



# 2020 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR ASIA

7th EDITION – NOVEMBER 2021



**USAID**  
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## Developed by:

United States Agency for International Development

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

Cover Photo: On May 21, 2017, Muslim and Buddhist youth from the Yaha Hakam youth club in the Deep South of Thailand worked together to clear debris from a local watershed as part of their yearlong project called "Conserving Nang Rum Dam Watershed." The youth club, which was formed under the USAID HOPE Yala activity, brought together classmates, teachers, and community members to protect the watershed, a shared cultural asset. The process improved collaboration and communication among participants, thereby contributing to a foundation of trust on which a lasting peace can be built.

Photo Credit: Ilham Hayeeyama, Kenan Foundation Asia

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# INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the seventh edition of the *Civil Society Organization (CSO) Sustainability Index for Asia*, covering developments during the unprecedented circumstances of 2020, during which the COVID-19 pandemic affected all aspects of life around the globe.

This year's Index reports on the state of CSO sectors in eight countries in Asia: Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, Thailand, and Timor-Leste. It addresses both advances and setbacks in seven key components or "dimensions" of the sustainability of the civil society sector, all of which were impacted by the pandemic in 2020: 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, who in each country form an expert panel to assess and rate these dimensions of CSO sustainability during the year. The panels in each country—most of which met virtually this year—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 active CSOs in Bangladesh, Indonesia, and the Philippines in order 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 in order 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 2020 CSO Sustainability Index assess the civil society sectors in seventy-three countries, including twenty-four in Central and Eastern Europe and Eurasia, thirty-two in Sub-Saharan Africa; eight in the Middle East and North Africa; and Mexico.

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

In addition, special thanks goes to Eka Imerlishvili from FHI 360, the project manager; Jennifer Stuart and Katelyn Musgrave, from ICNL, the report's editors; and Mariam Afrasiabi and Linnea Beatty from USAID. A full list of acknowledgements can be found on page ii.

Happy reading,

Michael Kott

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# EXECUTIVE SUMMARY

In 2020, the devastating impacts of the COVID-19 pandemic were evident worldwide. Officially declared a pandemic by the World Health Organization on March 11, 2020, COVID-19 took a heavy toll—both human and financial—on societies and presented unprecedented challenges to CSOs around the world. It also, however, served as a testament to CSOs’ resilience and adaptability, while offering a rare opportunity to analyze how one significant challenge differently impacted CSOs across the region. These opportunities and challenges are described in the *2020 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.

Several countries covered in this report experienced high rates of infection despite national lockdowns and attempts to limit the spread of the virus. Indonesia, for instance, confirmed 743,198 cases of COVID-19 and over 22,000 deaths by the end of 2020, while the Philippines confirmed approximately 474,000 cases and 9,200 deaths, with particularly heavy tolls in urban areas like Manila City. The pandemic and resulting global lockdowns spurred stark economic declines in every country, marked by rises in unemployment and poverty levels and decreasing rates of economic growth, regardless of infection rates. For example, although Cambodia reported just 364 cases of COVID-19 and no deaths by the end of the year, the tourism sector lost \$850 million in revenue, and sweeping cuts in the tourism and garment industries alone resulted in over 200,000 lost jobs. Throughout the region, this economic toll dramatically increased the need for aid and basic services on the ground.

To varying extents, governments in every country covered in this report imposed lockdowns, travel restrictions, and limitations on gatherings over the course of the year to stem the spread of the virus. Typically, the scale of those restrictions was adjusted as infection rates fluctuated over time or from one city or province to the next. The National Capital Region of the Philippines, for instance, experienced longer and stricter community lockdowns than elsewhere in the country.

National governments also introduced a variety of support packages to bolster their declining economies, including stimulus measures, loan provisions and debt moratoriums, and, in several countries, food programs and direct financial aid. In some cases, such as Timor-Leste, governments saw CSOs as key partners in those relief efforts, encouraging collaboration. In others, such as Sri Lanka, the government’s centralized management of COVID-19 relief instead largely precluded CSO engagement and support.

Governments’ varied responses to the health emergency often reflected—and were compounded by—the broader political environments in each country. Democratic freedoms in Asia continued to decline in 2020, and national governments sometimes used the health precautions around COVID-19 as tools to further repress and silence government critics. According to the Varieties of Democracy’s Liberal Democracy Index, all eight countries included in this edition of the *CSO Sustainability Index* registered democratic declines in 2020, though the deterioration in Timor-Leste was very slight.

Authoritarian trends were evident in the region in 2020. Cambodia’s one-party government continued the democratic declines that began in 2018, with opposition party members, independent press outlets, and demonstrators regularly facing intimidation, politically motivated prosecutions, and violence. In Sri Lanka, after President Gotabaya Rajapaksa prematurely dissolved the parliament in March, parliamentary elections were delayed twice, reportedly due to the health risks of holding an election during the pandemic. As a result, the country had no sitting parliament for five months. The elections were eventually held in August in line with health guidelines to mitigate the spread of COVID-19. They proved a resounding success for Rajapaksa’s party and were rapidly followed by constitutional changes that strengthened presidential powers while limiting independent oversight. In the Philippines, the Anti-Terrorism Act, signed into law in July 2020, established a vague definition of terrorism, while Human Rights Watch reported a dramatic increase in extrajudicial killings related to the war on drugs in early 2020.

Waves of demonstrations in Indonesia, Nepal, and Thailand all called attention to the centralization or abuse of power to some extent. This problem was further exacerbated in Nepal when Prime Minister KP Oli unconstitutionally dissolved the federal parliament in late December 2020. Several cabinet members resigned in

protest and petitions challenging the dissolution were filed with the Supreme Court at the end of the year, with discussions continuing into early 2021.

Timor-Leste, newly added to the Index last year, began 2020 with no approved federal budget, the complications of which ultimately spurred the breakdown and restructuring of the governing coalition. The country remained without an approved federal budget until October 2020.

Bangladesh continued to host over one million Rohingya refugees, most of whom fled violence and persecution in Burma in 2017. The health emergency heightened the sensitivity of the refugee crisis, and in December 2020, the government began a much-criticized refugee relocation program.

As the country reports for this year's Index show, three primary trends affected CSO sectors across the region during 2020. Government actions to curb the spread of the virus often were used as repressive tools to silence critics, adding to the already concerning trends described above. At the same time, the economic impact of COVID-19 took a heavy toll on the financial viability of the CSO sector, inevitably impacting organizational capacity as well. In the midst of these and myriad other obstacles—including restrictions on travel and social gatherings—CSOs struggled to meet the needs of their constituents but largely proved their resilience, adaptability, and vital role in society.

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## GOVERNMENT RESPONSES TO COVID-19 FURTHER LIMIT CIVIC SPACE

The World Health Organization recommended numerous government actions to limit the spread of the COVID-19 virus. Travel restrictions, temporary lockdowns, bans on mass gatherings, and limiting disinformation around the virus were all, at root, necessary measures to confront the global health crisis. Some governments, however, used those same actions as repressive tools to silence critics, thereby effectively restricting civic space in the name of COVID-19 prevention. These restrictions often overlapped with political sensitivities and wider government crackdowns on critical voices. This was particularly evident in Bangladesh, where the government imposed a tight lockdown on Cox's Bazar, the world's largest refugee camp. Hosting nearly 900,000 Rohingya refugees, the area already faced serious health concerns due to overcrowding and lack of sanitation, heightening the potential human toll of COVID-19.

According to the International Center for Not-for-Profit Law's COVID-19 Civic Freedom Tracker, in 2020, the governments of the eight countries covered in this report adopted a total of thirty-two new measures affecting expression, assembly, or privacy. Emergency laws, such as those implemented in Cambodia and Thailand, granted governments broad new powers. In Cambodia, for instance, the law enacting the state of emergency granted the government additional powers to conduct surveillance and restrict the media. At the same time, new measures restricting social gatherings were used to deter and punish demonstrators; restrictions purportedly aimed at countering disinformation and "fake news" sought to silence government critique online and in the media; and in some cases, existing laws were enforced more strictly or in new ways. Such restrictions on civic space were reflected in the legal environment dimension for CSOs, which deteriorated in six of eight countries in 2020, continuing a trend that has been noted in the last several editions of the Index. In several cases, that deterioration was dramatic, noted as extreme (a .4 drop) in Thailand and the Philippines and significant (a .3 decline) in Sri Lanka. Restrictions on public assemblies and free expression similarly impacted CSO advocacy in 2020, with five countries reporting deteriorations in that dimension.

New regulations passed in connection with the COVID-19 pandemic particularly threatened freedoms of expression and assembly. Despite COVID-19 restrictions on assembly, three countries in the region—Indonesia, Nepal, and Thailand—experienced waves of demonstrations in 2020. In all three countries, protesters were met with police violence and arrests. In Indonesia, the ratification of the Omnibus Law on Job Creation spurred protests in October and November as CSOs and others warned that the law would reduce labor and environmental protections and job security. Amnesty International Indonesia reported forty-three incidents of police violence in response to the demonstrations. In Nepal, government actors' mismanagement of the COVID-19 relief effort and funds sparked anti-corruption protests in June. The peaceful demonstrators faced water cannons, batons, tear gas, and arrests. In Thailand, the Emergency Decree declared in response to the pandemic was used to crack down on waves of pro-democracy protests. Those demonstrations continued over the year, and

in October, the government responded with a more stringent “severe state of emergency,” which banned any gathering of more than five people in Bangkok in a bid to end the continuing protests in the capital. At least eighty-seven protesters were arrested before the decree was revoked one week later.

The adoption of policies aimed at combating “fake news” and disinformation has been on the rise in Asia for some time but increased rapidly in 2020 in response to the “disinfodemic” and rampant rumors around the virus. Often, however, those policies allowed for broad application and were enforced largely against government critics. In Cambodia, more than forty people were arrested for spreading pandemic-related “fake news” and two journalists were sentenced for incitement after reporting on government remarks and criticizing the relief response. In the Philippines, the Bayanihan to Heal as One recovery act carried with it the warning that “spreading false information regarding the COVID-19 crisis on social media and other platforms” would be punishable by jail time and hefty fines.

In addition to these new policies introduced in 2020, laws that were already on the books were increasingly used to silence government critics. The Digital Security Act (DSA) in Bangladesh had already raised concerns in 2019, but in 2020, it was used to crack down on those allegedly “spreading rumors” and “misinformation” about COVID-19. This resulted in a huge increase in arrests: ARTICLE 19 estimated that 457 individuals, including journalists and political activists criticizing the government’s handling of the health emergency, were arrested under the DSA in 2020, compared to just 63 prosecutions under the law in 2019. In Thailand, authorities used the *lèse majesté* law, which prohibits insults of the monarchy, along with the Emergency Decree to target pro-democracy protesters. Though the law had not been invoked in recent years, in 2020, at least twenty-three activists were charged with insulting the monarchy.

Pandemic-related restrictions also obstructed CSO advocacy efforts by limiting access to policymakers and other stakeholders. In Sri Lanka, all decisions relating to the pandemic response were centralized through the military, while health concerns were cited in the decision to postpone the elections. Soon after those elections took place, which strengthened the influence of the ruling party, the government further limited consultative processes in policymaking and independent oversight of the president. Similarly, in Cambodia, the state of emergency law extended government powers, including by enabling censorship of anything deemed to incite “panic and chaos.” This included organizations and media outlets publishing information about the government response to COVID-19; as a result, CSOs were extremely cautious in taking on advocacy around COVID-19 relief programs. In the Philippines, many of the usual processes of participating in government decision making moved online, but not all CSOs had the capacity required to actively engage in these virtual forums. As a result, some major legislation—including the controversial Anti-Terrorism Act—was passed in 2020 without consultative processes.

All of these measures, new and old, increased self-censorship, especially online, and CSOs were left with few safe platforms to promote their issues or raise concerns about government regulations and responses to the health crisis. Increasing DSA arrests in Bangladesh inevitably resulted in self-censorship, and in the Philippines, CSOs specifically recognized the need to limit government criticism in order to maintain relationships with local or national officials. In Indonesia, CSOs in Aceh and West Sumatra—especially those working on gender equality and justice—were frequently intimidated by sharia police.

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## THE PANDEMIC TAKES A HEAVY FINANCIAL TOLL ON THE SECTOR

The COVID-19 pandemic and resulting lockdowns and business closures brought economic declines across the globe. In the eight countries covered in this edition of the Index, even those that had enjoyed growth in gross domestic product (GDP) over the past several years were suddenly faced with contracting economies, rising unemployment, and an urgent need to redirect funding to health services and emergency relief. Economic declines also impacted bilateral donors, many of whom limited, delayed, or shifted their support to emergency programming. This combination of challenges led to declines in financial viability in six of the eight countries covered in this report, all but Nepal and Timor-Leste. These declines had wide-reaching impact, spurring deteriorations in other dimensions, especially organizational capacity.

CSOs in the region continue to rely on foreign donors as primary sources of funding. All eight countries highlighted the loss or redirection of foreign funds as a leading concern for financial viability in 2020. In Bangladesh,

CSOs registered with the NGO Affairs Bureau faced a 17 percent reduction in committed foreign grants, from BDT 91.18 billion (approximately \$1 billion) in FY 2019 to BDT 75.59 billion (approximately \$900 million) in FY 2020. In this context, funding for CSOs working in traditional service areas like education dwindled as the available foreign funding focused primarily on two sets of emergency needs: the ongoing Rohingya crisis and the COVID-19 pandemic. In addition, CSOs were required to include COVID-19 support in every proposed budget in order to receive government approval for foreign-funded projects, regardless of the core purpose of the programming. The resulting loss of financial support proved to be an insurmountable challenge for most CSOs. In Nepal, the overall level of foreign funding decreased only slightly to \$150 million in 2020, compared to \$151 million in 2019. However, at least \$8 million from previously approved projects was redirected to COVID-19 relief.

Government support also declined across the region in 2020 as resources were redirected to COVID-19 relief. In Nepal, the decline in government support was particularly evident in allocations from the Ministry of Women, Children, and Senior Citizens, which plummeted from approximately \$2.3 million in 2019 to \$920,000 in 2020. In Timor-Leste, the lack of an approved government budget delayed the confirmation of any government support until October 2020. When a budget was finally approved, allocations for CSO support totaled roughly \$3.2 million, a significant decrease from \$6 million in 2019.

These trends led to widespread funding shortages in the sector, as confirmed by a number of surveys conducted around the region. In Bangladesh, a July 2020 survey found that 90 percent of NGOs at the district level lacked adequate financial resources. In Indonesia, a survey conducted at the end of 2020 reported that 72 percent of CSO respondents experienced financial setbacks during the year due to the pandemic, and of those, 23 percent reported that their financial challenges had reached critical levels. In the Philippines, 70 percent of CSOs and CSO networks surveyed reported fewer funding opportunities in 2020.

The shortage of funds frequently affected organizational capacity, which deteriorated in half of the countries in this report and remained unchanged in three. In Cambodia, CSOs lacked the financial resources to recruit and retain qualified staff, adopt new technologies, or develop needed online platforms during the pandemic, while restrictions on in-person meetings made it difficult to reach key constituents. In the Philippines, tight finances meant staff were often assigned additional responsibilities or stayed on as volunteers. CSOs in Indonesia also reported a common dilemma: many organizations are largely funded on a project basis, making it difficult to retain staff. As those projects were postponed or limited in 2020, so too was their staff, leaving CSOs increasingly reliant upon volunteer efforts. The impact of travel restrictions and limited ICT capability imposed further obstacles on organizational capacity, spurring the slight declines in organizational in Sri Lanka and Thailand as projects were necessarily cancelled or postponed and CSOs struggled to reach their beneficiaries.

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## **CSOS STRUGGLE TO MEET GROWING NEEDS BUT REMAIN VITAL PLAYERS**

Widespread resource limitations in 2020, both human and financial, significantly affected CSO service provision, which declined in four countries and remained unchanged in three. At the same time, however, most CSOs in the region strove to adapt to their constantly changing circumstances and meet the new and growing needs of their constituents in this time of crisis. In some cases, these efforts were rewarded, with the public increasingly recognizing the vital role that CSOs play in service provision.

Dwindling resources, travel restrictions, and limitations on in-person gatherings constrained CSOs' ability to operate and provide either traditional services or emergency relief in 2020, contributing to declines in service provision in four countries. Many CSOs struggled to reach some of their most vulnerable constituents, frequently impoverished or rural communities that lacked the infrastructure and resources to join the shift online. In Thailand, for instance, reduced budgets and staffs faced the added challenge of curfews and travel limitations imposed by the Emergency Decree. Because cross-provincial travel was banned or subjected to a mandatory quarantine, organizations that traditionally provide on-the-ground services, including health and education services for marginalized communities, were most impacted. Many of their constituents—be they indigenous peoples, migrant workers, or small-scale farmers—did not have the technologies and infrastructure to communicate online, let alone access the full range of services CSOs would normally provide.

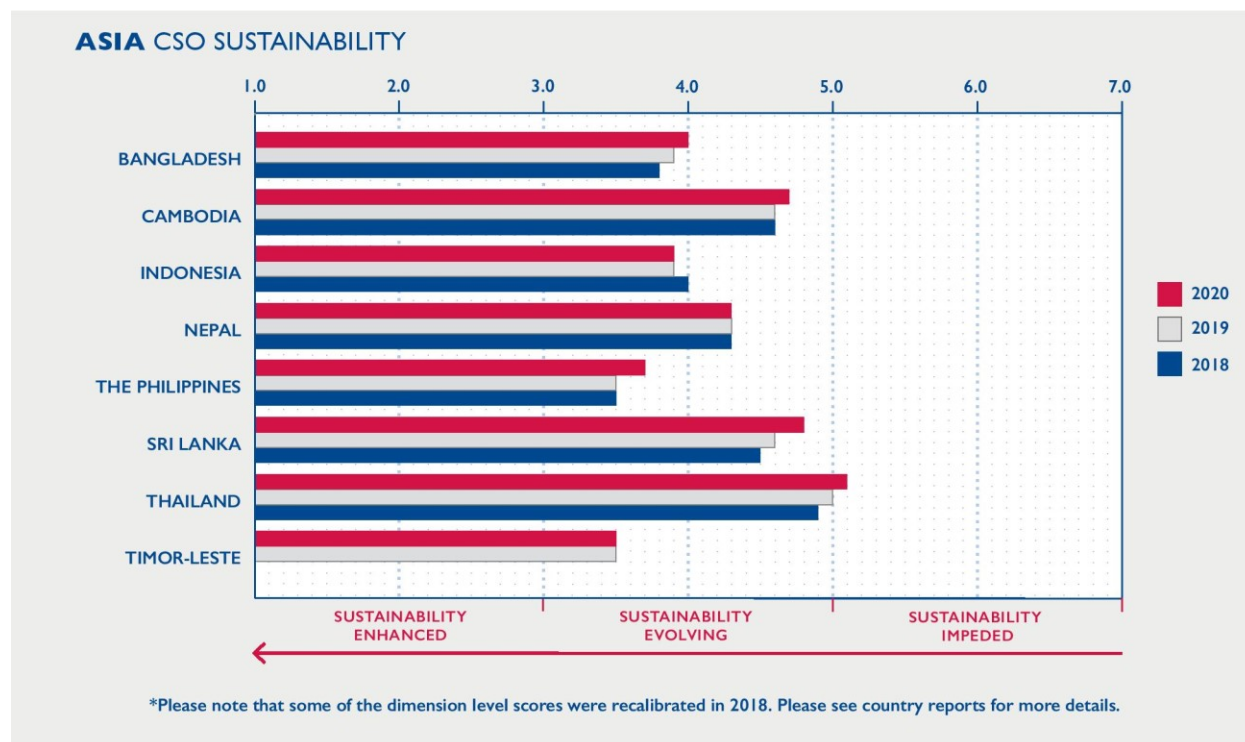
In Sri Lanka, although CSOs attempted to pivot their programmatic focuses to emergency needs, the pandemic response was centralized through a military-led government initiative. Together with the government’s ongoing distrust of CSOs, this largely prohibited CSOs from opportunities to collaborate, offer feedback, or more actively contribute to the emergency response.

Regardless, with varying levels of success, CSOs across the region recognized the new needs and responded as ably as possible, often setting aside traditional service areas and taking up entirely new focus areas to meet constituent needs. New services included health education and distributing food, personal protective equipment, or direct cash assistance. For instance, in Nepal, CSOs collaborated with the Ministry of Health to produce public information campaigns and develop online resource platforms. In Sri Lanka, which recorded a deterioration in service provision overall, organizations that were previously focused on topics such as conflict resolution and peacebuilding realigned their services to respond to pandemic-related needs of the public.

In Indonesia, CSOs actually recorded an improvement in service provision in 2020—the only country in the region to do so. In the early months of the pandemic, many traditional CSO services were stopped altogether, but as it became apparent that the crisis would be drawn out, CSOs worked to find a balance between service provision and emergency relief, while also shifting their work online where possible. For instance, beyond immediate relief services, one collaborative initiative launched a website to pool government and independent resources with data and information about COVID-19.

In a few countries, the value of CSO contributions was increasingly recognized, leading to improvements in the sector’s public image. In the Philippines, public image improved moderately, even as every other dimension reported declines, thanks to public recognition of CSOs’ relief work at the local level. In Indonesia, CSO activities—particularly those related to COVID-19 relief—benefited from coverage in national and regional media outlets, both online and on television, while CSOs increased their presence on social media to better promote their activities.

