbrella organizations to tap into their mailing lists, social media pages, and other sector-specific online platforms to share the questionnaire link. The IP should ask the additional participants to complete the questionnaire within a period of two weeks or less.
- **Compile analysis of the questionnaire's results** – After the e-questionnaire deadline that the IP identified has expired, the IP compiles the quantitative and qualitative data received. In cases when FHI 360 supported the IPs to set up the e-questionnaire on SurveyMonkey's CSOSI account, FHI 360 collects the electronic questionnaire results and submits them to the IP.
- **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. When responses are not conclusive or do not align with the experts' opinions, the IP should still present them at the panel discussion for the panelists' consideration.
- **Write the conclusions reached into the narrative report** – While panels should analyze the questionnaire results and use them to inform their discussions, the e-questionnaire responses do not directly translate into scoring decisions. The data received from the electronic questionnaire should be incorporated into the narrative report in the same way that the expert panelists' insights are incorporated

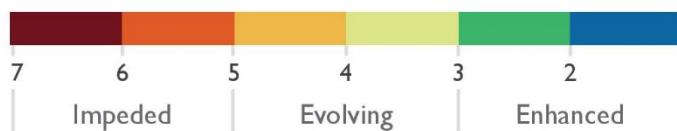
-- justifying scores, sharing without attribution to a particular individual, or reference to the questionnaire. Instead, the inputs should simply be mentioned where relevant as evidence of what has changed positively or negatively in ways that affected the sustainability of the CSO sector in the relevant year. Anecdotal evidence, specific examples, and references to events through open-ended questions may provide IPs necessary data to strengthen their narrative reports.

Tips

- When selecting additional participants, please keep the following points in mind:
 - Sending the e-questionnaire to people with whom you already have a working relationship may increase the response rate, so consider sharing it with organizations and individuals in other areas of the country with whom you have worked;
 - Sharing the e-questionnaire with donor agencies operating in your country and allowing them to propose individuals to receive the e-questionnaire can be a useful way of reaching new experts and perspectives outside of your own organization's network;
 - Sharing the e-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 e-questionnaire, it may be useful to commit to sending participants a copy of last year's final country and regional reports, so they feel a sense of participation in the larger process of developing the CSOSI;
 - When preparing your distribution list, consider whether the situation in the country is such that individuals may try to manipulate the e-questionnaire results. If that is a possibility, consider steps to target distribution, and establish specific time frames or other measures to address the concern.
- When disseminating an e-questionnaire, inform your audience about the survey deadline, and send a reminder a few days before the last day.
- 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 EP members before the panel discussion, so they can review it. 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.
- When e-questionnaire findings are not conclusive, the IP should ask the expert panelists to analyze the results to better understand the data.
- Pay special attention to geography – if your country has breakaway regions, is experiencing a civil war, or has regions' that may be unrepresented or marginalized, 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.
- The IPs can use any online platform of their choice to disseminate the electronic questionnaire. In the past, FHI 360 used SurveyMonkey while some other IPs reported using Google Forms. The IPs should take relevant measures to ensure data privacy.

ANNEX B: STATISTICAL DATA

2021 ASIA SCORES



| Country | CSO Sustainability | Legal Environment | Organizational Capacity | Financial Viability | Advocacy | Service Provision | Sectoral Infrastructure | Public Image |
|-----------------|--------------------|-------------------|-------------------------|---------------------|----------|-------------------|-------------------------|--------------|
| Bangladesh | 4.0 | 5.1 | 3.4 | 4.6 | 4.0 | 3.4 | 3.7 | 4.1 |
| Cambodia | 4.7 | 5.4 | 4.0 | 5.4 | 5.2 | 4.1 | 4.3 | 4.6 |
| Indonesia | 3.9 | 4.7 | 3.7 | 4.5 | 3.1 | 3.4 | 3.9 | 4.0 |
| Nepal | 4.2 | 4.2 | 4.3 | 4.6 | 3.7 | 4.0 | 4.2 | 4.5 |
| The Philippines | 3.8 | 4.5 | 3.5 | 4.4 | 4.0 | 3.4 | 3.1 | 3.4 |
| Sri Lanka | 4.7 | 5.0 | 4.3 | 5.3 | 4.1 | 4.5 | 4.8 | 5.0 |
| Thailand | 5.2 | 6.4 | 4.5 | 5.5 | 5.3 | 4.7 | 4.7 | 5.0 |
| Timor-Leste | 3.4 | 3.4 | 3.0 | 4.4 | 3.1 | 3.4 | 3.3 | 3.1 |