## REGIONAL TRENDS IN CSO SUSTAINABILITY



Marked by the COVID-19 pandemic, 2020 was a challenging year across the globe. This is clear in overall CSO sustainability in Asia: nearly half of all dimension-level scores registered deteriorations in 2020. Five countries—

Bangladesh, Cambodia, the Philippines, Sri Lanka, and Thailand—reported declines in their overall scores, while overall scores in Indonesia, Nepal, and Timor-Leste were unchanged.

The vast majority of scores in the region remain in Sustainability Evolving, the middle category of sustainability in the Index. Thailand continues to be the most difficult environment for CSOs in the region. In 2020, its overall CSO sustainability score was downgraded to Sustainability Impeded, the lowest category, and four out of seven dimensions in that country not only remain “impeded,” but in fact saw further declines. Thailand’s legal environment for CSOs maintains the dubious title of worst score in any dimension in the region and recorded extreme deterioration in 2020. On the other hand, Timor-Leste, in only its second year of the index, again registered the highest level of overall sustainability in the region.

Sri Lanka was the only country to record declines in every dimension in 2020. Further, most dimensions in Sri Lanka deteriorated either moderately or significantly, leading to a significant (0.3) deterioration in overall sustainability, the worst such decline in the region. In Cambodia, deteriorations in all dimensions except service provision and sectoral infrastructure reflected the impact of financial declines and closing civic space. The case was similar in Bangladesh, which registered declines in every dimension but organizational capacity.

Nepal and Timor-Leste stand out in 2020 for having no score changes in any dimension—but this does not signify that CSOs were not impacted by the pandemic and its ramifications, together with political uncertainties within their borders. However, CSOs in these two countries were largely able to adapt to the challenges of the year, compensating for pain points that otherwise would have brought deteriorations in scores. Given how little space there was for progress during this difficult year, maintaining an unchanged score could actually be considered a sign of success.

Just five individual dimension scores registered improvements in 2020, four of which were in Indonesia. This progress, though slight in all four cases, makes Indonesia an outlier. Though it also confronted the deteriorations in financial viability and legal environment that so plagued most of the region, the health emergency spurred increased activism in the country and a clear role for CSO leadership in a time of crisis. CSOs raised funds and support for vulnerable populations, efficiently channeled that support, and used innovative methods and online platforms to continue their activities.

The sole positive change registered in the region in 2020 outside of Indonesia was in the public image dimension in the Philippines, which improved moderately. This is particularly noteworthy in the context of broader continuing declines in the country, which led to a moderate deterioration in the Philippines’ overall CSO sustainability score. Indeed, every other dimension registered drops, which in some cases were extreme or significant.

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## CONCLUSION

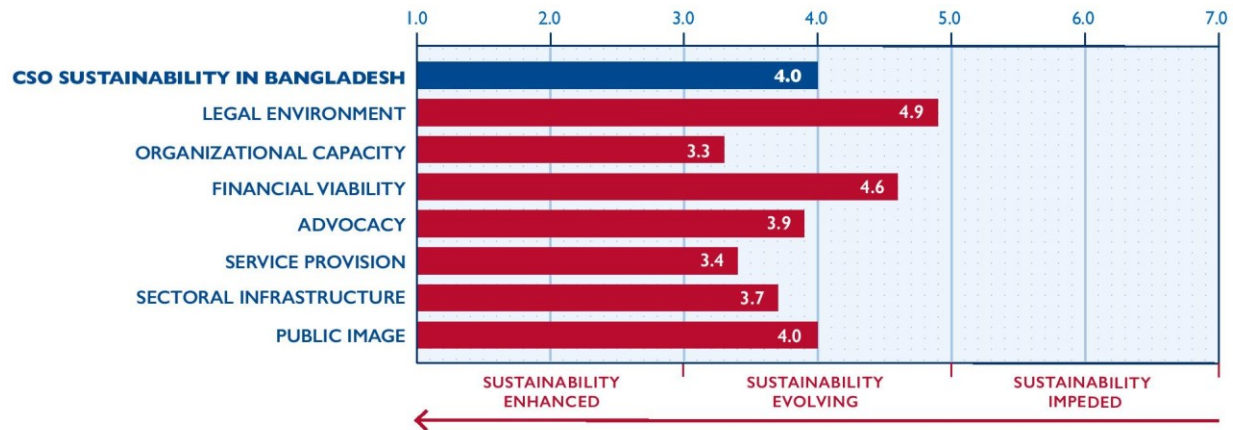
The following reports offer in-depth analysis of the state of CSO sectors in eight countries in Asia, all colored by the unprecedented impacts of the COVID-19 pandemic. While the reports seek to thoroughly understand and convey those impacts in 2020, the full extent of the ramifications of COVID-19 remains to be seen, even as the world works to “build back better” in 2021 and the years to come.



# BANGLADESH

Capital: Dhaka  
 Population: 164,098,818  
 GDP per capita (PPP): \$4,754  
 Human Development Index: Medium (0.632)  
 Freedom in the World: Partly Free (39/100)

## OVERALL CSO SUSTAINABILITY: 4.0



2020 was marked by the unprecedented impacts of the COVID-19 pandemic and the responses to it, both in Bangladesh and globally. The first cases of COVID-19 in Bangladesh were detected on March 8, 2020. In response, the government initially declared a ten-day nationwide “holiday” beginning March 26, Independence Day, closing schools and businesses and deploying the army to enforce restrictions on domestic travel and public gatherings. The national shutdown was extended several times before being lifted at the end of May, though evening curfews and limitations on public gatherings remained in place until September and schools remained closed through the end of the year.

At the beginning of the pandemic, the government offered stimulus packages to support those who had lost their jobs or income due to the national lockdown. The package included direct financial aid, loans, housing support, and wider social safety net schemes, such as food programs. Distribution of that support, however, highlighted ongoing corruption in the country. Transparency International Bangladesh (TIB) reported that households were forced to pay bribes that averaged BDT 220 (approximately \$2.60) in order to receive cash assistance of BDT 2,500 (approximately \$30).

Bangladesh continues to host more than 1.1 million Rohingya refugees, many of whom first fled to the country in 2017 due to ethnic cleansing in Burma. The government imposed a strict lockdown on Cox’s Bazar, home to thirty-four refugee camps that host nearly 900,000 refugees, on March 24 to prevent the spread of the virus in the already over-crowded conditions. The government also began to intercept and detain boats carrying hundreds of refugees under the pretense of preventing the spread of COVID-19 in Cox’s Bazar, relocating them to the uninhabited island of Bhasan Char. In December 2020, the government started to relocate refugees from Cox’s Bazar to Bhasan Char, despite concerns from the United Nations (UN), Human Rights Watch, and others about the quality of life on the island settlement, with plans to ultimately resettle as many as 100,000.

Human rights violations continued to be a concern in 2020. Arrests and government crackdowns began in late March for allegedly “spreading rumors” and “misinformation” on social media, particularly in response to posts critical of the government’s handling of COVID-19. Most of the arrests were based on the 2018 Digital Security

\*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>.

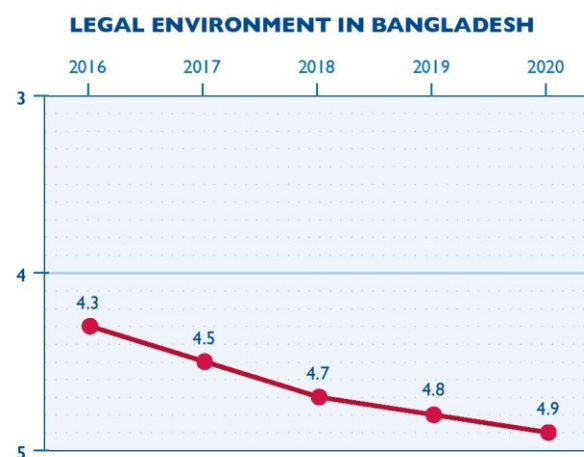
Act (DSA). In addition, extrajudicial killings continued to take place, many of which involved the paramilitary police force Rapid Action Battalion, the conventional police force, and Border Guards Bangladesh. Ain o Salish Kendra reported a total of 196 extrajudicial killings between January and the end of July 2020, compared to 338 incidents in 2019.

Despite unmatched disasters during the year, including the pandemic and Cyclone Amphan, which inflicted destruction on the coastal region in May 2020, Bangladesh’s gross domestic product (GDP) still grew by 5.2 percent in 2020. While this was a 3 percent decline from 2019, GDP growth was still strong compared to other South Asian countries. Bangladesh climbed two spots to be ranked 133rd among 189 countries in the 2020 Human Development Index published by the UN Development Programme (UNDP). According to the Bangladesh Bureau of Statistics, however, the population below the poverty line increased to 29.5 percent, up from 20.5 percent the previous year.

The overall sustainability of CSOs in Bangladesh deteriorated slightly in 2020, with negative developments noted in nearly every dimension. The legal environment in which CSOs operate continued to worsen, and CSOs—particularly those working on democracy, good governance, and human rights—were subject to strict control by the regulatory authorities, prolonged registration processes, and various types of bureaucratic harassment. In this environment, CSO advocacy weakened as CSOs had less access to government decision-making processes and increasingly engaged in self-censorship to avoid clashes with the government. Foreign funding declined, while also continuing to shift to emergency needs, including both COVID-19 and the Rohingya crisis, leaving less funding available for traditional issue areas. This decline in funding, together with COVID-19 restrictions, caused further deterioration in CSO service provision in 2020. The CSO sector’s public image also deteriorated in 2020 as the public criticized CSOs’ ability to respond to the pandemic and other immediate needs. Only organizational capacity remained unchanged, as many CSOs successfully adapted to the challenging environment.

CSOs can register under various government departments, making it difficult to determine the total number of CSOs in the country. There are more than 63,000 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 2020. According to an article in the Amader Shomoy newspaper published in September 2020, over 8,000 trade unions were registered with the Department of Labor as of December 2019; no 2020 data is available. CSOs that receive foreign donations must register with the Non-Governmental Organization Affairs Bureau (NGOAB). According to NGOAB, 2,529 NGOs had valid registration as of December 2020, of which 259 are international NGOs (INGOs).

## LEGAL ENVIRONMENT: 4.9



The legal environment governing CSOs deteriorated slightly in 2020. CSOs continued to face prolonged registration and renewal processes and bureaucratic delays throughout 2020, and COVID-19 restrictions increasingly limited civic space and 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 (Act XII of 1998).

CSOs must register as NGOs with NGOAB in order to receive foreign funds 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 2020, NGOAB newly registered twenty-nine organizations and canceled the registration of two NGOs due to legal non-compliance.

Officially, the process of registering with NGOAB should be completed within ninety working days. In practice, however, the process often extends far beyond this timeframe due to the involvement of several ministries and slow bureaucratic processes. The national lockdown in 2020 closed NGOAB offices, delaying registration approvals for several months. Registration with NGOAB must be renewed every five years. According to a new policy introduced in 2020, NGOAB will not renew an NGO's registration if it did not receive foreign funds and implement at least \$5,000 in projects over the previous five years.

NGOAB typically approves funds for basic services such as education, health care, and information and communications technologies (ICT) quickly, as they align with government interests and do not challenge government officials' authority. However, NGOAB may not approve funding for projects that involve issues deemed sensitive by NGOAB or concerned ministries and their line offices. In 2020, NGOAB directed all NGOs and INGOs to include COVID-19 support in every project budget, regardless of the core purpose of that project. However, this requirement was not issued in writing; NGOAB instead informed CSOs of the new requirement through a virtual meeting. This resulted in delays in the approval process, though some organizations reported relatively prompt approvals and release of funds for ongoing projects that included COVID-19 support.

The relevant ministries, departments, regional offices, and deputy commissioner (DC) and Upazila (sub-district) offices are responsible for monitoring CSOs' activities in their respective geographic areas by organizing monthly coordination meetings with CSOs to collect their activity reports and evaluate their performance. In 2020, however, regular meetings were limited due to COVID-19 restrictions on travel and gatherings. These offices also provide work completion certificates to CSOs, which are mandatory for the release of pending funds from NGOAB. In 2020, the issuance of certificates was often delayed both because offices were closed during the pandemic and as government officials prioritized COVID-19 support efforts.

The government does not actively impede the activities of NGOs focused on development issues such as the rights to food and shelter. However, government surveillance continues to be a concern, particularly for CSOs working in sensitive fields such as democracy, governance, and human rights. CSOs working with and on behalf of Rohingya refugees have also reported increased local administrative surveillance and bureaucratic hurdles. NGOs working in the three districts of the historically fractious Chittagong Hill Tracts are overseen by the Chittagong Hill Tracts Development Board, a semi-autonomous body under the Ministry of Chittagong Hill Tracts' Affairs, and are subject to more direct government oversight.

As in previous years, the government continued to use the DSA to severely limit freedom of expression, thereby impacting CSOs' ability to exercise their freedom of speech, criticize the government, or engage in advocacy. ARTICLE 19 estimates that 457 individuals, including journalists, teachers, students, and others, were arrested in 198 cases filed under the DSA in 2020, most often in response to social media posts critical of the government. In contrast, in 2019, DSA cases were used to prosecute a total of 63 people. Media, freedom of expression activists, CSOs, and INGOs continued to call for amendment of the law, criticizing it as both restrictive and vague, allowing for its broad application.

Beginning in mid-March, government authorities started arresting people for "spreading rumors" and "misinformation" on social media in response to posts critical of the government's handling of COVID-19. Most of the arrests were made under the DSA. In addition, the Ministry of Information formed a unit solely to monitor social media and television outlets for "rumors" about COVID-19, which was later discontinued due to criticism from media professionals.

In August 2020, the government adopted an amendment to the National Online Media Policy, 2017, requiring newspapers to register their websites if they include content that differs from the print editions. Licensed television and radio channels now also require registration to publish their news online.

The Foreign Donations (Voluntary Activities) Regulation Act (FDRA), 2016, regulates the work and activities of foreign-funded NGOs. However, clear guidelines have still not been developed for FDRA. In 2020, NGOAB drafted guidelines in coordination with civil society stakeholders, but those guidelines have not yet been enacted, resulting in an ongoing lack of clarity. Human Rights Watch and others have called for the repeal of the law, citing its vague stipulations as a threat to freedom of expression and the operation of NGO activities. For example, the

law makes “inimical” or “derogatory” remarks against the constitution, the parliament, and other government bodies an offense, leaving those terms undefined and open to broad interpretation.

In May 2019, the government of Bangladesh revealed a draft VSWO Act to replace the 1961 VSWO. If enacted, the draft VSWO Act would impose severe constraints on CSOs, including limitations on their geographical reach, requiring accounts with state-owned banks for all financial transactions, and submitting regular work plans, audits, activity reports, and bank statements. The draft Act would further give the government the right to expel the executive committee of a CSO and replace it with a five-member government-appointed committee, and provide the Ministry of Social Welfare with oversight responsibility for CSOs, while CSOs that receive foreign grants would continue to be subject to oversight by NGOAB as well. Such increased bureaucratic oversight could further impede CSO operations. In response to CSO pushback in 2019, the government promised to revise the draft, but no progress was made in 2020.

CSOs generally are permitted to engage in economic activities by selling goods and services; however, they have to pay income tax and value-added tax (VAT) on this revenue according to the VAT and Supplementary Duty Act of 2012 and the Income Tax Ordinance of 1984. 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. When procuring products or services, NGOs must deduct applicable taxes and VAT, the rates of which depend on the nature of the product and services. CSOs, including NGOs, also need to deduct part of the income taxes for the salaries of staff who receive taxable salaries over BDT 300,000 (approximately \$3,500) per annum after excluding the tax-exempted incomes.

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

Under the Public Procurement Rules 2008, CSOs can enter into agreements with the government to implement various projects. To do so, CSOs must participate in open bidding processes.

CSOs continue to have some access to legal expertise. Bangladesh Legal Aid and Service Trust (BLAST) and the Bangladesh National Women Lawyers' 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: 3.3

Organizational capacity within the CSO sector in Bangladesh was unchanged in 2020. Though CSOs faced obstacles due to COVID-19 and the resulting restrictions, most showed considerable adaptability and resilience by instituting new approaches to their work. Specifically, the new environment sparked a growth in technological advancement as CSOs moved activities and events online. This was particularly true of larger CSOs, while smaller CSOs continued to struggle.

Restrictions on travel and public gatherings especially impacted CSOs working with poor and marginalized communities, which were unable to meet with their key constituents and lacked the technology required for online communication. To overcome this challenge, some CSOs provided project participants with the necessary devices and internet connections, covering the cost of data, while others tried to reach their constituents through local offices or by sending selected individuals as representatives. Nonetheless, rural beneficiaries remained difficult to reach in the new online environment.

ORGANIZATIONAL CAPACITY IN BANGLADESH



Most large CSOs and INGOs have well-written strategic plans that articulate clear organizational missions, objectives, and strategies. However, the implementation and development of those strategic plans depends on the availability of funding. Some large and medium-sized CSOs have the capacity to create operational plans in line with their strategic plans that take into account the UN’s Sustainable Development Goals (SDGs) and the government’s five-year plans and vision. Strategic planning continues to be complex for new and small organizations, which instead tend to focus on the implementation of short-term projects. Given growing limitations on funding, however, most organizations lacked resources to develop strategic plans in 2020 and struggled to implement the plans they had.

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.

Some large and medium-sized CSOs have highly professional governing bodies, but other CSOs have governing bodies primarily to comply with the organizations’ constitutions and these bodies only approve documents. Almost all CSOs regularly convene annual general meetings, in which they evaluate their current year’s activities, review their income and expenditures, approve their work plans for the following year, and elect a new governing board. Due to restrictions on travel and gatherings, some CSOs were unable to convene these meetings in 2020.

Most CSOs contract staff on a project basis due to their dependence on short-term donor funding. Only a few CSOs have core staff members who work beyond project periods. Many CSOs also depend on volunteers for the implementation of community-based programs. In 2020, dwindling funds forced many CSOs to let go of some of their regular staff, thereby losing critical human resources and skills. Given the resulting staff shortage, many CSOs redistributed roles and responsibilities among their remaining staff as an interim arrangement.

CSOs typically have adequate access to ICT, and many larger CSOs have expertise in internet-based information management systems and use modern software to track results and manage their finances. This was particularly important in 2020, as remote working arrangements became the new norm, and with that came a growing need for online platforms and new technologies to support projects, staff, and communities. Most Dhaka-based CSOs and NGOs successfully worked to equip their staff with the necessary knowledge and skills and were able to resume field operations with the necessary readjustments. However, many smaller and community-based organizations (CBOs) continued to lack adequate ICT facilities and technical capacity and struggled to implement programs and other activities during the first months of the public holiday.

## FINANCIAL VIABILITY: 4.6



The financial viability of the CSO sector deteriorated slightly in 2020. The shift of funding toward emergency needs, including both COVID-19 response and relief and the Rohingya crisis, contributed to this decline.

The CSO sector depends heavily on foreign donors, including multilateral institutions such as 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 global financial impact of COVID-19, foreign support declined notably in 2020. In fiscal year (FY) 2020, CSOs registered with the NGOAB faced a 17 percent reduction in committed foreign grants, from BDT 91.18 billion (approximately \$1 billion)

in FY 2019 to BDT 75.59 billion (approximately \$900 million) in FY 2020. Shifting priorities toward COVID-19 relief and prevention also spurred the reassignment of funds that had already been released.

In addition to the shift toward COVID-19 relief, funding continued to shift toward the emergency needs of the Rohingya crisis, necessarily limiting support for traditional sectors such as health, education, gender, and

governance. Smaller NGOs were particularly hard-pressed in 2020, and a July 2020 survey by the Citizen's Platform for SDGs reported that 90 percent of NGOs at the district level lacked adequate financial resources.

Many CSOs struggle to access foreign funding due to information gaps and their lack of personnel capacity and expertise. International funding agencies generally do not provide direct grants to local or newly formed CSOs, which often lack sound financial management practices. Donor agencies are more likely to give funds to INGOs or large CSOs such as BRAC.

The government sometimes provides funding to CSOs under specific projects. This funding generally focuses on health, education, and agriculture. In most cases, these projects benefit CSOs with good relationships with the government. In 2020, many CSOs participated in the government's COVID-19 response programs and received funding for related project areas.

Corporate social responsibility (CSR) is 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. In 2020, under the COVID-19 stimulus package, the government also mandated that commercial banks allocate 1 percent of the annual income dedicated to CSR for COVID-19 relief, much of which was channeled through CSOs. A Bangladesh Bank report showed that scheduled banks spent close to BDT 5.17 billion (approximately \$61 million) between January and June 2020 for CSR purposes, compared to BDT 2.40 billion (\$28.3 million) in the first half of 2019

Local support for CSOs declined in 2020, with those who were able to set money aside typically preferring to save it as they feared the economic consequences of the COVID-19 crisis. Zakat, annual Muslim almsgiving, and other donations were also reduced in 2020. However, some CSOs, such as Onetaka Meal and Mastul Foundation, successfully collected food and medical supplies for COVID-19 relief through online fundraising and crowdsourcing.

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 working at the national and district levels are becoming increasingly revenue-oriented by establishing social enterprises, introducing fees for services, and renting out training centers. COVID-19 restrictions on movement and nationwide closures, however, heavily impacted social enterprises. In the past, some CSOs have also generated income by providing microcredit loans, but COVID-19 restrictions on travel hampered their ability to disburse loans, collect installments, and provide hands-on support for staff in the field and loan recipients.

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 INGOs regularly publish their annual audit reports.

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## ADVOCACY: 3.9

CSO advocacy deteriorated slightly in 2020, as CSOs had less access to government decision-making processes and increasingly engaged in self-censorship. Typically, CSOs participate in steering committee meetings of various ministries as well as district and sub-district coordination meetings. Due to COVID-19 restrictions, however, those meetings were held only sporadically in 2020, and CSOs had few opportunities to hold discussions with government authorities and policymakers.

Policymaking has become increasingly bureaucratic in recent years, and all the more so in 2020 during the national health crisis around COVID-19. Because government administrations were busy with COVID-19 relief and management, many public policy decisions



were instead led by bureaucrats outside of parliament. This made CSO advocacy increasingly complicated and time-consuming, as decisions were more often made in bureaucratic back offices.

However, in a few areas such as socio-economic development, natural disasters, and climate change, the government welcomed input from civil society in planning, formulating policies and strategies, and formulating laws. For example, the government formulated two important documents, the Eighth Five-Year Plan and Vision 2041, for which experts and civil society prepared background documents and provided input. In some cases, CSO input was directly incorporated into the final drafts. Civil society was also actively engaged in formulating policies and strategies of the government to manage and mitigate the adverse effects of the pandemic.

CSOs and activists continued to demand the repeal of the vague sections of the DSA in 2020 through protests, virtual events, and social media, though restrictions on movement and gatherings limited opportunities for public demonstrations. DSA cases spiked in May 2020, spurring activists to issue a joint statement demanding the release of several individuals who had been detained under the DSA. The statement was signed by 311 media activists, academics, and CSOs like TIB and Citizens for Good Governance (SHUJAN). In June 2020, TIB issued a press release to call attention to the attacks, lawsuits, threats, and intimidation of government critics carried out under the guise of digital security.

National and local CSOs also organized a few virtual policy dialogues in 2020, mainly addressing financial and social issues. For instance, the Center for Policy Dialogue (CPD), as the secretariat of the Citizen's Platform for SDGs, hosted several dialogues on issues in line with the SDGs, including both CSOs and relevant government authorities. Those dialogues focused on the COVID-19 response, strategy for implementing the Eight Five-Year Plan, and policies to support vulnerable communities.

In 2020, CSOs focused much of their efforts on ensuring social safety nets and stimulus packages for their communities in the midst of the COVID-19 crisis. For instance, labor and women's rights organizations advocated for greater emergency support, and CSOs working with indigenous and rural communities lobbied government counterparts for more support in favor of the communities most in need. CSOs advocated to expand both the number of those assisted and the amount of support they received by organizing virtual discussions and lobbying policymakers. CSO networks were active in securing government support for their constituencies, primarily food provision and cash assistance under the government's broader COVID-19 relief program. Lobbying remained somewhat limited in 2020, however, due to COVID-19 restrictions on public gatherings; CSOs often lacked capacity for effective lobbying and advocacy events were primarily limited to webinars.

Research centers like CPD, the Power and Participation Research Center (PPRC), and the Center for Policy Research were somewhat vocal in 2020 regarding wages, income sustainability, COVID-19 vaccinations, and health governance. TIB, SHUJAN, and others called attention to freedom of expression violations and the right to information.

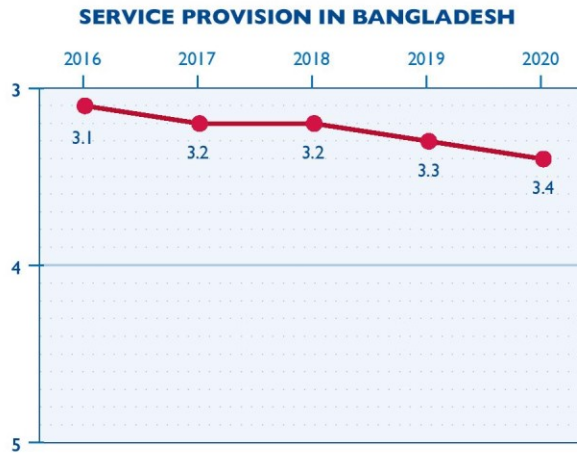
In 2020, local, national, and international CSOs could not conduct much advocacy for CSO law reform, given the pandemic-related limitations described above. However, some specialized CSOs, such as Ain o Salish Kendra, continued calling for reform of the DSA and other ongoing concerns that impact CSO staff and activists.

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## **SERVICE PROVISION: 3.4**

CSO service provision deteriorated slightly in 2020 as government support and foreign funds previously allocated for traditional CSO activities were halted or redirected to emergency needs. In addition, pandemic restrictions severely limited CSOs' ability to carry out activities.

Typical CSO services range from areas such as health, water and sanitation, and housing, to education, microcredit, and agricultural technical skills. However, in 2020, traditional services were largely disrupted due to COVID-19 restrictions, as well as declining funds. In 2020, therefore, most CSOs struggled to provide services and be responsive to their communities. Though some large, national CSOs were directly involved in the government's COVID-19 response and recovery plan, many local CSOs entirely suspended operations for much of the year. Organizations that typically worked to support impoverished communities especially struggled to provide much-needed relief to their constituents in 2020, offering online support instead of more tangible forms of support. Some were able to continue operations while following COVID-19 precautions and assisted in raising awareness around safety measures, providing health and safety kits, setting up hand washing centers, and providing direct cash



or food support to vulnerable and marginalized populations, particularly women, persons with disabilities, impoverished communities, and indigenous people in the plainlands.

Schools were closed in March, and many NGOs working on education were unable to develop alternative learning methods. Organizations like BRAC initiated mobile phone-based schooling to support students in need, but as private and public educational institutions remained closed, many students were left without access to feasible learning opportunities. A few urban educational institutions introduced online education programs, but rural students had no such alternatives. Campaign for Popular Education (CAMPE), a national coalition of NGOs working on education and literacy, confirmed this

disparity and identified needs through a 2020 survey on the impact of the COVID-19 crisis on education. CSOs working on gender issues and community awareness faced notable capacity limitations in 2020, leaving their beneficiaries deprived of services, even as gender-based violence increased during the pandemic; one report found a 24 percent increase in gender-based violence from January to October 2020.

CSOs continued to strive to reach their key communities, though these efforts were often less successful than normal because of the restrictions imposed on them by the pandemic. Toward that end, CSOs worked 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 were limited, postponed, or shut down, CSOs also worked to disseminate knowledge and information through virtual sessions, and in some cases transferred direct financial support through online platforms as necessary.

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. In 2020, the possibility of cost recovery further declined as communities required greater support in facing the effects of COVID-19.

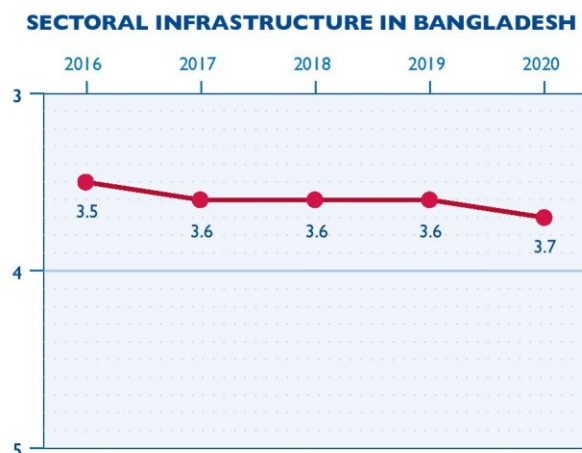
CSOs working in the health sector were able to work alongside the government to raise awareness of and attempt to mitigate the impact of the pandemic. However, CSOs attempting to implement projects not directly related to health, water, and sanitation were largely unable to continue operations due to the government's general restriction on movement.

## SECTORAL INFRASTRUCTURE: 3.7

The infrastructure supporting CSOs in Bangladesh deteriorated slightly in 2020 as the COVID-19 pandemic limited resources and opportunities for training and coalition building.

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 2020, however, many of the centers run by these organizations were closed due to pandemic restrictions, depriving many small and community-based CSOs of sufficient workspaces and access to training.

CSOs providing training and other capacity-building programs faced increasing difficulties in 2020. Few CSOs had the capacity to hold meetings and internal consultations through virtual platforms such as Zoom and Google Meet, and fewer still had the capacity to provide





training and capacity building workshops online. In-person training, orientation, and capacity building was extremely limited in 2020 due to COVID-19 restrictions and closures, as the few CSOs able to maintain their training facilities limited them to internal use.

Domestic and international organizations such as Manusher Jonno Foundation (MJF), Care International, Oxfam, Christian Aid, and UN agencies provide CSOs with grants and help them build their technical and organizational capacities. However, these services do not fully meet CSOs' needs and tend to benefit larger CSOs that already have greater capacity. Sub-granting from large CSOs and NGOs to small CSOs also declined in 2020 due to the broader funding crisis.

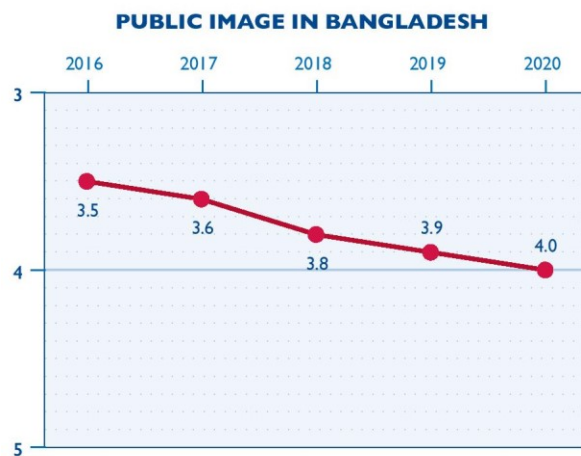
CSOs belong to many networks, coalitions, and forums, including apex bodies like the Association of Development Agencies in Bangladesh (ADAB) and the Federation of NGOs in Bangladesh (FNB), and thematic groups like the National Girl Child Advocacy Forum (NGCAF), CAMPE, SHUJAN, Bangladesh Shishu Adikar Forum (BASF), and the Citizen's Platform for SDGs. In 2020, however, many of these networks were not able to operate as usual due to COVID-19 restrictions. This impacted their ability to reach constituents, government counterparts, and each other.

Faced with an ongoing decline in financial resources, however, CSOs and NGOs initiated a new platform for collaboration in December 2020. In late December, the leaders of over 500 NGOs and CSOs met for the virtual launch of the initiative, which aimed to bolster collaboration across the sector and with the government on issues ranging from COVID-19 relief to climate change.

CSOs typically form partnerships with INGOs, UN organizations, and ministries in sectors like health, climate change, education, nutrition, and child and women's rights. In 2020, these partnerships were largely disrupted due to the unprecedented impact of COVID-19. As the year progressed, some CSOs and individual staff were able to adjust their working methods to continue collaborating, but that work required increased adaptability in the context of COVID-19. CSOs such as BRAC, BURO Bangladesh, and the Sajida Foundation also collaborated with the government on COVID-19 relief programs.

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## PUBLIC IMAGE: 4.0



CSOs' public image deteriorated slightly in 2020, largely due to their lack of responsiveness during the COVID-19 pandemic and difficulties in meeting emergency needs.

Media coverage of CSOs remained largely unchanged in 2020, and both national and local outlets covered CSOs' work and events in a positive manner. The media's inevitable focus on the national health crisis, however, combined with the pandemic's limitations on CSO operations themselves, resulted in somewhat reduced coverage of CSO activities in some areas. Regardless, CSO campaigns around corruption and human rights, for instance, received strong media coverage.

Public perceptions of CSOs declined in 2020, as CSOs struggled to meet the increased need for support during the COVID-19 crisis. While larger NGOs with some

experience in emergency responses were able to provide critical assistance during the health crisis, most CSOs failed to provide even a minimum level of support to communities in need. This not only left marginalized communities without adequate support, but also spurred a decline in trust from a large portion of the public. Though CSOs were active in calling attention to the needs of their constituents and providing information to access essential services, this was not sufficient to overcome the damage done to public perceptions in the face of great emergency need. While the public simultaneously criticized the government and health services for their failure to adequately respond during the pandemic, that frustration extended to CSOs struggling to meet the emergency requirements. Human rights organizations were additionally criticized in 2020 for not taking an active stance against human rights violations by government actors.

Public perceptions of CSOs also continued to be harmed by perceived religious affiliations and intentions. A significant portion of the public negatively view most CSOs—especially those engaged in promoting gender equality and democratic rights—as agents of secularism. Others, on the other hand, accuse some faith-based CSOs of attempting to convert their most vulnerable constituents to Christianity.

Generally, the government recognizes the contribution of CSOs to social development, especially their work in poverty reduction, health care, education, and microcredit programs, and remains supportive of these interventions. However, the government continues to be critical of those CSOs working on human rights, governance, and democratic reform.

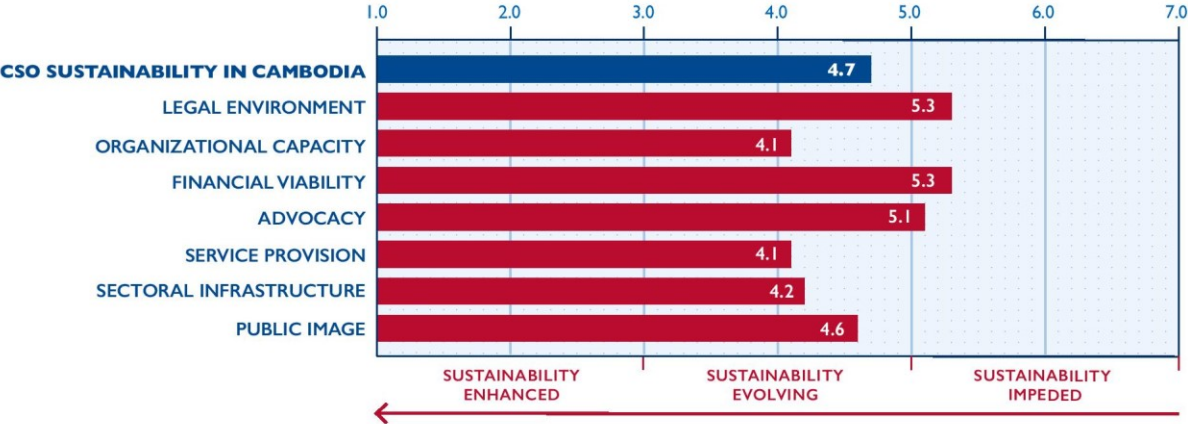
In 2020, CSOs increasingly turned to online platforms, especially through social media, to promote their missions and initiatives during the national lockdown. In particular, CSOs emphasized their work targeting the ultra-poor and mobilizing resources to address the impact of COVID-19. CSOs also worked to find data and research practical solutions for how best to reorient their operations with existing support; toward that end, many CSOs conducted outreach to highlight their work around advocacy, research and resource mobilization, and support for the poor.

Different registration authorities require CSOs to submit various reports. Most large CSOs publish annual reports, including activity reports and financial information.

# CAMBODIA

**Capital:** Phnom Penh  
**Population:** 17,304,363  
**GDP per capita (PPP):** \$4,389  
**Human Development Index:** Medium (0.594)  
**Freedom in the World:** Not Free (24/100)

## OVERALL CSO SUSTAINABILITY: 4.7



While Cambodia’s political environment has long been dominated by the Cambodian People’s Party (CPP), even semi-competitive elections were made impossible in 2017, when the Supreme Court dissolved the primary opposition party for alleged plans to overthrow the government. As a result, the CPP won all 125 seats in the National Assembly in 2018 and the party controls 58 of 62 senate seats. In 2020, Freedom House categorized Cambodia as “not free” in its Freedom in the World 2021 report, and the country received low scores on both the Global Freedom Score (25 out of 100) and the Internet Freedom Score (43 out of 100). Freedom of expression was also restricted in 2020, and the government brought several charges of incitement against media outlets under Article 495 of the Criminal Code. Both internet freedom and freedom of expression are expected to decline further in the coming year, following the government’s February 2021 announcement of a new national internet firewall.

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. In Transparency International’s 2020 Corruption Perception Index (CPI), Cambodia received a score of 21 out of 100, a slight improvement from its 2019 score of 20. On the 2020 Economic Freedom Index, Cambodia ranked 113 out of 186 countries, with an unchanged score from 2019 due to an increase in “fiscal health” offset by a decline in “judicial effectiveness.” Among the four dimensions included in that metric, Cambodia performed particularly poorly on rule of law, in which the government’s integrity was scored at 14.8 out of 100 in 2020.

The COVID-19 pandemic presented further challenges in 2020. Early measures to curb travel within and into Cambodia, alongside the closure of schools and workplaces, helped limit the spread, and only 364 total cases and zero deaths were reported by the end of the year. However, the pandemic took a toll on the economy, particularly in sectors that drive Cambodia’s growth. The tourism industry lost \$850 million in revenue, while the garment and footwear industry experienced a 6.5 percent decline, and the construction and manufacturing industry was affected by a 12 percent decline in imports and exports. For workers engaged in these three sectors and in wholesale and retail trade, incomes dropped by 53 to 61 percent by September 2020, greatly increasing poverty rates and food insecurity. Though in the previous five years, Cambodia’s gross domestic product (GDP) had grown at an average annual rate of 7.1 percent, in 2020 the kingdom’s GDP fell by 3.1 percent.

In April 2020, Cambodia enacted the Law on National Management in the State of Emergency in preparation for the potential impacts of COVID-19. The law provided the government with broad new powers, including banning meetings and gatherings, restricting travel, mobilizing the military, and increasing surveillance and media

restrictions. The Cambodian government also implemented a range of measures to assist communities affected by the pandemic, including a cash transfer program in June 2020 to support poor and vulnerable households. Also in 2020, laws were drafted addressing public order and cybercrime. CSOs expressed concern that these laws, if implemented, would further curtail freedom of expression and legitimize restrictions on civic space in Cambodia. Neither draft had been signed into law by the end of the year, and the draft law on cybercrime had yet to even be publicly released.

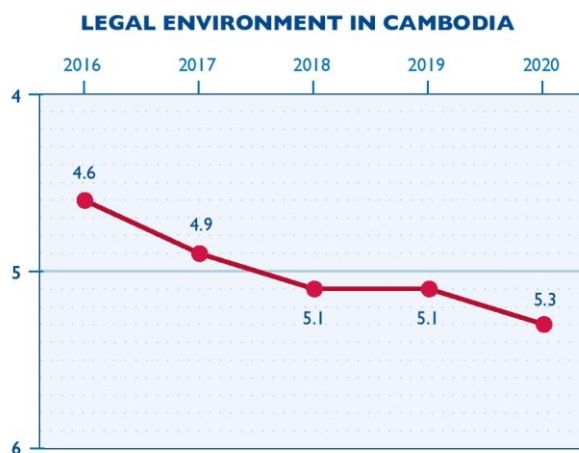
In this context, the overall sustainability of the CSO sector in Cambodia slightly deteriorated in 2020, with slight declines in four of the seven dimensions—organizational capacity, financial viability, advocacy, and public image—and a moderate decline in the legal environment. CSOs working on human rights and democracy issues continued to confront significant challenges in the operation and implementation of their programs. Service provision and the infrastructure supporting the sector remained unchanged.

According to the CIVICUS Monitor’s 2020 report, Cambodia’s legal framework continues to be misused to repress civil movements and liberties. Harassment also continued in 2020, targeting media outlets, trade union leaders, and human rights and environmental activists. According to police spokespeople, more than forty people were arrested for spreading pandemic-related “fake news,” and two journalists were sentenced for incitement after reporting on government comments regarding COVID-19 and criticizing the government’s response.

The majority of CSOs focused on service delivery in 2020, while a small number of them worked on human rights, democracy, and the environment. Donors continued to support CSOs working in the health, education, social protection, gender, human rights, democracy, environment, and knowledge sectors. CSOs receiving foreign support—which typically operate at the national level or are international NGOs (INGOs)—generally had sufficient human resources and financial management capacity. There continues to be very limited information on sub-national CSOs.

According to the latest estimates, released in April 2019 by the Phnom Penh governor, approximately 5,523 local NGOs were registered with the Ministry of Interior (MoI), while 419 foreign NGOs had signed memorandums of understanding with the Ministry of Foreign Affairs and International Cooperation (MoFA). According to Cambodia’s Official Development Assistance (ODA) database, only 260 foreign NGOs and 146 local NGOs remain active in Cambodia. However, this estimate is based solely on ODA projects, and accurate information regarding the full NGO landscape in Cambodia remains limited. In October 2020, a proposed NGO census to be carried out by the MoI was cancelled after human rights and advocacy organizations raised concerns that the government would use the information to target staff and activists.

## LEGAL ENVIRONMENT: 5.3



The legal environment governing CSOs moderately deteriorated in 2020, fueled by the adoption of the Law on National Management in the State of Emergency and increased state harassment against human rights defenders, trade unions, and media outlets. The stricter enforcement of the legal framework without meaningful amendments also contributed to the deterioration of the legal environment.

In 2020, 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 (LOT), and the broader criminal codes.

LANGO 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 in the areas in which it intends to operate, including the chief of the sub-district, the governor of the district, or the governor of the province. Both the director and chief of finance of a local CSO must be Cambodian

citizens. INGOs must register by entering into a memorandum of understanding (MOU) with MoFA. An INGO must then sign a project agreement with MoFA before it can begin work. MOUs are valid for three years and must be renewed prior to their expiration in order for the CSO to continue work.

LANGO lacks procedural guarantees and provides the government with significant discretion to determine whether to accept or reject an organization's application for registration. For example, the law allows the government to deny registration of CSOs presumed to harm "national security, stability, public order, culture and good traditions of Cambodian society" and requires that CSOs be neutral to all political parties. In August 2020, seventy-five NGOs submitted a letter to Mol requesting the revision of fourteen articles of LANGO that restrict civic space.