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

COUNTRIES RANKED BY SCORE



Legal Environment

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| Timor-Leste | 3.4 |
| Nepal | 4.2 |
| The Philippines | 4.5 |
| Indonesia | 4.7 |
| Sri Lanka | 5.0 |

| SUSTAINABILITY IMPEDED | |
|---------------------------|-----|
| Bangladesh | 5.1 |
| Cambodia | 5.4 |
| Thailand | 6.4 |

Organizational Capacity

SUSTAINABILITY ENHANCED

Timor-Leste 3.0

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| Bangladesh | 3.4 |
| The Philippines | 3.5 |
| Indonesia | 3.7 |
| Cambodia | 4.0 |
| Nepal | 4.3 |
| Sri Lanka | 4.3 |
| Thailand | 4.5 |

SUSTAINABILITY IMPENDED

Financial Viability

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| The Philippines | 4.4 |
| Timor-Leste | 4.4 |
| Indonesia | 4.5 |
| Bangladesh | 4.6 |
| Nepal | 4.6 |

| SUSTAINABILITY IMPEDED | |
|---------------------------|-----|
| Sri Lanka | 5.3 |
| Cambodia | 5.4 |
| Thailand | 5.5 |

Advocacy

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| Indonesia | 3.1 |
| Timor-Leste | 3.1 |
| Nepal | 3.7 |
| Bangladesh | 4.0 |
| The Philippines | 4.0 |
| Sri Lanka | 4.1 |

| SUSTAINABILITY IMPEDED | |
|---------------------------|-----|
| Cambodia | 5.2 |
| Thailand | 5.3 |

Service Provision

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| Bangladesh | 3.4 |
| Indonesia | 3.4 |
| The Philippines | 3.4 |
| Timor-Leste | 3.4 |
| Nepal | 4.0 |
| Cambodia | 4.1 |
| Sri Lanka | 4.5 |
| Thailand | 4.7 |

Sectoral Infrastructure

SUSTAINABILITY ENHANCED

| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| The Philippines | 3.1 |
| Timor-Leste | 3.3 |
| Bangladesh | 3.7 |
| Indonesia | 3.9 |
| Nepal | 4.2 |
| Cambodia | 4.3 |
| Thailand | 4.7 |
| Sri Lanka | 4.8 |