In April 2020, the government signed the Law on National Management in the State of Emergency in response to the COVID-19 pandemic. The law provides the government with sweeping powers over the media and the dissemination of information and bans or limits foreign and domestic travel, gatherings, and professional activities. The law also enables the government to seize property and mobilize or displace populations as deemed necessary, 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. Because Cambodia did not see a significant number of COVID-19 cases in 2020, the law was not invoked during the year. However, as the government may make use of the law as it deems necessary, CSOs feared that it could become a tool to further weaken the role of civil society. This concern was echoed by the International Federation for Human Rights (FIDH) and the World Organization Against Torture (OMCT) in the Observatory for the Protection of Human Rights Defenders 2020 Report. Released in July 2020, the report warned that if implemented, the law would lead to a repression of civil rights, including the freedoms of movement, expression, association, and peaceful assembly.

The FIDH and OMCT report also found that Cambodia's authorities increasingly monitored and interfered with CSO activities in 2020. The Cambodian Center for Human Rights (CCHR) reports that in 2020, 11 percent of CSO and activist assemblies were subject to unlawful state force, a huge increase in such incidences compared to 0.5 percent two years prior. For instance, seventeen CSOs organized a celebration for International Women's Day in March 2020 after obtaining authorization from the Phnom Penh city government. However, local authorities arbitrarily limited tent sizes to 4x6 meters and the number of participants to just 200. Threats from authorities ahead of International Women's Day celebrations were also reported in Pursat and Kampong Speu provinces. In June 2020, young environmental activists were banned from cycling from Koh Kong to Phnom Penh as part of the Save Koh Kong Krao Island initiative.

In February 2020, a group of trade unions and other organizations representing workers issued a joint statement calling for an amendment of the LTU to grant more space for low-paid workers to organize and for unions to support their members. The statement also emphasized that these CSOs were not satisfied with prior amendments to the law, which offered minor revisions in response to their concerns for freedoms of assembly and association.

According to the Cooperation Committee for Cambodia (CCC), "incitement" as defined in Article 495 of the Criminal Code has been used to repress journalists, human rights and environmental activists, trade unions, and government critics. In the Cambodia Fundamental Freedoms Monitor, CCHR reported that between April and December 2020, 384 incidents were recorded involving the repression or violation of fundamental freedoms, including eleven CSO trainings that were ceased or monitored by the government. These incidents peaked in July 2020, with a surge in harassment and arrests of activists following the arrest and incitement charge of prominent union leader Rong Chhun for his remarks regarding the Cambodia-Vietnam border. On September 3, three environmental rights defenders were arrested and later charged with incitement after attempting to organize a peaceful march from Wat Phnom to the prime minister's residence. On September 10, rapper Kea Sokun was arrested and charged with incitement after releasing the songs "Khmer Land" and "Sad Race," which addressed social issues like land grabbing, hunger, and poverty, and encouraged listeners to challenge oppression and corruption. In total, CCHR reported that 217 people were summoned, 85 arrested, and 53 charged for exercising fundamental freedoms between April and December 2020. Human Rights Watch further reported that over sixty journalists, activists, and political opposition leaders were arbitrarily detained in 2020.

Social media posts concerning COVID-19 and its impacts spurred further arrests. FIDH and OMCT reported that more than forty people had been arrested for Facebook posts on the issue between the start of the pandemic and May 13, 2020. The director of TVFB, for example, was arrested in April 2020 and later charged with incitement to

commit a felony after posting about the economic effects of COVID-19 on motorbike-taxi drivers. In June 2020, the publisher of the Cheat Khmer newspaper was arrested and later charged with incitement for a Facebook post criticizing Prime Minister Hun Sen for not providing solutions for those in debt during COVID-19. According to the Cambodia Fundamental Freedoms Monitor, only 28 percent of respondents felt they were able to speak freely on social media between April and December 2020.

There were no notable changes to CSO taxation in 2020. According to the Law on Taxation and Prakas No. 464 MEF.BrK, NGOs are exempt from income taxes if they are exclusively operated for the purposes of religion, charity, science, literature, or education, and no part of their property or income is used for private interests. However, CSO capacity to adhere to the taxation framework remains low, particularly among those at provincial and sub-national levels and community-based organizations (CBOs). CSOs are particularly concerned about the cost of compliance and, at the grassroots level, lack a strong understanding of taxation requirements.

CSOs in Cambodia can raise funds domestically or internationally, provided that they adhere to the relevant legal and taxation frameworks. Some CSOs reported that in 2020, the process of transferring funds from donors or international affiliates to Cambodia-registered CSOs was more difficult. For instance, when some CSOs were not able to provide complete documentation quickly enough, banks refused to approve the transfer and funds were sent back to their point of origin without the knowledge of the locally registered CSOs.

The legal capacity of CSOs remains limited. Some organizations, such as CCC and Transparency International, offer capacity building and legal consultations to CSOs. However, existing capacity-building activities are insufficient to support all CSOs across the full range of levels and sectors. CCC, for instance, has only two legal experts to serve more than 200 member CSOs.

## ORGANIZATIONAL CAPACITY: 4.1

The CSO sector's organizational capacity slightly deteriorated in 2020. In addition to the continuing constraints caused by the political environment and limited available funding, CSOs were further restricted by the impacts of COVID-19. They lacked the capacity to mobilize and provide necessary services due to health restrictions and were limited in their capacity to adopt new technologies and develop needed online platforms during the pandemic. However, the shifting priorities of some CSOs demonstrated resilience in the face of these challenges, offsetting what otherwise could have been greater deterioration in this dimension.

CSOs experienced different challenges as they worked to build and support their respective constituencies in 2020. Those working in traditional service delivery areas such as health, education, and livelihood were directly impacted by COVID-19 and had to alter their activities following the government's guidelines for safety and prevention. Women's advocacy organizations paused their usual community events and instead researched the impact of the pandemic on working women. NGOs in the education field shifted their focus away from training and extracurricular activities and instead helped schools procure personal protective equipment (PPE), sanitize classrooms, and provide students with access to technology during school closures. Those representing workers, however, continued to have in-person contact with constituents in order to ensure workers' rights during the pandemic. By July—the economic trough of the pandemic in the kingdom in 2020—the impact of COVID-19 had caused approximately 150,000 garment workers in Cambodia to lose their jobs, according to the Business and Human Rights Resource Center. According to Khmer Times, around 60,000 workers in the tourism sector also lost their jobs in 2020. Trade unions and workers' associations represented those who had been laid off without proper compensation.

CSOs' goals and missions continue to be heavily influenced by donor priorities, given their dependence on donor funds. However, there were a few cases during the year in which CSOs worked strategically with selected donors to address their constituencies' needs. For instance, the United Sisterhood—a coalition of four organizations

ORGANIZATIONAL CAPACITY IN CAMBODIA



representing sex workers, garment factory workers, farmers, and artists focused on advancing social justice and equity for women workers—only accepted support from donors that buttressed their primary advocacy agenda.

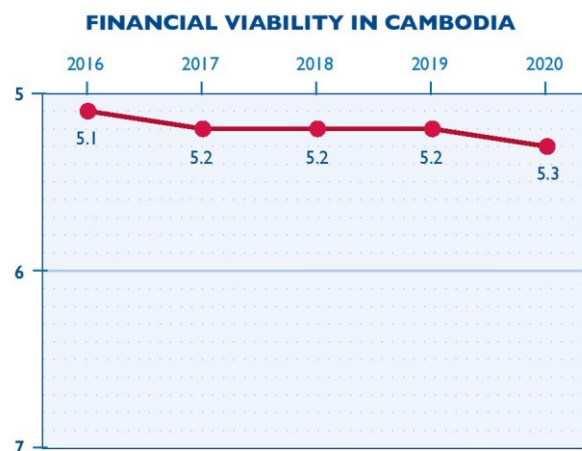
CSOs varied greatly in their capacity to design and implement strategic plans in 2020. INGOs and domestic CSOs working at the national level had sufficient capacity to design and implement their strategic plans. At the provincial and sub-national levels, CSOs modestly strengthened their capacity to set long-term goals and targets compared to the previous year. However, many CBOs, especially in the labor sector, lacked the strategic planning and administrative support they previously received from larger NGOs, as COVID-19 restrictions limited their direct contact. Many CSOs continued to face challenges implementing their strategic plans, a problem that was exacerbated by COVID-19 restrictions and the shift in focus in order to meet constituents' immediate needs.

This same pattern was evident in CSOs' internal management structures, with international and national CSOs typically having the greatest capacity and more clearly defined management structures. According to CCC's CSO Road Map 2020–2025, CSOs under the CCC umbrella have notable limitations in collaboration, capacity, management succession planning, and ownership. LANGO requires CSOs to develop formal management structures, including boards of directors to provide strategic and financial oversight, and organizational regulations for human resource management and other issues. However, the extent to which boards provide support to their organizations varies widely.

CSOs at all levels continued to face challenges retaining and recruiting qualified staff. This is due to the more competitive benefits and salaries offered by the private sector. This trend slowed in 2020, however, partly due to the disruption of the private sector during the pandemic. CSOs working on human rights, political rights, and democracy faced additional staffing challenges due to the continued closing of civic space and increasing threat of harassment. For instance, the Cambodia Food and Service Workers Federation struggled to recruit qualified staff for certain positions, such as advocacy directors and community organizers.

Both domestic and international CSOs, primarily those based in Phnom Penh and Siem Reap, had access to the internet and good information communication technology (ICT) equipment, and they increasingly made use of social media platforms to spread their messages. CBOs in remote villages, however, still faced numerous difficulties in accessing ICT. This gap was increasingly visible in 2020, as COVID-19 forced CSOs to move much of their work to online platforms, presenting serious challenges for those with limited ICT capacity. For example, trade unions and their members had limited ICT capacity, making it difficult for them to mobilize workers, organize meetings, and provide capacity building. While internet affordability, speed, and access are gradually improving in Cambodia, there are still large gaps in digital literacy, especially among rural residents. In addition, activists sometimes avoid online communication due to confidentiality concerns.

## FINANCIAL VIABILITY: 5.3



CSOs' financial viability slightly deteriorated in 2020, joining the legal environment as one of the weakest dimensions of CSO sustainability in Cambodia. Key factors influencing this change include a shift in donor funding toward pandemic relief instead of traditional programming, difficulty maintaining contact with foreign donors, and difficulty accessing financial support and usual fundraising opportunities due to travel restrictions and the shift to online work. Limitations due to ICT capacity particularly impacted provincial and sub-national CSOs.

According to CCC's CSO Road Map 2020–2025, 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 period between one and three years, and 37 percent reported financial support of six months to one year.

CSOs in Cambodia continued to lack diverse sources of funding, posing a significant challenge to their long-term sustainability. They remain heavily dependent on international donor support both to operate (particularly for overhead costs) and to implement programs. Key foreign donors include the World Bank, the Asian Development Bank, the European Union, the Open Society Foundation, and the Asia Foundation, with the United States, Australia, Sweden, and Japan as the leading bilateral donors. In November 2020, the Swedish government announced it would transfer its embassy from Phnom Penh to Bangkok, noting that increasing authoritarianism in Cambodia had impeded the embassy's pursuits of democratic cooperation. Although the announcement stated that the transfer would not affect programmatic operations or funding in Cambodia, over seventy-five local NGOs signed a letter expressing their concern that the move would diminish financial support for their organizations.

In 2020, overall donor funding for CSOs increased, but only CSOs with sufficient capacity in grant writing, financial reporting, monitoring and evaluation, and report writing were able to benefit from that increase. Most of these CSOs were national NGOs and INGOs. CSOs at the provincial and sub-national levels are not yet equipped with the necessary financial and human resource capacities to compete with national NGOs and INGOs. Additionally, much of the funding, including almost all new funding in 2020, was for COVID-19 relief projects or operations. Many NGOs faced more difficulties than normal in securing funding for ongoing or upcoming projects unrelated to the pandemic. For instance, Action Aid Cambodia reported that since the outbreak of the pandemic, 70 percent of its programs have halted. Additionally, many human rights and advocacy organizations that rely on overseas travel to maintain contact with foreign donors faced fundraising challenges.

Donors support CSOs in health, education, social protection, research, human rights, environment, gender, and other areas. Kampuchea Action to Promote Education (KAPE), the largest local education NGO, received \$1 million from the Kinchan Stiftung Foundation. New funding from the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM) allowed volunteer coordinators for Cambodia's Forum Network of People Living with HIV and AIDS and Most at Risk Populations (FoNPAMS) to finally earn a salary. The U.S. Embassy supported the Cambodian Institute for Cooperation and Peace's *Journal of Greater Mekong Studies*, and the Swedish Embassy promised up to \$610,000 to the policy think tank Future Forum between 2020 and 2022.

Beyond international donor support, CSOs generally continued to have few funding opportunities. Domestic resource mobilization was limited in 2020. Some CSOs, like the Youth Resource Development Program and the Cambodian Volunteers for Society, were able to recruit volunteers to support their core work. In 2020, individuals and private companies led initiatives to raise funds supporting COVID-19 frontline workers and communities affected by the economic impact of the pandemic. For example, in October 2020, Wing (Cambodia) Limited Specialized Bank partnered with Oxfam to support over 3,000 workers and community members affected by COVID-19, according to the *Phnom Penh Post*. Cambodia also has a platform for corporate social responsibility, consisting of representatives from CSOs and the private sector, but details on the platform's activities are not publicly available. Trade unions continued to generate modest revenue through membership fees. Given the devastation of COVID-19, however, some trade unions did not collect membership fees or offered discounted fees to their members in 2020.

The majority of Cambodia's CSOs offer services free of charge for their beneficiaries and most CSOs do not have the human resources capacity or expertise to develop sustainable revenue-generating models to cover the costs of their activities. Some local NGOs, such as Cambodian Living Arts, Phare Ponleu Selpak, and Chab Dai Coalition, previously sold souvenirs or tickets to art performances to generate some revenue, but opportunities for such activities were particularly limited in 2020 due to travel and event restrictions. Social enterprises, like many other businesses, experienced economic shocks in 2020. For instance, Friends the Restaurant, which is operated by Mith Samlanh and Friends International, announced its decision to close all restaurants in April 2020 due to COVID-19. The reliance of social enterprises on foreign tourism for support made them particularly vulnerable in 2020 given the global travel bans.

The financial management systems of most CSOs improved in 2020, primarily due to the government's legal compliance requirements and increasing administrative and reporting requirements from donors. Most CSOs undergo at least an annual budget review and audit conducted by an independent external auditor. However, CSOs at the sub-national level and CBOs still have poor financial management systems, caused by a lack of human resources and limited expertise.



## ADVOCACY: 5.1

CSO advocacy deteriorated slightly in 2020. This change was influenced by Cambodia's shrinking civic space, state harassment targeting activists and human rights defenders, and the lack of meaningful platforms to discuss policy and legal frameworks for lobbying.

In 2020, CSOs continued to participate in some formal government cooperation mechanisms, such as the Technical Working Groups (TWGs) on Gender, Planning and Poverty Reduction, Partnership and Harmonization, and Public Administration Reform. Through these entities, CSOs are able to bring their constituencies' concerns to the attention of the government and policymakers. CCC coordinated with its CSO members to gather and provide inputs on the country's progress toward the Sustainable Development

Goals (SDGs) and the National Strategic Development Plan. CSOs also participate in a joint monitoring platform coordinated by UN agencies to monitor Cambodia's development indicators. The degree of CSO influence on policy reforms varies in different TWGs and ministerial committees but depends first and foremost on government approval of CSO involvement in these bodies. The TWG on Gender, for instance, has been particularly promising as the Ministry of Women's Affairs accepted CSOs' comments on the draft Gender Equality Policy and is open to continuing to work with CSOs on the draft policy. Whether or not that evolves into meaningful CSO participation remains to be seen. This degree of influence was not demonstrated in engagements with most other TWGs. However, due to COVID-19, several TWGs and other meetings between CSOs and the government were postponed or cancelled.

CSOs utilize different advocacy strategies, including joining coalitions, negotiating with government representatives, and exchanging perspectives through workshops or public forums. In 2020, CSOs carried out policy advocacy through thematic groups, including the NGO Forum, the CCC, the Health Action Coordinating Committee, the NGO Education Partnership, the NGO Committee on the Rights of the Child, the 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.

In 2020, NGO CEDAW and its network advocated for women's rights and dignity through gender equality policies such as Cambodia's gender assessment, the first Gender Equality Policy, the National Action Plan to End Violence against Women, and CEDAW. These CSOs mainly conducted meetings, dialogues, and workshops with government agencies both online and offline to lobby and advocate for policy reforms. Several women's empowerment NGOs also submitted a joint statement condemning the draft Law on Public Order released in July 2020, which seeks to regulate citizens' conduct, including their choice of attire, in public spaces. The regulation would likely be disproportionately applied against women and perpetuate harmful stereotypes.

Some CSOs employ a more public approach towards advocacy. In 2020, this was particularly true of CSOs working on labor rights and human rights, including trade unions and workers' associations. Their advocacy approaches included both protests and negotiation with relevant stakeholders to demand fair compensation for workers affected by companies' suspension or closure in 2020. These actions were often met with harassment by private companies and state authorities. In fact, the president of the Cambodian Labor Confederation told Voice of America that "the harassment incidents in 2020 were the worst in the past twenty years." Union activists were dismissed from employment and contracts were suspended, while employers claimed that those dismissals and suspensions were due to the impact of COVID-19. For instance, three trade union activists from Le Meridien Angkor Hotel were fired in July 2020 without proper compensation after they collected thumbprints (in place of signatures) of union members who disagreed with the company's unilateral reduction of staff salaries by 30 percent. This case has not yet been resolved by the Siem Reap Provincial Department of Labor and Vocational Training. Many CSOs remain reluctant to take a hard approach to advocacy, given fears of reprisals and the continuing threat of state harassment.



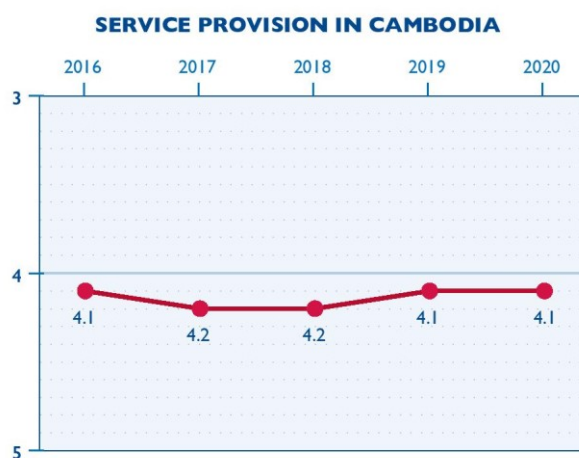
Advocacy around the COVID-19 crisis was particularly difficult. The Law on National Management in the State of Emergency, signed in April 2020, granted the government sweeping powers to censor anything deemed to incite “panic and chaos.” Organizations and news outlets that published information about the impacts of COVID-19, like diasporic media outlet Monoroom.info, were blocked. In March 2020, the head of the Cambodian League for the Promotion and Defense of Human Rights (LICADHO) was threatened with arrest after criticizing the government’s response to the pandemic. A month later, over 300 CSOs, activists, and community groups called for the government to respond to the growing debt crisis that had been exacerbated by COVID-19. In response, the government detained nine community representatives as it sought to determine which organizations had organized the petition. Between the outbreak of COVID-19 in Cambodia and May 2020, it was reported that about forty people had been arrested for Facebook posts about the virus, including four journalists jailed for eighteen months on incitement charges. As a result, local CSOs were extremely cautious when making comments regarding COVID-19, severely limiting their ability to advocate on behalf of constituents struggling under the pandemic’s impact.

The government continues to stifle environmental advocacy in Cambodia. In July 2020, Rong Chhun, the president of the Cambodian Confederation of Unions, was arrested after making a statement on the displacement of farmers on the Cambodia-Vietnam border. In August and September 2020, several others were arrested after calling for his release. Three activists working with the local NGO Mother Nature Cambodia were arrested after making a video about the filling of Boeung Tamok lake. In September, over 1,000 victims of land grabbing marched in front of the Ministry of Land Management, and the Coalition of Cambodian Farmers Community (CCFC) and Equitable Cambodia released a statement asking the government to resolve displacement complaints. Earlier in the year, a settlement was released in response to another CSO complaint on behalf of 1,200 victims of land grabbing in Kampong Speu province, but many saw the resolution as insufficient compared to the land and assets lost by local villagers.

CSOs lobbied policymakers and lawmakers to reform legal and policy frameworks by delivering petitions, attending TWGs, and producing research papers and joint statements. For instance, in August 2020, sixty-five CSOs issued a joint call to discard the draft Law on Public Order, arguing that it would restrict freedoms of expression, association, and assembly.

CSOs continued to advocate for reform of the legal frameworks governing CSOs, including LANGO, LTU, and LOT. CSOs have channeled their advocacy through CSO umbrella organizations such as the NGO Forum and CCC. In February 2020, 100 NGOs and associations signed a joint statement calling for the complete repeal of LANGO. While the government rejected this statement, it remains open to discussion with civil society representatives.

## SERVICE PROVISION: 4.1



CSO service provision remained unchanged in 2020. Though some traditional services were disrupted or made impossible by COVID-19 restrictions, CSOs were immediately responsive to the needs of their communities.

The majority of CSOs in Cambodia engage in service delivery. CSOs working in different sectors faced a variety of challenges providing services during the pandemic. As discussed above, CSOs working in more traditional service areas, like health and education, experienced disruption during the pandemic. In early March 2020, schools closed across the nation; many did not re-open until November 2020, only to be shuttered shortly after due to a COVID-19 outbreak. Educational NGOs like KAPE pivoted their programming from

scholarships and teacher trainings to distributing COVID-19 survival kits and assisting schools to record video lessons. Health Action Coordinating Committee (HACC), Cambodia’s local and international health NGO

network, was unable to hold member organization meetings due to pandemic restrictions, severely impacting the coordination of health NGOs' efforts in the face of the pandemic. Khmer HIV/AIDS NGO Alliance (KHANA) was also forced to slow all field activities focused on HIV and tuberculosis education, prevention, and treatment due to COVID-19 restrictions. Trade unions and worker associations remained active, representing and supporting their members affected by COVID-19. Various new civil society programs emerged in 2020 to offer educational services through digital platforms. For instance, the Asia Foundation and eleven local NGOs partnered with the Ministry of Education, Youth, and Sport (MoEYS) in a national e-reading initiative, #ReadEveryday, which included access to a free digital library.

Only 7 percent of CSOs work on advocacy, human rights, and democracy, and they were frequently targeted by the government with various restrictions, according to CCC's 2020 study. CSOs in the knowledge sector continued to produce new research in 2020, including publications on the economic and short- and long-term effects of COVID-19 and two books on imaginative futures for Cambodia. The Cambodian Institute for Cooperation and Peace, the kingdom's oldest think tank, launched a new publication, The Journal of Greater Mekong Studies, to promote multi-stakeholder discussions about critical issues facing the region. In 2020, several new CSOs also provided educational services through digital media platforms. StayHome provided information on COVID-19, while Puthipol provided information on financial literacy. CSOs also expanded work on capacity building for young people in the fields of science and technology. For example, the Tux Global Institute was established in 2020 to offer tuition-free education in technology and engineering.

CSOs continue to strive to reach broader audiences through their work and publications. However, services are mainly offered in the Khmer language, making access difficult for minority groups like the ethnic Vietnamese community that are not fluent in Khmer. Digital and online platforms also may not reach the relatively isolated communities that are the primary home of Cambodia's indigenous and rural populations.

Most of Cambodia's CSOs offer services free of charge for their beneficiaries, with financial support from foreign donors. The public still expects most CSO services to be free and most CSOs lack the capacity to develop sustainable revenue-generating models to cover activity costs.

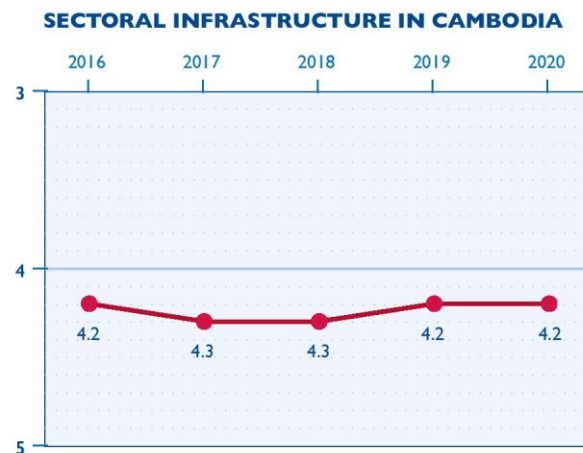
CSOs garnered mixed responses from the government in 2020 based on their sector and types of services: CSOs offering services in fields like health and education gained recognition from the government, while those working on human rights and democracy were often labeled as opposition groups. For instance, while MoEYS partnered with NGOs to expand digital education resources, the Ministry of Environment threatened the Prey Lang Community Network (PLCN) and Cambodia Human Rights Task Force (CHRTF) with legal action for tracking deforestation, claiming that they were hiding political motives under the guise of environmental monitoring.

## SECTORAL INFRASTRUCTURE: 4.2

The infrastructure supporting the CSO sector remained unchanged in 2020. This consistency is attributed to continuing collaboration within the sector and ongoing capacity-building support from umbrella NGOs.

Several national and foreign NGOs continued to support capacity building among CSOs in 2020. For instance, the Center for Alliance of Labor and Human Rights (CENTRAL) offered training to trade unions on the labor movement and the legal framework governing labor rights in Cambodia, and CCC offered training for provincial and sub-national CSOs on tax compliance. However, COVID-19 restrictions caused difficulties in sustaining programs with local NGOs.

There are still no dedicated local grant-making organizations that award locally-raised funds to other CSOs, though a few organizations distribute foreign-funded grants. For instance, Oxfam supported a wide variety of national and sub-national CSOs working on agriculture, livelihood, human rights, and social protection,



maintaining a strong focus on “unheard voices” and the most marginalized segments of the Cambodian population. Grants through the Asia Foundation allowed the Hapswell Foundation and KAPE to fund more education scholarships for young women from impoverished areas.

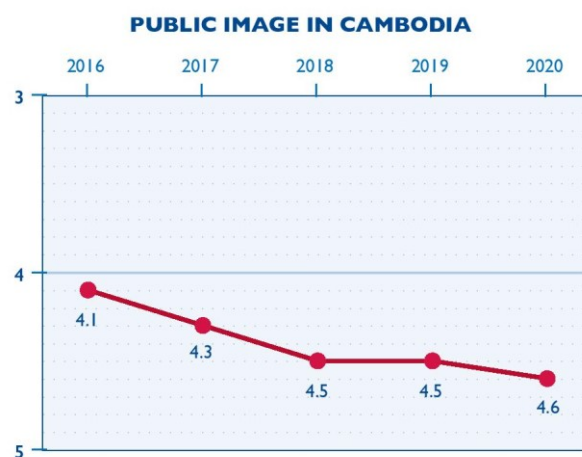
Though the challenges presented by COVID-19 limited opportunities to build new coalitions in 2020, CSOs continued to form coalitions and umbrella networks to carry out advocacy programs, as discussed above. The effectiveness of those networks depended on their sectors and the government ministerial committees with which they engaged. Coalitions and networks working on service delivery had greater space to engage and influence policy, while coalitions working on human rights and democracy were less successful in achieving their desired outcomes.

As everything shifted to virtual platforms under the pandemic, CSOs with sufficient technological and language abilities were able to attend more free online trainings, but smaller CSOs with limited technology or English fluency faced difficulties in pursuing capacity-building opportunities. A few institutions, such as the capacity-building NGOs VBNK, CCC, and the NGO Forum, continued to offer training opportunities to CSOs. Some foreign NGOs also offered capacity-building services to local partners. The Solidarity Center, for example, provided training on workers' rights and the labor movement to its trade union partners in Phnom Penh and other provinces. International digital education platforms, such as Edx and Coursera, also offer CSO-related courses on topics such as project management, results-based management, monitoring and evaluation, grant writing, and crowdfunding. As a result of limited ICT capacity, most trade unions and workers' associations did not conduct meetings or training in 2020.

Limited collaboration and intersectoral mistrust remained challenges for CSOs in 2020, according to CCC's CSO Road Map 2020–2025. While CSOs in the knowledge and education sectors were able to collaborate on research about COVID-19's impact and efforts to transition to digital learning, other CSOs saw a drop in collaboration due to the lack of in-person networking.

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## PUBLIC IMAGE: 4.6



hygiene.

The public was increasingly skeptical about CSO activities in 2020. In the wake of COVID-19, CSOs were seen as less reliable by the public because some CSOs did not have the capacity to meet all of their constituencies' needs. That lack of capacity and challenges presented by COVID-19 undermined CSO credibility. This decrease in trust was compounded by the continuing patron-client nature of Cambodian politics. Particularly in the realm of human rights and advocacy, there is a public misattribution of CSO activities as either “activities of a color revolution” or “activities at the behest of the state.” Since the 2018 crackdown, people fear that if they support CSOs, they will inadvertently become targets of the government. CBOs, however, are more positively perceived because the public has a clearer sense of the services they provide.

The public image of CSOs deteriorated slightly in 2020. Although CSOs increasingly engaged on social media, public skepticism of CSO work grew and was exacerbated by continued lack of media coverage and limited recognition of CSOs working on human rights and democracy.

Media coverage remained limited in 2020, but CSOs working on issues related to COVID-19 received some media attention. Social media personalities also played an active role in awareness-raising and providing information to the public in 2020, tackling issues like reproductive health, plastic usage, and climate change. Several female media figures, such as Green Lady Cambodia and Breakthrough, also used social media to raise awareness of women's rights, washable sanitary pads, and feminine

CSOs working to deliver services complementing those of the state—including education, health, social protection, and the knowledge sector—are welcomed by authorities at all levels. The government is open to working with some of those CSOs and has integrated these organizations into various TWGs, particularly if they aligned with SDG target areas. However, government officials continue to view other CSOs, especially those focused on human rights, as being aligned with former opposition party members and practices, and thereby view them as a challenge to their rule and stability. The private sector continues to be wary of partnering with or making public statements regarding CSOs as they are focused on preserving a neutral image.

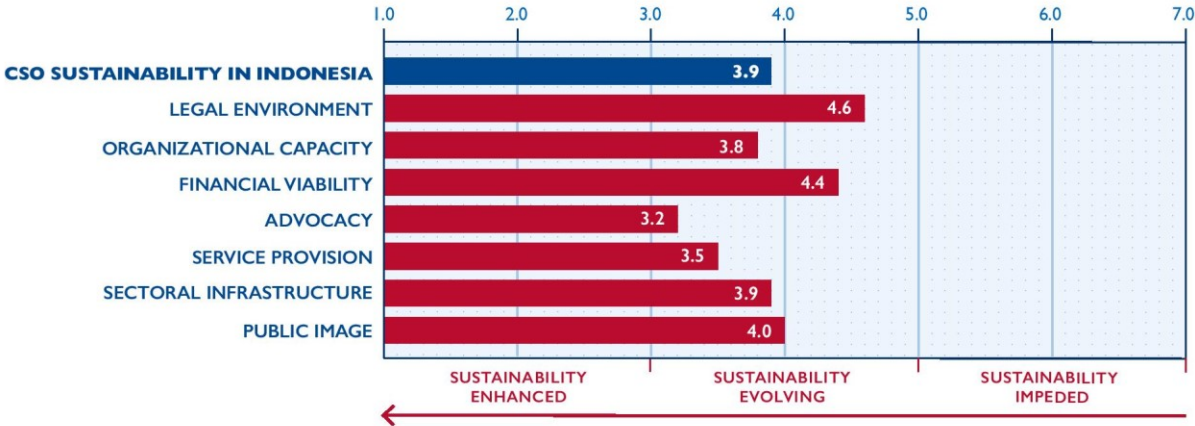
CSOs increased their visibility on social media in 2020 as many turned to digital alternatives in response to pandemic restrictions on in-person events. Increasing visibility on social media platforms included sharing updates, hosting live conversations through Facebook, and conducting online awareness-raising programs. Most CSOs have created social media profiles to update their constituencies on project implementation and communicate their work to the public. Facebook remains the most popular online platform and is nearly ubiquitous in Cambodia.

Only a few CSOs issue annual reports. Although most NGOs are required to submit annual reports to MoI, few make them publicly available. The NGO Governance and Professional Practice (GPP) guidelines, introduced by CCC in 2004, continue to promote good governance and accountability in the sector.

# INDONESIA

**Capital:** Jakarta  
**Population:** 275,122,131  
**GDP per capita (PPP):** \$11,812  
**Human Development Index:** High (0.718)  
**Freedom in the World:** Partly Free (59/100)

## OVERALL CSO SUSTAINABILITY: 3.9



Marked by the COVID-19 pandemic, 2020 was a year of health, economic, and social crises in Indonesia.

Following the general elections in early 2019, President Joko Widodo (Jokowi) installed the Onward Indonesia Cabinet (*Kabinet Indonesia Maju*), the broadest governing coalition cabinet since the start of the reform period in 1998. The government was remarkably stable during 2020, despite the significant political, social, and economic turmoil in the country.

A proposed Omnibus Law on Job Creation spurred strikes and demonstrations in several regions, in addition to criticism voiced through social media. In just days after the proposed law was first published, a petition initiated by six religious leaders received one million supporting signatures, calling for the rejection of the law and a motion of no confidence in President Jokowi. Nonetheless, the law was passed on October 5 and enacted in November 2020.

In April 2020, the Minister of Health issued a national decree aimed at preventing the spread of COVID-19. Rather than setting national requirements, the decree empowered sub-national leaders to impose restrictions on businesses, travel, freedom of assembly, and other activities based on the severity of the pandemic in each region. The decree also empowered the military to enforce health protocols, reflecting the fact that the National Disaster Management Agency is traditionally headed by an active general. By the end of 2020, Indonesia had confirmed 743,198 cases of COVID-19, resulting in over 22,000 deaths.

The pandemic had a significant impact on the economy. The Indonesian Central Bureau of Statistics estimated a 2.07 percent decline in economic growth in 2020, the steepest drop of the past two decades. By August 2020, 9.77 million people in Indonesia were unemployed, an increase of 2.67 million compared to the previous year. Government funds were reallocated from several budget areas in 2020 and reprogrammed for COVID-19 response and relief. According to the State Development Audit Agency, the government’s COVID-19 relief funds in 2020 totaled more than IDR 800 trillion (\$571,428,571).

Though CSOs faced real challenges during the pandemic, some also saw it as a “blessing in disguise,” spurring increased activism and a clear role for CSO leadership in a time of crisis. CSOs worked to assist those facing increased challenges due to the pandemic, raised funds and support for vulnerable populations, and efficiently channeled that support to those most in need. CSOs were also innovative in their methods in 2020, embracing the shift online for activities ranging from communication with their constituents to fundraising.

In this context, the overall sustainability of CSOs in Indonesia remained unchanged in 2020. Four of the seven dimensions improved slightly—reflecting CSOs’ resiliency and responsiveness during the COVID-19 crisis—while one remained unchanged and two recorded deteriorations. Service provision improved due to CSOs’ swift and collaborative emergency relief services. The sectoral infrastructure of CSOs also met the challenges of 2020, as many national level CSOs took on roles as intermediary support organizations (ISOs) and the shift to online platforms enabled training to reach a wider audience. Organizational capacity similarly benefited from growth online and increased constituency building, while the public image of CSOs improved with positive media coverage of CSOs’ COVID-19 relief activities. On the other hand, financial viability deteriorated slightly due to wider economic declines. The legal environment remains the weakest dimension, deteriorating moderately in 2020 due to inconsistent registration issues, increased arrests, and narrowing space for freedom of expression and association. Advocacy remains the strongest dimension, unchanged in 2020 as CSOs counteracted the impact of COVID-19 restrictions by shifting their advocacy to virtual platforms.

According to the Ministry of Home Affairs (MOHA), only 2,031 CSOs newly registered or renewed their registrations in 2020, significantly less than in the previous year. This decline was probably due to obstacles to registration during the pandemic. There were a total of 431,465 CSOs registered in Indonesia as of November 2019, suggesting approximately 433,500 in 2020, but MOHA has not yet announced 2020 data. Some local government authorities also collected data, which are included in the national numbers. For instance, 148 CSOs were registered in Kapuas Hulu District in the Province of West Kalimantan and 405 in East Lombok Regency in the province of West Nusa Tenggara.

## LEGAL ENVIRONMENT: 4.6



The legal environment for CSOs in Indonesia deteriorated moderately in 2020 and remains the weakest dimension of CSO sustainability. The decline was fueled by three factors: government inconsistency in adhering to due process in the registration and dissolution of CSOs; increased arrests of CSO activists and threats of violence through social media; and increasing intolerance and identity politics that narrowed the space for freedom of association and expression.

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

CSO registration is further regulated by MOHA Regulation No. 57/2017 concerning Registration and Management of Societal Organization Information Systems. CSOs with legal status must first 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. In practice, however, many CSOs in Indonesia do not have either legal status or an SKT. The Directorate General of National Unity and Politics in Kapuas District, Central Kalimantan Province, noted that out of 148 organizations, only 21 had SKTs and 12 had legal status. Some smaller CSOs at the district level are not legally incorporated simply because the process is cost prohibitive. Others refuse to obtain SKTs, viewing them as a tool of political control and arguing that they should be abolished because CSOs are sufficiently regulated by other laws. Some CSOs also consider SKTs or legal status necessary only for cooperation with the government or national and international institutions. The requirements for receiving an SKT are relatively simple and free of charge, but each CSO is required to renew its SKT every five years.

In late 2019, the Islamic Defenders Front (FPI) was denied the renewal of its SKT, and in December 2020, MOHA effectively banned the group, stating that FPI’s activities had violated the law and caused public disorder. The government further claimed that members of the group had engaged in terrorist activities. FPI’s dissolution was confirmed by a joint ministerial decree later that month. Other CSOs were divided in their responses to the case.

While some agreed with the government's decision to dissolve the hardline group, others stressed that it ignored the principles of due process of law—even while they agreed that the government crackdown on violent groups was a positive step. They further argued that registration should be voluntary, making the absence of an SKT insufficient reason to dissolve an organization. Those that agreed with the dissolution, however, argued that FPI was not really a CSO and was instead a political movement organization, as it did not adhere to principles of non-partisanship and non-violence.

Freedom of expression was challenged in 2020, particularly due to the application of Law No. 19/2016, concerning amendments to the Law on Electronic Information and Transactions (ITE). CSOs consider articles within the ITE Law too flexible, allowing the law to be misused to restrict free speech. SAFEnet, a nonprofit organization that focuses on freedom of expression, reported eighty-four criminal cases against citizens in 2020. Of these, sixty-four involved violations of Law No. 19/2016, with most of the complaints originating from government officials, agencies, and investors. 2020 also saw an increase in the arrest of CSO activists, in addition to threats from social media “buzzers,” or influencers. For instance, eight activists from the Indonesia Rescue Action Coalition (KAMI) were arrested for alleged violation of the ITE Law after publicly criticizing the ratification of the Omnibus Law on Job Creation.

Amnesty International Indonesia further reported forty-three incidents of police violence in response to student and laborer demonstrations against the Omnibus Law in October and November 2020. The increased violence, threats, and arrests notably impacted the public perception of freedom of expression. According to the Indonesia Political Indicator Survey, 47.7 percent of respondents agreed somewhat that citizens are increasingly afraid to express opinions, while 21.9 percent agreed strongly.

In 2020, CSOs working on issues of gender equality and justice in Aceh and West Sumatra experienced increased social and political repression and faced intimidation from the sharia police, especially in Aceh. This severely restricted space for criticism or advocacy around women's rights. Local activists reported instances of verbal harassment and social and political pressure to conform, particularly in terms of how to dress, including the wearing of hijabs. Often, this resulted in self-censorship. Government supervision of CSOs also tightened in early 2020 with MOHA's issuance of Guidelines for Monitoring and Reporting of Community Organizations. The guidelines were distributed to governors and mayors and aimed to improve the accountability of societal organizations, maintain peace and order, and prevent the financing of terrorism. While some CSOs reported that they were unaware of the new guidelines, because none had been visited or evaluated in 2020, the potential impact of the circular is not yet clear.

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

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 a foundation's economic activities is taxed and must be used entirely for program sustainability and the financial independence of the organization.

MOHA Regulation No. 30/2008 regulates the procedures for public organizations to receive assistance from foreign parties. The regulation specifies that a public organization must be registered in order to receive foreign assistance, and that MOHA must approve the plan for accepting foreign assistance. However, these rules are not fully implemented and most CSOs do not follow them, although a few donors do require their grantees to receive government approval.

Presidential Regulation No. 16/2018 on Public Procurement introduced a new type of self-management procurement, regulating CSOs' opportunities to participate in the procurement of certain types of government goods and services. COVID-19 relief efforts were implemented largely through that mechanism, and through MOHA Circular Letter No.440/2622/SJ on the Partnership of Local Government with Mass Organizations. These policies enabled the inclusion of CSOs in COVID-19 relief efforts in 2020. For instance, following the Circular Letter, the Aceh Provincial Government issued a decree on COVID-19 relief that ultimately enabled 100 institutions to receive funds for support efforts. However, many of those were student organizations, religious



organizations, or politically-affiliated groups, and few CSOs funded by the Aceh decree could be considered inclusive or adept in community empowerment.

A number of CSOs at the national and regional levels have sufficient capacity to represent CSOs in legal proceedings. This includes the Indonesian Legal Aid Foundation (YLBHI) at the national level and Legal Aid Service (LBH) at the provincial level, in addition to the Indonesian Legal Aid Association (PBHI) at the national and regional levels.

## ORGANIZATIONAL CAPACITY: 3.8

The organizational capacity of the CSO sector improved slightly in 2020—a notable achievement, given the challenges of the year. This improvement was spurred primarily by an increase in CSO constituency building, including the use of social media and WhatsApp groups to communicate with the public during the COVID-19 pandemic. The spirit of volunteerism spurred many CSO activists to turn to pandemic relief activities in 2020, and many CSO resources were redirected to help prevent the spread of COVID-19. While this strained CSO capacities in some respects, it also highlighted the strength of their relationships with and responsiveness to those in need.

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

In order to continue their activities and maintain a strong relationship with constituents, many CSOs provided assistance online. While online communication with constituents and network partners did not always allow for the usual quality of engagement, it was necessary in light of COVID-19 restrictions and enabled CSOs to reach their audiences regardless of distance. This shift to online communication ultimately improved constituency building for some CSOs, which took advantage of the opportunity to communicate more frequently with their beneficiaries. For instance, in August 2020, the School of Agrarian Sovereignty (SKA) held two online workshops on agrarian and food sovereignty, particularly aimed at minimizing food imports. SATUNAMA Yogyakarta also provided online technical assistance in 2020, focusing on the village forest management program in Jambi and the livelihood program in West Papua.