Public Image

SUSTAINABILITY ENHANCED

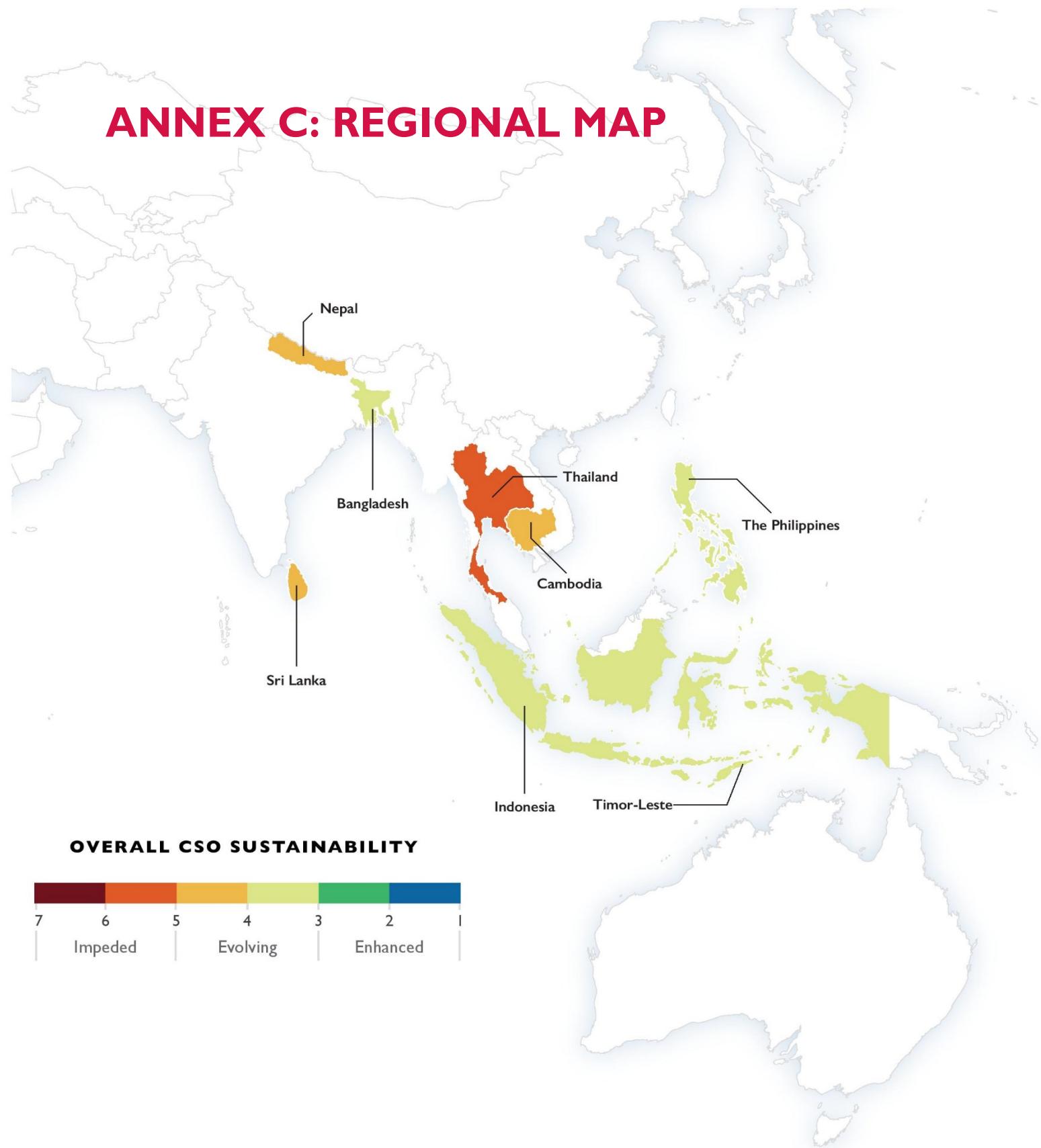
| SUSTAINABILITY EVOLVING | |
|----------------------------|-----|
| Timor-Leste | 3.1 |
| The Philippines | 3.4 |
| Indonesia | 4.0 |
| Bangladesh | 4.1 |
| Nepal | 4.5 |
| Cambodia | 4.6 |
| Sri Lanka | 5.0 |
| Thailand | 5.0 |

SUSTAINABILITY IMPENDED

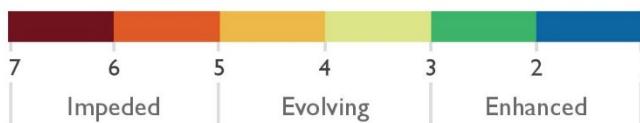
SUSTAINABILITY IMPENDED

SUSTAINABILITY IMPENDED

ANNEX C: REGIONAL MAP



OVERALL CSO SUSTAINABILITY



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