CSOs' capacity for strategic planning increased in 2020 and is predicted to continue increasing in the coming year. For example, the MADANI project, supported by USAID and implemented by FHI 360, worked with at least thirty-two CSOs in six provinces to increase their strategic planning capacity and formulate or renew their visions, missions, and work programs for the coming years. Others, like the Suara Kita Institute, carried out their usual strategic planning online.

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 an individual CSO. The Institute of Rural Technology Development (LPTP), for instance, held an Executive Board Planning Coordination Workshop at the end of 2020 to support cross-sectoral coordination and more regular communication between the organization's board and executives. The MADANI project also works with its local partners to strengthen internal management through the creation of standard operating procedures (SOPs). Each CSO in the program must develop monitoring, evaluation, and learning plans. CSOs do not have the resources to measure their success through the use of external evaluators but do put together internal teams to conduct evaluations.

Staffing and recruitment remain particular concerns for CSOs. Many CSOs work on a project basis, making it difficult to retain staff. City or district CSOs are generally less likely to have full-time paid, educated, and skilled



staff. Those smaller CSOs are also less able to invest in the capacity of their staff. Instead, some CSOs recruit volunteers to bolster their staff capacity. Facing financial limitations, some CSOs were also unable to pay members of their staff, ultimately increasing the number of “volunteers” that they relied upon. According to the Indonesian NGO Council, out of forty CSO websites, six promoted volunteer opportunities. In some cases, volunteer assistance was integral in enabling CSOs to carry out their programs in 2020 and contribute to COVID-19 prevention and relief.

Some local CSOs, especially those in rural areas, still have limited access to information and communications technology (ICT) and many lack the hardware, bandwidth, and technical skills for online-based work. However, the pandemic forced a significant increase in CSOs’ technical capacity and use of online tools. Meetings and seminars that previously would have faced financial constraints became more frequent in 2020 thanks to the increase in online meeting platforms. For example, Suara Kita was able to involve all stakeholders, including constituents, in its online strategic planning process. CSOs also increased their use of online communication and social media, especially in urban areas.

## FINANCIAL VIABILITY: 4.4



The financial viability of CSOs in Indonesia had been improving since 2017, characterized by increasingly diversified sources of funding. The financial impact of the COVID-19 pandemic, however, resulted in an inevitable, though slight, deterioration in 2020.

According to research conducted by the International NGO Forum on Indonesian Development (INFID) at the end of 2020, 72 percent of CSOs surveyed experienced financial setbacks in 2020 due to the COVID-19 pandemic. Of those, 23 percent reported that their financial setbacks had reached critical levels. The most impacted CSOs are those engaged in issues of strengthening tolerance (52 percent) and the environment (44 percent). A number of CSOs further reported that they are in danger of disbanding due to an

absence of donors in 2020, both foreign and domestic.

In the face of these problems, CSOs continued their attempts to diversify their sources of funding. To collect public donations, a CSO must obtain permission from the Ministry of Social Affairs and publish information about the donation on its website or social media account as a “donation receipt.” Many CSOs turned to local sources for funding in the midst of the pandemic. For instance, the Confederation of Indonesian Trade Unions (KSBSI), which previously relied on member contributions of 1 percent of every member’s salary per month, undertook new fundraising efforts after many workers were laid off during the pandemic, submitting grant proposals and requesting food donations for members. Though KSBSI’s efforts recognized the need for diversified sources of funding, they were largely unsuccessful by the end of the year. Suara Kita’s fundraising efforts met with greater success; the organization worked to support community empowerment programs by buying and selling used goods such as clothes and shoes. Local philanthropy also remains an important source of funding, especially by religious organizations such as the national-level zakat organization LAZISMU.

To receive funds from state and regional budgets, a CSO must be a legal entity and have an SKT. CSOs received government grants in 2020 in accordance with MOHA Regulation No.123/2018. The Tulungagung City Government, for instance, distributed grants to fifty-two CSOs in 2020, with a total value of IDR 1.2 billion (approximately \$82,200). Two organizations in Bengkulu Province received grants of IDR 1 billion (\$68,500) each. Seventy-three organizations received grants from the Tanah Laut District, with a total value of IDR 7.3 billion (approximately \$500,000). CSOs also competed for national level grants in 2020, including an educational program through the Ministry of Education and Culture with a total budget of IDR 595 billion (nearly \$41 million). For that program, 156 organizations were awarded grants ranging from IDR 20 billion (\$1.38 million) to IDR 1 billion (\$69,000).

The COVID-19 pandemic spurred a new mechanism for channeling government funds to CSOs, a positive development in an otherwise challenging year. In October 2020, MOHA issued Circular Letter No. 440/5538/SJ on the Partnership of Local Governments and Mass Organizations to accelerate COVID-19 relief. This offered an important funding opportunity for CSOs, which could apply through the Type 3 self-management mechanism described above for participation in the procurement of government services.

Foreign assistance has continued to decline since 2008, when Indonesia joined the G20. In 2020, the World Bank ranked Indonesia as an upper middle-income country, potentially impacting how development partners support Indonesia moving forward. Still, several international NGOs and governments provided funding for CSOs in 2020. For example, the World Bank and the Indonesia Climate Change Trust Fund (ICCTF) launched a program for Coral Reef Rehabilitation and Management (COREM), running from March 2020 through February 2022. The government of New Zealand issued a call for proposals for capacity building, and the European Union (EU) granted IDR 86 billion (\$5.9 million) to eight CSOs in Indonesia for COVID-19 relief programs. The government of Japan also provided financial support in 2020.

Funding through corporate social responsibility (CSR) programs remains common but not entirely reliable. The Indonesian NGO Council also found that CSR is commonly misinterpreted as a source of funding only for projects directly related to the company, not as a means of strengthening the broader community.

Several CSOs continue to earn income by selling their products and services. For instance, the Indonesian Society for Social Transformation (INSIST) has a bookstore, Yayasan Satu Karsa Karya (YSKK) offers consulting and training services, and the SATUNAMA Foundation offers consulting and training and rents out lodging facilities. However, these income opportunities were limited in 2020 given the shift to online-only training and the wider economic downturn.

Most CSOs are able to practice adequate financial management, and financial management systems are improving, especially among CSOs that benefit from donor-funded capacity-building programs. For example, the MADANI program worked to improve local CSO financial management through the development of financial SOPs. The Law on Foundations requires foundations that have received 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. However, some CSOs cannot afford the fees of public accountants.

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## ADVOCACY: 3.2

Advocacy remains the strongest dimension of CSO sustainability and was unchanged in 2020. CSOs successfully transferred their lobbying and advocacy strategies from the streets to social media, allowing them to shape public opinion, influence stakeholders, and engage in strategic dialogues through virtual platforms. However, these positive developments were counteracted by COVID-19 restrictions and increased violence, threats, and arrests in 2020.

CSOs are often involved in the process of designing policies at the national and local levels, though this was somewhat reduced in 2020 due to COVID-19 restrictions and government difficulties in moving the process online. Many regulations were adopted in response to the pandemic but often with minimal CSO participation. This problem was particularly pronounced at local levels. At the national level, a coalition initiated by INFID, the Secretariat of the Inter-Network of Civil Society Organizations (SEJAJAR), and LinkLSM, succeeded in encouraging the issuance of several circulars around COVID-19 regarding the procurement of goods and services and CSO partnerships with regional governments, as described above.



The advocacy agenda in 2020 was dominated by the Omnibus Law on Job Creation, which was strongly opposed by over forty CSOs. CSO coalitions at national and regional levels continued to object to the law, which was approved with little input from the public. While the law is aimed at reducing regulations and creating jobs, critics warn that it could damage labor unions and job security, may further centralize power in Indonesia, and ignores possible environmental impacts, threatening to close the space for public participation in investment and business development. Once the bill was passed in October and enacted in early November, advocacy expanded from public demonstrations to a judicial review lawsuit at the Constitutional Court, initiated by several CSO coalitions. The Constitutional Court held its first hearing on the lawsuit in November 2020 and the case was ongoing at the end of the year. The thirteen-member CSO coalition on human rights also delivered a press release at the end of 2020, calling for the cancellation of the law.

As discussed above, however, police violence in response to the demonstrations against the Omnibus Law, together with CSOs' concerns around the misuse of the ITE law, notably harmed perceptions of free speech in 2020. Police guidelines on cybercrimes related to COVID-19 also threatened free speech and advocacy around the government's response to the pandemic.

Advocacy by the women's movement remained strong in 2020, particularly pushing for the discussion or ratification of various policy agendas, including the draft Elimination of Sexual Violence Bill and the Bill on Protection of Domestic Workers. As of November 2020, advocacy initiatives succeeded in adding the draft Elimination of Sexual Violence Bill to the National Legislation Program, the first step toward passing the law. The women's movement also actively advocated against the Omnibus Law and the Bill on Family Resilience. Their advocacy in 2020 expanded through online platforms like Zoom, Google Meet, and social media.

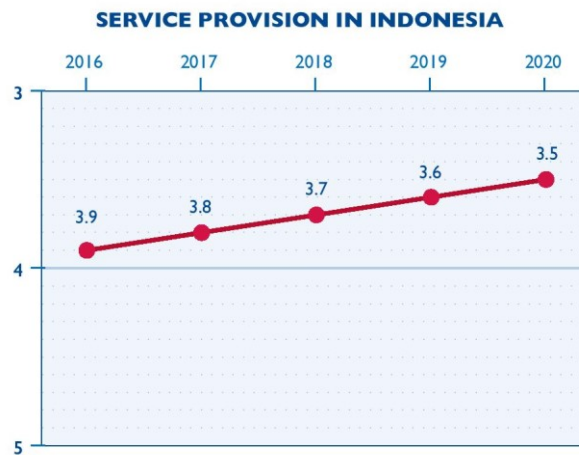
A coalition of CSOs concerned with issues of transparency and the public budget also strengthened its work in 2020, coordinating to produce policy briefs and research publications. The coalition included INFID, the Indonesian Forum for Budget Transparency (FITRA), Indonesia Corruption Watch (ICW), and Transparency International Indonesia (TII). The government welcomed the role of CSOs in guarding the transparency of public budgets, recognizing the strength of the coalition's data-driven and systematic efforts. At the national level, the transparency of planning and budget discussion processes is bolstered by Open Government Indonesia (OGI). Eleven CSOs participate in the Civil Society Coalition for the Open Government Partnership (OGP). As part of that process, they are now preparing the OGI Action Plan 2020–2022.

To strengthen lobbying and advocacy on public policies at the national and regional levels, the Indonesian Civic Engagement Alliance (CEA) Coalition and several other CSOs carried out various studies and discussions to provide input to the government, especially on policies that might have a negative impact on society. Policies under review in 2020 included the Presidential Regulation Draft on the National Action Plan for Human Rights and the implementation of business principles and human rights.

CSOs continued to lobby and push for open government and due process at regional levels, in addition to their national efforts. For example, CSO networks in South Sulawesi, led by the Swadaya Mitra Bangsa Foundation (YASMIB), responded to and oversaw the implementation of government policies related to COVID-19. CSOs also continued to assist stakeholders at the village level to increase participation in local development planning, starting with the involvement of community representatives in Development Planning Consultations (MUSRENBANG) at the village, subdistrict, district, and provincial levels. In 2020, five local governments joined OGI discussions.

CSOs successfully advocated for the reform of CSO-related laws in 2020. Most notably, a coalition of CSOs lobbied for easier access to government funds for COVID-19 relief activities, resulting in the MOHA Circular Letter No. 440/5538/SJ on the Partnership of Local Governments and Mass Organizations in October 2020. CSOs also continued discussions around the penal code, actively addressing each article of the bill; those discussions have been ongoing since the fall of the Suharto regime.

## SERVICE PROVISION: 3.5



CSO service provision slightly improved in 2020, as it has consistently done since 2016, as CSOs demonstrated their efficiency and responsiveness in providing emergency services around COVID-19. In the early months of the pandemic, however, many traditional CSO services were stopped. As it became apparent that the crisis would be ongoing and regular services such as legal assistance remained critical, many CSOs worked to find a balance between traditional service provision and emergency relief.

Responding as they would to any natural disaster, CSOs with a wide network base—including the Indonesian Red Cross (PMI), Muhammadiyah, and the SEJAJAR Coalition—played an active role in supporting COVID-19 relief at central, regional, and village levels. Their

assistance ranged from health education to the distribution of masks, hygiene supplies, and food. In 2020, PMI mobilized 23,000 volunteers in response to the pandemic, 80 percent of whom were non-medical personnel. In addition to direct assistance, CSO volunteers supported by the Indika Foundation built the website KAWAL COVID-19 (Monitor COVID-19), which pooled government and independent resources to provide data and information about COVID-19.

CSOs also continued to develop and expand their regular missions and services, adapting to the restrictions brought on by the health crisis. Preventing violence against women and children, for instance, was of particular concern during the pandemic. In 2020, 940 cases of online gender-based violence were reported to the National Commission on Violence Against Women, a notable increase from 241 in 2019. Other institutions, including the Legal Aid Institute–Indonesia Women Association for Justice, reported similar increases in cases of gender-based violence, from 126 in 2019 to 510 in 2020. CSOs continue to provide support to the victims, including legal, health, and psychological rehabilitation, as well as social reintegration.

CSOs have developed various models of participatory service delivery approaches, such as participatory rural assessments and social mapping, to identify community needs and key actors in the community that can be involved in projects. CSOs also strengthened the services they offer to other CSOs, with a particular focus on capacity building, accountability, and resiliency.

CSOs usually provide services to the poor free of charge but charge fees to those who can afford to pay. These free services are especially critical for poor communities in remote areas, which often struggle to access basic services from the government, and CSOs continued to play an integral role in supporting those communities in 2020. During the pandemic, CSOs optimized their online services, including trainings for fellow CSOs and the community, enabling them to expand their reach. For example, the Indigenous People of the Archipelago Defenders Association held basic paralegal training for 138 participants and provided advanced paralegal training for 66 participants. The Bali Provincial Law and Human Rights Regional Office also inaugurated 121 Village Law and Human Rights Service Posts in June 2020.

The government has voiced appreciation for CSO efforts on a number of issues. For instance, the government awarded several CSO activists with the KALPATARU award for their environmental work. The Ministry of Manpower (Kemnaker) also recognized twenty-three CSOs for their work on child labor issues in 2020. The government also lauded the support and actions of CSOs in responding to COVID-19, as evidenced by the MOHA circular letter providing for direct cooperation between CSOs and local governments.

## SECTORAL INFRASTRUCTURE: 3.9

Even in the midst of the COVID-19 pandemic, the infrastructure supporting the CSO sector in Indonesia continued to improve slightly in 2020. Many national CSOs took on roles as ISOs, and the shift to online platforms enabled training to reach a wider audience.

CSOs at the national level continued to act as resource centers, grant providers, and intermediaries channeling international funds to CSOs in the regions. ISOs at the national level include Penabulu, Permampu, Bakti, Kapal Perempuan Institute, FITRA, and Konsil LSM Indonesia. Those acting as international intermediaries include SNV Netherlands Development Organization, the Interchurch Organization for Development Cooperation (ICCO), and the Farmer Initiatives for Ecological Livelihoods and Democracy–Indonesia Foundation (FIELD-Indonesia).

These organizations provide support and training for organizational capacity building and program collaboration and cover issues of sexual and reproductive health rights, environment and climate change, budget transparency, gender equality, and more. SEJAJAR also facilitated national meetings in 2020 to increase CSO capacity, particularly around joint advocacy, coordination with government authorities, and COVID-19 support efforts.

Several local organizations provided grants to CSOs in 2020. The Tifa Foundation sub-granted foreign funding to support capacity building for partners working on transparency, inclusion, and justice. The Penabulu Foundation sub-granted EUR 500,000 for small grants programs and EUR 1 million for micro grants. Through local fundraising, Indonesia for Humanity (IKa) provided financial support to organizations working with female victims of violence.

CSO coalitions remained strong in 2020, and they collaborated on various agendas. Continuing their efforts from 2019, roughly forty CSOs joined Fraksi Rakyat Indonesia (FRI) to advocate against the Omnibus Law. Another coalition worked to support the passage of the Elimination of Sexual Violence Bill, bringing together CSOs, academics, and students and alumni of the University of Indonesia. The Marine and Fisheries NGO Coalition (KORAL) and the Clean Energy Civil Society Coalition also engaged in advocacy and policy discussions in 2020.

In response to COVID-19 restrictions, organizations that provide training, technical assistance, and ICT resources to CSOs successfully shifted to online methods in 2020, reaching more participants in the regions. Some training sessions were project-based, while others were ongoing. Communication for Change (C4C), with support from the Ford Foundation, helped CSOs improve their communication strategy capabilities. As mentioned above, the MADANI program also strengthened CSO organizational capacities in 2020, reaching thirty-two CSOs across several regions. HukumOnline.com provided online clinics and training on law and human rights, and C4C continued to provide a variety of training opportunities for CSOs, including communications and publications. KSBSI worked to strengthen the capacity of regional labor union officials in negotiations and advocacy. Though these opportunities were available through innovative methods, some local CSOs lack the resources to access necessary training, as it is not all provided free of charge. Training on certain issues, such as constituency building and strengthening boards, remains unavailable in Indonesia.

Multi-stakeholder collaboration between CSOs, the government, and the private sector continued to increase in 2020, particularly around environmental, labor, and governance agendas. The Association for Economic and Social Study and Development (PERSEPSI), World Wildlife Fund Indonesia, and the Financial Services Authority (OJK) actively collaborate on a sustainable financing program for non-forest timber products, and the SOMPO Environment Foundation provides a volunteer apprenticeship program for CSOs working on environmental issues. Efforts around the OGP also encouraged collaboration in 2020, and five local governments worked closely with CSOs through the OGP platform. KSBSI worked with the Ministry of Manpower to encourage more harmonious industrial relations, particularly through negotiation training for labor unions and KSBSI members. CSR forums further strengthened intersectoral partnerships at the central and regional levels, especially around programs related to achieving the Sustainable Development Goals (SDGs), poverty alleviation, and inclusive development.



## PUBLIC IMAGE: 4.0



The public image of CSOs improved slightly in 2020, driven by significant improvements in mainstream media coverage and CSOs' own online communication strategies.

CSO activities—particularly those related to COVID-19 relief—were covered by national and regional media outlets, online and on television. CSOs working on environmental advocacy received national coverage from *Kompas*, *Tempo*, and others, and Legal Aid Service APIK Jakarta's activities were covered by the Tribun Network. In addition to reporting on CSO work, *Kompas* conducted surveys on how to strengthen civil society movements in Indonesia.

In addition, CSOs increased their capacity to utilize ICT and social media, which was especially critical given

COVID-19 restrictions. WhatsApp, Facebook, and Instagram were the three most popular mobile applications, and CSOs worked to increase their presence on social media to better promote their activities and build networks in 2020. These efforts are all the more influential as internet access in Indonesia continues to increase. In November 2020, the Indonesian Internet Service Providers Association reported that the number of internet users in Indonesia had reached 196.7 million, a dramatic increase from the 23.5 million reported in 2018.

According to the Edelman Trust Barometer, the public's perception of CSOs did not change in 2020, with 68 percent of respondents indicating that they trusted CSOs. Trust in CSOs remains lower than that in business (79 percent), government (75 percent), and media (69 percent). Some CSOs have been suspected of extorting local government institutions, spurring public distrust. The 2020 demonstrations in opposition to the Omnibus Law, largely driven by CSOs, also occasionally resulted in riots, which sparked further public discomfort around CSO activities.

The government's efforts to collaborate with CSOs on COVID-19 relief emphasized its positive perception of CSO efforts in 2020. In addressing the challenges of 2020, the government increasingly recognized the role of CSO services as not just helpful, but necessary. The government, private sector, and academia also turned to CSO activists for their expertise in fields like disability rights, gender equality, and education.

Many CSOs have codes of ethics, but most fail to apply and enforce them consistently. In 2020, CRS Indonesia sought to improve CSO behavior and ethics through training and mentoring for its ten partner institutions. Only a small fraction of CSOs publish annual reports, and a survey by the Indonesian NGO Council found that only six out of forty CSO websites regularly published annual reports over the last three years. Several other CSOs also published annual reports in the past several years, but not on a regular basis.

# NEPAL

**Capital:** Kathmandu  
**Population:** 30,424,878  
**GDP per capita (PPP):** \$3,417  
**Human Development Index:** Medium (0.602)  
**Freedom in the World:** Partly Free (56/100)

## OVERALL CSO SUSTAINABILITY: 4.3



The first case of COVID-19 was confirmed in Nepal in January 2020, and the pandemic and its repercussions quickly became the top priority for both civil society and the government. A national lockdown was declared on March 24 and lifted four months later, on July 20. By the end of 2020, Nepal had reported 274,216 cases and 2,777 deaths due to COVID-19. Government and donor resources were diverted to address emergency needs as the pandemic took a heavy toll on the economy, employment, and basic service delivery. Though the government had previously set a target for economic growth of 8.5 percent for FY2019–20, that target was revised to 2.3 percent and the World Bank estimated just 0.2 percent growth for the year. The annual budget was refocused to expand health services and prevent the spread of COVID-19 while most socio-economic activities were halted; the tourism sector was particularly hard hit. Those who already faced financial difficulties were greatly impacted by increased economic hardships in 2020.

In May, the Ministry of Finance (MoF) released NPR 57.98 billion (approximately \$494 million) to the Ministry of Health and Population for COVID-19 prevention and relief. The government also established a COVID-19 relief fund for donations, encouraging CSOs to divert at least 20 percent of their budgets to the fund and garnering approximately \$2 million from international NGOs (INGOs). Though CSOs typically did not contribute to the government fund, they did direct project funds and resources to their own COVID-19 relief programs.

In addition to the challenges presented by the pandemic in 2020, Nepal experienced ongoing political instability. The ruling Nepal Communist Party (NCP), formed in May 2018 by the merger of the Communist Party of Nepal (Unified Marxist-Leninist, CPN-UML) and CPN (Maoist-Center), maintained a majority government for most of the year. By December 2020, however, growing differences between the factions became untenable. On December 20, Prime Minister KP Oli dissolved the Federal Parliament and set mid-term polls for April and May 2021. The decision was widely criticized as unconstitutional and undemocratic. Seven ministers of the Oli-led cabinet protested the dissolution, and Oli’s NCP co-chair Pushpa Kamal Dahal, known as Prachanda, resigned in protest. Several petitions challenging the dissolution were filed with the Supreme Court in the following days; by December 25, the Supreme Court issued a show-cause notice to the Oli-led government, demanding written clarification regarding the decision to dissolve parliament.

Corruption also continued to be an issue in the country. In February 2020, the Commission for the Investigation of Abuse of Authority (CIAA) filed corruption charges against 175 individuals tied to land grabbing in Kathmandu. By June, the government’s mismanagement of COVID-19 relief efforts and funds, particularly in procuring medical supplies, spurred widespread anti-corruption protests and a parliamentary investigation. Nepal fell four places in Transparency International’s Corruption Perception Index by the end of the year, from 113 in 2019 to 117.



Throughout 2020, Nepal continued to implement the federalist system mandated by the 2015 constitution. Five out of seven provinces finalized their province names and headquarters and established the necessary institutional structures, a significant step in enabling them to coordinate with foreign donors with federal government permission.

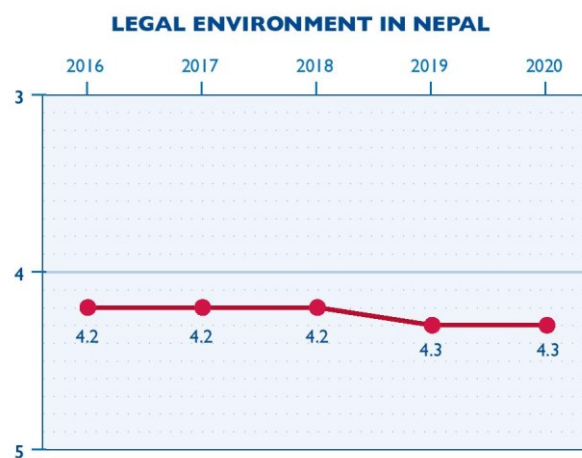
In December 2020, CIVICUS rated Nepal’s civic space as “obstructed.” The Asian Human Rights Commission reported that the government used COVID-19 measures to exercise control, commit human rights violations, and deny justice to victims of human rights abuses.

Despite the challenges of COVID-19 and political instability, the overall sustainability of the CSO sector in Nepal in 2020 remained unchanged, with no changes reported in any dimension. Advocacy continues to be the strongest dimension, and in 2020 CSO advocacy around government ordinances and the COVID-19 response met with some success. CSOs demonstrated adaptability in organizational capacity, service provision, and sectoral infrastructure in response to the limitations and critical needs resulting from the public health crisis. While the legal environment improved slightly in some respects, those improvements were counteracted by COVID-19 restrictions and the government’s forceful response to demonstrations in 2020. Public image remains one of the worst performing dimensions, surpassed only by the financial viability of the sector.

Parliament has yet to finalize essential laws relating to CSOs and the media under the new constitution. Given this, most CSOs register as associations with one of the seventy-seven district administration offices (DAOs) under the Association Registration Act (ARA). DAOs do not make CSO registration data publicly available. CSOs must additionally affiliate with the Social Welfare Council (SWC) in order to receive foreign funding. As of the end of 2020, 51,513 CSOs were affiliated with SWC, up from 50,393 in 2019. Due to bureaucratic obstacles in registering under the ARA, new CSOs often instead register as not-for-profit foundations under the Company Act. By the end of 2020, 3,160 not-for-profit foundations were registered with the Company Registrar Office, an increase from 2,721 in 2019.

By the end of 2020, there were 22,415 forest user groups. There were also approximately 5,000 water and sanitation user committees, 3,200 irrigation and water user committees, and 283 community electricity user committees as of the latest 2019 estimates. These user committees have their own federations and rely on membership fees. The number of community-based organizations (CBOs) is unknown, as the Local Government Operation Act (LGOA), 2074, enables them to register with any one of 753 local councils. Due to the ongoing merger of cooperatives and government policy aimed at reducing their numbers, 29,886 cooperatives were recorded at the end of 2020, down from 34,763 in 2019.

## LEGAL ENVIRONMENT: 4.3



The legal environment governing CSOs remained unchanged in 2020. Through collective efforts, CSOs were able to prevent the passage of draft bills that would have restricted both the civic and media space in Nepal. However, the legal environment did not show any clear improvement, and freedoms of assembly and expression were threatened by COVID-19 restrictions and the government’s response to widespread protests in 2020.

The main laws governing CSOs continue to be the ARA, SWC Act, Company Act, Forest Act, Cooperative Act, and National Directive Act (NDA). CSOs are regulated by the Ministry of Home Affairs (MoHA), Ministry of Federal Affairs and General Administration (MoFAGA), Ministry of Industry, Commerce and Supplies (MoIC&S), 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. In general, the government does not directly reject CSOs’ registration applications, but instead delays the process by demanding additional documents, including

police intelligence verifications and recommendations from relevant government ministries and departments. The penalty for operating a CSO without registration is a fine of up to NPR 2,000 (approximately \$17). A foreign citizen cannot register a CSO but can be an honorary member.

CSOs must renew their registrations annually with approval from their respective DAO. This process continued to be complex in 2020. To renew its registration, a CSO must submit an audit report with a tax clearance certificate and recommendations from the local council or ward where it implements projects. Any CSO that fails to renew its registration for up to five years is delisted or considered dormant. No CSOs were delisted in 2020. In early October 2020, MoHA issued a notice that enabled CSOs to renew their registrations without an annual general meeting, a change that was critical in allowing CSOs to renew their registrations on time.

CSOs must additionally affiliate with SWC in order to receive foreign funding. In August 2020, SWC appointed a new vice chairperson with a background in activism; the appointment was well received by the CSO sector. After criticism from domestic stakeholders and foreign donors, in October 2020, SWC revised four directives that were issued in 2016 without stakeholder consultation: CSO Affiliation and Renewal; Foreign Aid Approval Directive; General Agreement, Services, and Facilities; and Project Approval Directive. The revision of the CSO Affiliation and Renewal Directive allows CSO affiliation with SWC to be renewed every three years, rather than every year, and enables CSOs to submit required documents to SWC digitally. Out of the 51,513 CSOs affiliated with SWC, only 6,259 had renewed their status by the end of 2020. According to the SWC Act 1992, a registered CSO must also get approval from SWC for foreign-funded each project. During the project approval process, SWC requires approval from local councils and wards where projects will be implemented. Generally, SWC was flexible in approving welfare-based CSO activities in 2020, while rights-based CSOs faced more bureaucratic hurdles. INGOs are still required to receive approval from SWC before operating in Nepal and must work with local CSOs to implement their activities.

In 2018, the government drafted a new Social Organization Act (SOA) that would replace the ARA, SWC Act, and NDA, aiming to streamline CSOs and INGOs into specialized sectors to fulfill government priorities. Many stakeholders objected to the draft law, claiming that it would restrict the existence and operations of CSOs. As priorities shifted to controlling COVID-19, the government did not move forward in registering the bill through the Federal Parliament in 2020.

In accordance with the constitution, all seven 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. However, in September 2019, MoHA issued a circular restricting the provinces and local governments from making any new laws related to CSOs or INGOs because Article 58 of the constitution gives sole law-making authority on issues related to foreign aid to the federal government. Despite that restriction, at least twenty-three rural councils in one province passed CSO-related laws in 2020; data is not available for all provinces.

DAO Kathmandu received ten complaints against CSOs in 2020, compared to thirteen in 2019; complaints involved funds embezzlement and financial misappropriations or irregularities. By the end of the year, three CSOs had been penalized while the remaining seven complaints were still under investigation. SWC received thirty-one complaints in 2020 related to financial irregularities by CSOs and illegal religious activities, but these complaints had not yet resulted in any penalties by the end of the year. After reports of corruption in the elected board of the Nepal Red Cross Society, a government investigation resulted in the dissolution of the board. This level of government intervention, however, was considered a unique case.

During the four-month COVID-19 lockdown, from March to July 2020, travel and freedom of assembly were limited. In June, hundreds joined demonstrations in Kathmandu to protest the government's handling of the pandemic and demand better testing and quarantine facilities for returning migrant workers; police responded with force, using water cannons, batons, and tear gas, and at least ten peaceful protesters were arrested for violating the lockdown orders. Journalists covering COVID-19 also reported threats and intimidation from government actors, and police detained journalists for reporting during the lockdown on multiple occasions.

Threats to freedom of expression continued in 2020, but advocacy efforts by opposition parties, civil society, and the media successfully stalled the enactment of the Media Council Bill and the Information Technology (IT) Management Bill. Both bills were heavily criticized for curtailing freedom of speech: the Media Council Bill would empower the government to appoint members to the Media Council and impose heavy penalties on outlets accused of libel or violating its code of ethics, while the IT Management Bill would allow the government to block

social media platforms not registered in Nepal. However, the government was able to enact the Advertisement (Regulation) Act 2019. Beginning in October 2020, the Act enforced a “clean feed” policy, which bans television channels from broadcasting foreign advertisements and prohibits advertisements that may disturb national sovereignty or are related to gambling, obscene or indecent materials, arms and ammunition, and prescription drugs. The Act also imposes a heavy fine on anyone who publishes an advertisement in contravention of the law. The government also used the Electronic Transaction Act to prosecute online journalists and silence criticism of authorities in 2020. Section 47 of the Electronic Transaction Act prohibits electronic publication or display of material deemed illegal under existing laws, including vaguely defined material “which may be contrary to the public morality or decent behavior or any types of materials which may spread hate or jealousy against anyone or jeopardize the harmonious relations subsisting among the peoples of various castes, tribes, and communities.”

CSOs are generally allowed to engage in economic activities, such as charging for services. Only CSOs registered in the value-added tax (VAT) system can compete for government contracts. CSOs are also permitted to seek funding from business entities.

Despite lobbying efforts, government tax authorities continued to refuse to issue tax clearance certificates to CSOs in 2020. 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 of them are not experts on CSO-related laws. Some CSOs, including the Forum for Protection of Consumer Rights-Nepal and Justice and Rights Institute Nepal (JuRI-Nepal) continue to provide legal assistance to CSOs. However, CBOs and small CSOs at the local level may require special legal services and lack sufficient resources to hire qualified lawyers.

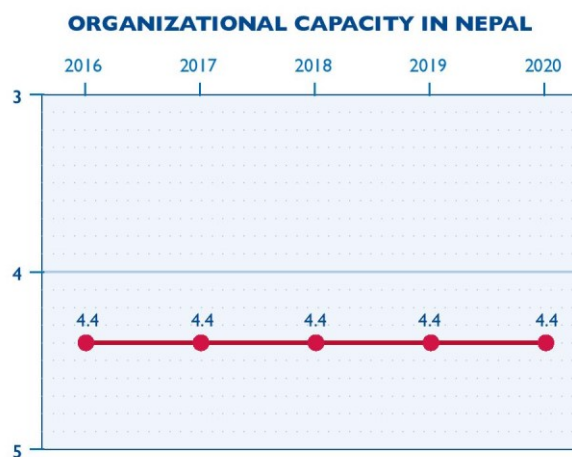
## ORGANIZATIONAL CAPACITY: 4.4

Organizational capacity remained largely unchanged in 2020. While major CSO organizational capacity development activities were not a priority because of the pandemic, the move to online work forced CSO staff to shift their focus and be more innovative in their work methods.

Although few CSOs were accustomed to teleworking and using virtual platforms, their partners strongly encouraged engagement through webinars and other online platforms due to COVID-19 restrictions. The pandemic therefore became a learning opportunity for many CSO staff, who acquired new skills online and adjusted to working remotely. For example, the Civil Society: Mutual Accountability Project (CS:MAP), implemented by FHI360 and supported by USAID,

continued to engage its thirty-four national and regional partners through virtual platforms and, through a consultative process, developed an office operational protocol during the pandemic.

In 2020, CSOs continued to try to specialize in their areas of work, but donors provide little capacity-building assistance. Instead, most donors focus their assistance on project-specific needs. Provincial and local level CSOs typically address a wide variety of issue areas, particularly due to their reliance on project-based funding, and as a result do not have clearly defined constituencies. However, some national CSOs have developed stable constituencies. These include Social Science Baha and Martin Chautari (research), Local Initiatives for Biodiversity, Research and Development (LI-BIRD, agriculture), Teach for Nepal (education), Sancharika Samuha (supporting women journalists), KOSHIS (mental health), Informal Service Center (INSEC, human rights), National Election Observation Committee (NEOC, election monitoring), JuRI-Nepal (legal), and Dalit Welfare Organization (DWO, Dalit advocacy). CSOs’ shift to online platforms enabled them to continue to engage with their constituencies in 2020 despite the COVID-19 restrictions.

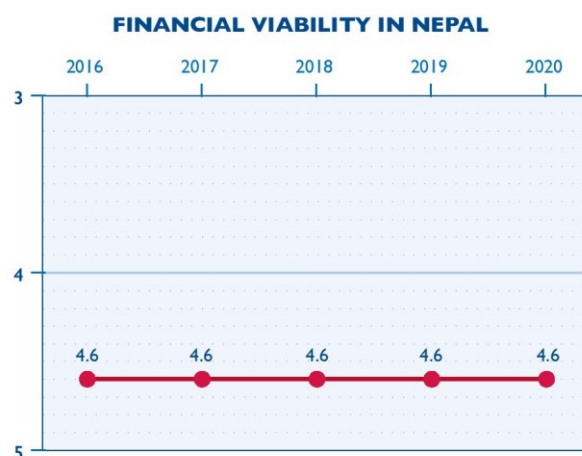


Most national CSOs have developed long-term visions and strategies and formal administrative and financial directives, in addition to internal governance policies addressing such issues as gender, harassment, anti-corruption, and conflict of interest. Small, rural organizations are more focused on their survival than adhering to their missions and frequently adjust their strategic plans to reflect donor priorities. However, donors typically prefer to support the few CSOs that have specialized areas of work. In 2020, there were no reports of updated missions or long-term plans, as CSOs instead focused on survival and addressing the COVID-19 crisis.

CSOs are required by law to elect an executive committee through periodic general meetings, but the members of those executive committees typically play a minor role in the organization. Because CSOs are heavily donor dependent, they are typically unable to hire long term-staff. National-level CSOs retain minimal core staff such as part-time accountants and office support to handle administrative, financial, and custodial responsibilities, and CSOs must designate a treasurer to manage their bank accounts. Donor funding largely enabled CSOs to maintain their core staff in 2020, but volunteer numbers notably declined due to the pandemic lockdown.

Some urban CSOs have sufficient resources to establish offices with minimal IT facilities. Larger CSOs have expanded their online presence through their websites and social media platforms like Facebook, Twitter, and Instagram. COVID-19 restrictions pushed CSOs to innovate and engage through online platforms in 2020, and many CSOs successfully maintained services and communication with their constituencies online. However, rights-based CSOs are reluctant to use social media to address social issues due to the ongoing threat of the cybercrime law, which in the past has been used to detain individuals critical of the government.

## FINANCIAL VIABILITY: 4.6



The financial viability of CSOs in Nepal remained unchanged in 2020. Though local support for CSO activities addressing the COVID-19 pandemic and other ongoing challenges increased, foreign and government funding for CSOs decreased.

Foreign funding decreased slightly in 2020 but continued to be a major source of support for CSOs. In 2020, SWC approved 985 new foreign-funded projects by 679 CSOs with a total value of NPR 17.8 billion (approximately \$150 million), a slight decrease from NPR 18 billion in 2019 (approximately \$151 million). SWC also approved NPR 110.5 million (approximately \$940,000) in foreign support for COVID-19 related projects and gave 42 old projects approval to spend a total of nearly NPR 950 million (approximately \$8 million) on COVID-19 relief.

According to MoF reports, the United States, for instance, pledged \$1.8 million for COVID-19 relief, and in March 2020, Germany pledged an additional €1 million to its existing health programs in Nepal. In 2020, SWC also provided approval to fifty-four INGOs for projects amounting to nearly NPR 19 billion (approximately \$162 million). Three INGOs (Malteser International, Center for Reproductive Rights, and Johanniter International) formally closed their country offices in Nepal in 2020.

Government funding to the CSO sector decreased in 2020. MoWCSC provided over NPR 108 million (approximately \$920,000) to ninety-six CSOs across thirty districts working in the disability, senior citizen, women, and child welfare sectors, a notable decrease from 2019, when MoWCSC provided NPR 253.7 million (approximately \$2.3 million) to ninety-four CSOs working in those sectors. MoHA provided NPR 40 million (approximately \$340,000) to seventy-two CSOs. The Ministry of Youth and Sports also provided a total of more than NPR 5 million (approximately \$43,000) to nineteen CSOs. Local CSOs received more funding from local governments for welfare-based activities in 2020, but official figures are not available for local councils' extensive support for CSO COVID-19 relief activities. Local governments also provided a significant amount to user committees to construct local infrastructure, in addition to funds for welfare-based activities. Government funds for rights-based advocacy, however, decreased.

The Company Act includes provisions on corporate social responsibility (CSR), and in 2019, the central bank of Nepal issued CSR guidelines that require the banking sector to donate 1 percent of annual profits to the social sector. In 2020, CSOs continued to engage in public discourse on the issue and successfully pushed government authorities and the private sector to comply with the provisions. As a result, more than thirty-two commercial or development banks supported CSOs, health institutions, and schools in 2020, providing nearly NPR 12.7 million (approximately \$108,000) for various CSO activities. The Standard Chartered Bank supported Pashanglhamu Mountenaring Foundation to assist COVID-19 victims in the hill regions; Kumari Bank supported Zonta Club, Kathmandu to promote gender equality and eliminate gender violence; and Siddhartha Bank supported Health Nepal to build a primary school in Charikot. Sunrise Bank supported the Swetashree Foundation to build housing for earthquake victims and Sanima Bank supported disability activities through the Karuna Foundation. Six commercial banks also provided over NPR 100 million (approximately \$851,000) to the government-established COVID-19 relief fund; it is unclear if CSOs benefited from these funds.

Some individuals make philanthropic donations, primarily to religious organizations or for welfare causes, but CSOs have not been able to tap this potential resource in a meaningful way. A few CSOs use social media for fundraising activities. Though official numbers for 2020 are not yet available, some CSOs and television shows were able to raise funds from the public and the Nepali diaspora to support COVID-19 relief.

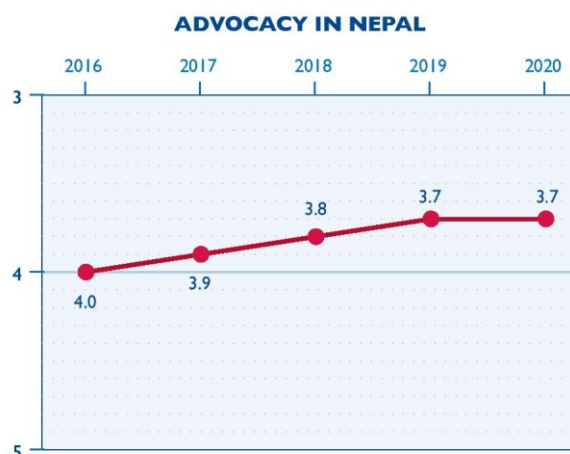
Existing laws do not encourage CSOs to generate revenue from their members, but some CSO networks, alliances, and cooperatives collect annual membership fees. These fees remain limited and primarily serve as an indication of members' support, not as a source of income. Though advocacy materials and most services are provided free of charge, some CSOs earn limited income to support their core staff and minimal expenses, either by renting out meeting halls and facilities or through paid services. Unlike other CSOs, Tilganga Eye Hospital charges for all of its services and earned limited income in 2020. In 2020, SWC promoted dialogue on a social entrepreneurship mechanism, but no formal mechanism has yet been established.

Some national and district level CSOs have well established financial management systems with modern accounting software. Donors also sometimes provide financial management training for their grantees. However, small, rural CSOs typically keep accounts manually. By law, CSOs are required to submit independent audit reports, along with management reports, to their respective DAO and SWC when renewing their registration. If a CSO fails to submit these reports, executive committee members can each be fined up to NPR 500 (approximately \$4.25), 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 2020. Though the government was initially reluctant to engage CSOs in COVID-19 prevention at the national level, local CSOs were quick to raise awareness, advocate for social distancing and other preventive measures, and help vulnerable communities affected by the pandemic. CSOs also advocated against government ordinances pertaining to political parties and the Constitutional Council with some success.

CSOs were actively engaged in policy-making processes and discussion platforms at the federal, provincial, and local levels in 2020. For instance, the NGO Federation gathered feedback and recommendations from hundreds of CSOs regarding the United Nations' Sustainable Development Goals (SDGs) and submitted them to the federal government through the Voluntary National Review process in July 2020. As in previous years, national-level CSOs are more involved in policy advocacy, while CSOs at the local level are focused primarily on service delivery. However, provincial and local governments also increasingly engaged CSOs in law-making processes in 2020. Networks like the Municipal Association of Nepal (MuAN) and the National Association of Rural



Municipalities Nepal (NARMIN) contributed substantive guidance for laws regarding NGO coordination, municipal police, and monitoring of municipal activities.

While the federal government was initially reluctant to engage CSOs in the COVID-19 response, pressure from larger, national CSOs successfully enabled their cooperation in providing both policy input and food and other basic necessities. CSOs collaborated to organize virtual dialogues and issue press releases regarding COVID-19 and the government's response to the national crisis. For instance, the NGO Federation, GoGo Foundation, JuRI-Nepal, Freedom Forum, and members of the Economic, Social, and Cultural Rights (ESCR) Network issued a joint letter calling for better health facilities for COVID-19 patients. Local authorities more readily engaged local CSOs in pandemic relief, and they cooperated on social messaging, health education, and distributing health supplies.

The constitution envisions “participatory principles” in nation building and guarantees the freedoms of association and expression. CSOs use the Right to Information (RTI) Act, the Good Governance Act, and the LGOA to hold the government accountable and collaborate with government bodies to advance citizen interests. In 2020, Freedom Forum and GoGo Foundation filed more than seventy RTI requests to local councils seeking information on budget provisions and expenditures during the pandemic. Few councils provided the requested information.

In March 2020, the government introduced two controversial ordinances related to political parties and the Constitutional Council. If enacted, one ordinance would have amended a provision in the Political Parties Act that required 40 percent support from both the party central committee and parliamentary party in order for the party to split. After CSOs, the media, and opposition parties campaigned against it, however, the government abandoned the attempted amendment. The other ordinance, regarding the Constitutional Council Act, successfully reduced the required quorum to three members rather than six, thereby easing the government's ability to fill positions on constitutional bodies such as the CIAA, the National Human Rights Council (NHRC), and the Election Commission. The amendment was widely criticized by Nepalese CSOs and international watchdogs such as Human Rights Watch and the International Commission of Jurists.

The NGO Federation, GoGo Foundation, and Freedom Forum also continued to lobby the parliamentary committee, MoHA, Ministry of Information and Technology, and SWC for citizen- and media-friendly laws. In 2020, CSO advocacy campaigns successfully pushed the national Council of Ministers to adopt an ordinance against acid attackers, including a jail sentence of up to twenty years.

CSOs continued to advocate for a stronger enabling environment for civil society. In 2020, CSOs organized various discussion platforms and engaged with federal and provincial parliament members and representatives from MoHA, NPC, and SWC. CSOs also actively advocated for Nepal to join the Open Government Partnership (OGP), which would encourage more regular consultation between civil society and policymakers. As of January 2021, the government still had not joined the OGP. The NGO Federation president was nominated to the working committee of the draft law on CSO registration. Due to the focus on COVID-19 relief and the ongoing power struggle in the ruling party, however, discussions on CSO-related draft laws—including amendments to the SOA, Media Council Bill, and IT Management Bill—did not progress as expected in 2020.

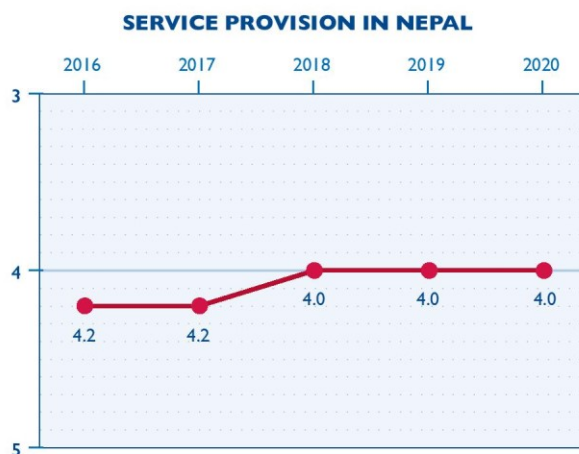
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## **SERVICE PROVISION: 4.0**

CSO service provision remained unchanged in 2020. Though the pandemic lockdown and other restrictions presented challenges to traditional service delivery, CSOs successfully provided emergency services during the crisis.

Traditionally, Nepalese CSOs address a wide range of issue areas, including livelihood development, relief, human rights, governance, health and sanitation, education, and agriculture. CSOs also provide networking and capacity-building support. Teach for Nepal, for example, provides education opportunities for children from vulnerable communities. Aging Nepal provides professional support to communities, organizations, and households through regular training, resources for geriatric support, and counseling for senior citizens and caretakers.

In the early months of the lockdown, CSOs faced numerous obstacles: restrictions limited travel and in-person meetings, the sector was largely shut down, banks were closed, and traditional CSO funding sources struggled to reorient to meet emergency needs. Recognizing the increased need for their services as the crisis continued, however, CSOs successfully shifted their work to online platforms and continued to provide vital services, including public education on COVID-19 and support through food parcels, cash donations, and more. CSOs such



as SOCH Nepal also collaborated with the Ministry of Health on public information around COVID-19 through the development of information platforms and online applications.

In 2020, CSOs assisted in drafting policies for both CSOs and government authorities. For instance, JuRI-Nepal helped draft a gender equality policy for Badikedar Rural Municipality of Doti District, and GoGo Foundation drafted Network Formation and Resource Collection Guidelines for the Single Women, Senior Citizen, and Disability Networks working in the Dhading District. GoGo Foundation, together with the NGO Federation, also prepared the final draft CSO Accreditation Indicator and lobbied to form a national CSO Accreditation Body, which remains an ongoing process.

Although dependent upon available funding and donor requirements, CSOs typically conduct needs assessments before implementing new projects. Most CSOs also conduct community consultations, directly engaging with their beneficiaries, relevant government authorities, and local leaders and stakeholders. CSOs often form local project coordination groups to ease the selection, implementation, and evaluation of their project activities. CSOs also seek moral support, collaboration, and cost sharing from local governments to build project ownership.

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

Most CSOs rely on foreign donations to provide services. Government ministries and local councils also provide funds to CSOs to conduct humanitarian, welfare, and capacity-building activities. Nepalese CSOs have very limited capacity to recover costs from their services, as they do not have effective marketing strategies or long-term visions for their service delivery. Beneficiaries are also typically unable to pay for CSO services. A few CSOs, like Kopila Nepal, earn income by selling goods like dolls and coffee or through vegetable farming and agro-based training. CSOs freely distribute their knowledge products during workshops and other programs.

Appreciation for CSO work varies across government agencies and elected representatives. In general, government officials are supportive of service-providing CSOs, especially at provincial and local levels, but less supportive of organizations advocating for human rights and good governance. This remained true during the COVID-19 crisis; though the government initially hesitated to engage CSOs in relief services at the national level, authorities at the local level were quick to coordinate with and support CSOs in providing much-needed services and relief.

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## SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector remained unchanged in 2020. While COVID-19 restrictions presented obstacles to training and networking opportunities, the sector successfully pivoted to online platforms and maintained a climate of collaboration.

CSOs can access capacity-building training from national-level CSOs such as Nari Chetana Kendra Nepal, Social Work Institute, Media House, the Nepal Participatory Action Network (NEPAN), Samuhik Abhiyan, and Vijaya Development Resource Center (VDRC). These institutions provide training in areas like proposal writing, networking, log-frame development, and report writing. Network-based organizations like the NGO Federation, the Federation of Nepali Journalists (FNJ), the National Emergency Operation Center (NEOC), and the Federation of Community Forestry Users Nepal (FECOFUN) invite experts from different sectors to conduct training workshops for their members. Private sector consulting firms also provide a range of training services. Due to COVID-19 restrictions on movement, few capacity-building activities were conducted in 2020. Some such activities, particularly on networking and policy advocacy, were available online through social media and platforms like Zoom, but COVID-19 education and situation updates remained the priority focus during the year.

Some organizations redistribute foreign support through small grants to local initiatives. INSEC, NEOC, and Transparency International Nepal, for instance, manage funds related to human rights, governance, and anti-corruption.

Several CSO networks and alliances continued their operations in 2020. These included the NGO Federation, FNJ, NEOC, FECOFUN, Dalit NGO Federation, and networks of youths, senior citizens, and women. Thirty-two CSOs also collaborated through the ESCR Network, which organized several virtual meetings, issued press releases, and submitted advocacy letters to government ministries to demand improved health services for COVID-19 patients.

CSOs have access to training, much of which is provided by consultants, as mentioned above. Private sector training packages are relatively affordable for CSOs with donor support. Because staff turnover is high in the sector, CSOs require regular training for their staff. Training materials are generally available in both Nepali and English. During the lockdown in 2020, both training consultants and CSOs made use of online platforms to continue training opportunities.

CSOs continue to collaborate with all levels of government on a variety of initiatives. For example, CSOs actively engaged in consultations with NPC for the annual Voluntary National Review (VNR) of the SDGs and the 2030 Agenda, led by the NGO Federation. CSO partnerships with the private sector and commercial banks also continued in 2020, with more than twenty-six banks supporting CSOs and humanitarian organizations through CSR programs. Banks and corporations have also begun to send their employees to training sessions on public relations, RTI, and organizational behavior. For instance, GoGo Foundation provided expert services to the National Management Services (NMS) on governance and RTI. CS:MAP continued to advance CSO collaboration with media, the private sector, and the government to advocate on laws like the SOA, Media Council Bill 2019, and the IT Management Bill.

**SECTORAL INFRASTRUCTURE IN NEPAL**



## PUBLIC IMAGE: 4.5

**PUBLIC IMAGE IN NEPAL**



CSOs' public image remained unchanged in 2020. Though some CSOs were able to improve their relationship with the media, this did not apply across the sector and public perceptions of CSOs remained largely unchanged.

Media coverage of CSOs continued to be mixed. While local media frequently highlighted CSO activities, the national media rarely covered the impact and work of CSOs. CS:MAP initiatives, including the NGO Federation's discussions around SDG 16, which focuses on just, peaceful, and inclusive societies, and a consultation organized by GoGo Foundation, also helped to improve CSO-media relationships in 2020. As a result of increased collaboration between CSOs and the media in 2020, media leaders better understood CSO contributions in public forums.

Public perceptions of CSOs remain largely unchanged. While no formal surveys were conducted in 2020, there continue to be public concerns about CSOs' internal governance, partisanship, and transparency of funding and programming. However, CSOs' COVID-19 relief activities were wide reaching, and groups like Hamro Team-Nepal, 100-Groups, Hamro Sano Prayash-Nepal, and Gossip Queen-Nepal successfully mobilized volunteers to distribute food parcels during the lockdown. These initiatives, alongside CSO advocacy for greater government support and relief programs, were well received by the communities who needed them most.



While there were no formal surveys to confirm the business community's perception of CSOs in 2020, increasing CSR funding for CSOs suggests positive engagement from the private sector, particularly around health, education, and humanitarian initiatives. A virtual dialogue on CSR, organized by GoGo Foundation included the participation of private sector leaders and government officials, thereby fostering improved relationships between CSOs and corporations.

Government officials at federal, provincial, and local levels openly appreciated CSOs' contributions to defending democracy and open governance through several public forums. In May 2020, the Kathmandu Metropolitan City also issued guidelines to facilitate CSOs' humanitarian efforts, highlighting CSO efforts to combat COVID-19. Still, some government officials continue to question CSOs' contributions towards development in the country.

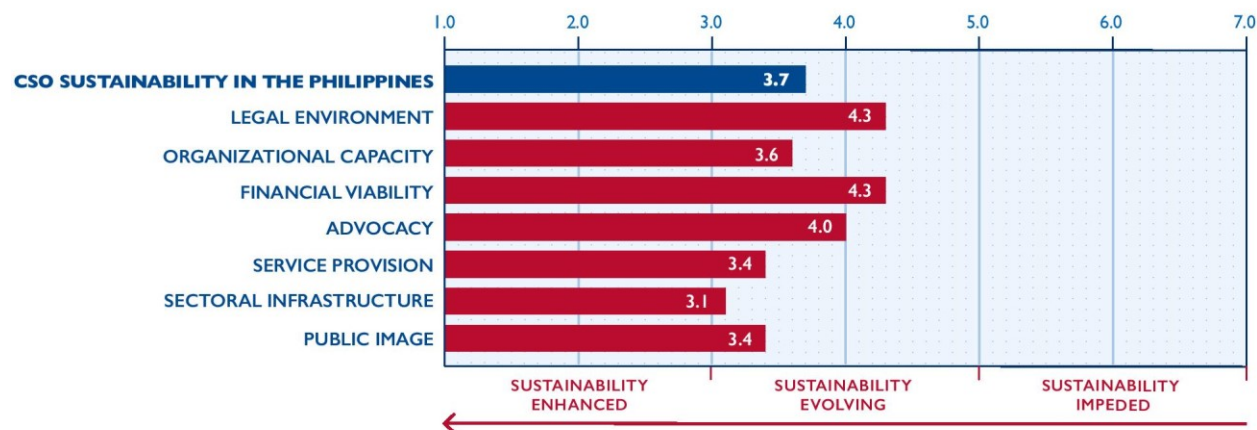
Most urban-based CSO networks regularly issue press releases, organize forums, and develop personal relationships with media personnel to promote their causes and organizations. CSOs increasingly use social media and organizational websites to promote their work.

CSOs continued to advance self-regulation in order to improve their transparency and accountability. All registered CSOs are required to submit annual reports and audited financial statements to renew their registrations. The NGO Federation encourages its partners to abide by codes of conduct, and through national and provincial level dialogues, the NGO Federation and GoGo Foundation promoted a CSO accreditation tool to improve self-regulation in 2020.

# THE PHILIPPINES

Capital: Manila  
 Population: 110,818,325  
 GDP per capita (PPP): \$8,908  
 Human Development Index: High (0.718)  
 Freedom in the World: Partly Free (56/100)

## OVERALL CSO SUSTAINABILITY: 3.7



The first cases of COVID-19 were reported in the Philippines in February 2020. In early March, the government implemented a nationwide lockdown to control population movement and limit the spread of the virus. In the National Capital Region (NCR), Quezon City and Manila City—the largest and most dense cities, respectively—reported the highest number of cases. As the year progressed, restrictions and lockdowns were adjusted based on the number of cases. By the end of 2020, approximately 474,000 cases of COVID-19 had been confirmed in the Philippines and 9,200 people had died of the virus.

In March 2020, the government declared a state of public health emergency, which authorized the deployment of the national police and other law enforcement agencies to provide assistance in addressing COVID-19. This was followed by the proclamation of a “state of calamity” for six months, unless lifted or extended, and an enhanced community lockdown throughout the island of Luzon, including the capital Manila, from mid-March to May 15.

The government also approved Republic Act 11469, or the Bayanihan to Heal as One Act, which included economic stimulus measures, extensions for submitting documents and paying taxes and fees, and a moratorium on debt payments. The act introduced the Social Amelioration Program to provide subsidies to poor and vulnerable households, encompassing 70 percent of the population. The act further warned that “spreading false information regarding the COVID-19 crisis on social media and other platforms” would be punishable by up to two months in jail and fines of up to PHP 1 million (\$19,500). In September, Republic Act 11494, or the Bayanihan to Recover as One Act, was enacted to further support COVID-19 relief interventions and to accelerate economic recovery. Over the course of the year, the Department of Labor and Employment also issued various measures to assist workers. These included grants of PHP 5,000 (approximately \$100), implementation of flexible work arrangements, and clarification of establishments that were allowed to operate during the lockdowns.

In addition to the devastation of COVID-19, the country dealt with a prolonged wet season and a string of typhoons in 2020 that severely decreased agricultural employment. The three most destructive typhoons—Typhoon Molave (Quinta), Super Typhoon Goni (Rolly), and Typhoon Vamco (Ulysses)—affected a combined total of 9.3 million Filipinos, severely damaged Region 5, and caused floods in Metro Manila and Region 2. By October 2020, the unemployment rate reached 8.7 percent, equal to 3.8 million jobless Filipinos. While the gradual reopening of the economy in June 2020 provided some relief, labor groups reported that the number of those who had returned to work paled in comparison to those who lost their jobs. Initial studies from the Zero Extreme Poverty PH Movement and the United Nations Development Programme (UNDP) confirm that increased unemployment brought with it increased poverty rates, heavily impacting communities in the NCR and other megacities like Cebu and Davao, where the pandemic and lockdowns hit hardest.

In July, President Rodrigo Duterte signed into law the Philippine Anti-Terrorism Act of 2020 (ATA), amending the 2007 Human Security Act. The ATA's vague definition of terrorism covers virtually all advocacy activities, including speeches, publications, and banners in public places. Thirty-seven petitions to the Supreme Court were filed in 2020 in opposition to the ATA, claiming that it infringes on rights guaranteed by the constitution. Former justices and legislators, CSO networks, lawyers' organizations, journalists, bloggers, humanitarian groups, faith-based organizations, and women's groups all joined in the effort to defend the continuously shrinking civic space in the Philippines. Oral arguments on the petitions were scheduled for early 2021.

Human Rights Watch (HRW) reported a dramatic increase of extrajudicial killings related to Duterte's war on drugs during the pandemic. HRW and official statistics of the Philippine Drug Enforcement Agency (PDEA) show that 155 people died in PDEA's operations between April and July 2020, an increase of more than 50 percent over the previous four-month period. According to official government figures, a total of 5,903 individuals were killed during anti-drug operations between July 1, 2016, and September 30, 2020. However, other sources, including the UN Office of the High Commissioner for Human Rights (OHCHR), put the death toll at 8,663, while domestic human rights groups believe the real figure could be three times the number reported by OHCHR.

The government continued its relentless crackdown on independent media and journalists in 2020, as highlighted by both Amnesty International and HRW. In June, Maria Ressa, journalist and CEO of the news website Rappler, was convicted of cyber libel; the case rested on the retroactive application of the 2012 cybercrime law to an article that had been published before the law was enacted. In July, the Philippine Congress voted not to extend the franchise of ABS-CBN, the country's largest television and radio network, effectively shutting it down. Both cases gained worldwide attention for clearly infringing on freedom of the press.

The overall sustainability of the Philippine CSO sector moderately declined in 2020, with negative developments in all dimensions except public image. The most significant declines were in legal environment and advocacy, largely due to the restrictive context described above and increased state harassment. Though sectoral infrastructure remains the strongest dimension, it also deteriorated in 2020 due to challenges stemming from the COVID-19 restrictions and limited access. Financial viability and organizational capacity similarly deteriorated due to the pandemic-induced economic decline, which impacted both sources of funding and overall operations and staffing capacities. These deteriorations spurred a decline in service provision as well, primarily due to challenges in the delivery of regular services. However, CSOs' work to provide relief in times of crisis gave them increased visibility at the local level, and thereby moderately improved the sector's public image in 2020.

According to various national government agencies, there are around 362,000 CSOs registered in the Philippines, including 172,747 non-stock, nonprofit organizations as of 2020, 22,850 homeowner's associations as of 2021, and 18,065 cooperatives, 64,933 workers' associations, and 84,278 labor organizations as of 2018. While these figures combine to show an increase over the previous report, the various agencies that register CSOs are not consistent in their reporting.

## LEGAL ENVIRONMENT: 4.3



The legal environment for CSOs continued to decline in 2020 for the sixth year in a row. In 2020, that decline was extreme, as state harassment intensified, and the COVID-19 pandemic caused significant delays and difficulties in CSO registration.

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 Cooperatives Development Authority, while homeowners' associations register with the Housing and Land Use Regulatory Board. Labor organizations and workers associations register with the Department of Labor and Employment.

In 2020, the pandemic greatly affected regular government functions, including the annual renewal of registration mandated by SEC. The release of registration documents and the renewal of SEC registration were delayed for months, negatively impacting CSO operations. There were also delays in acknowledgement replies from SEC and the Bureau of Internal Revenue (BIR). Between March and May 2020, SEC and BIR issued several guidelines to adapt to safety protocols, particularly in response to the lockdowns imposed beginning in mid-March. The Association of Foundations (AF) then issued a guide to assist CSOs in complying with those guidelines, including requirements for board meetings and annual assemblies and filing annual financial statements, General Information Sheets, and Mandatory Disclosure Forms.

At the sub-national level, the accreditation process for CSOs and government engagement with CSOs continue to be regulated by memorandum circulars (MCs) issued by the Department of the Interior and Local Government (DILG) to local government units (LGUs) in 2018 and 2019. According to the DILG-Support for the Local Governance Program, LGUs have accredited 33,719 CSOs since the issuance of MC 2019-72 in May 2019; there was no aggregate data from the government regarding CSOs accredited by LGUs in 2020. Following calls for clarification of several MCs in 2019, in January 2020, a coalition of CSOs successfully worked with SEC to clarify submission requirements and ease the submission process.

The July 2020 enactment of the Anti-Terrorism Act of 2020 (ATA) poses a potential legal challenge to all CSOs. The law provides for the creation of an Anti-Terrorism Council that has the authority to identify organizations or individuals as terrorists, a power previously limited to the courts. The law further allows authorities to conduct surveillance of suspected terrorists and freeze assets under suspicion of probable cause. The government has justified its adoption of the ATA, at least in part, as necessary to comply with Financial Action Task Force's anti-money laundering and counter-terrorism regulations. The vague provisions of the ATA—including “inciting to commit terrorism” by means of speeches, proclamations, writing, emblems, and banners—enable actions that effectively dissolve or immobilize CSOs for political reasons, adding to a growing atmosphere of fear among some CSOs. For example, the Linoan Farmers Integrated Cooperative (LIFICO), a Mindanao-based member of the National Federation of Peasant Organizations (Pambansang Kilusan ng mga Samahang Magsasaka, PAKISAMA), disassociated itself from the federation after threats from the Armed Forces of the Philippines (AFP). The AFP's threat had implied that PAKISAMA supported communist terrorists; therefore, if LIFICO remained associated with the federation, it would not be able to access government funding for agricultural programs. Thirty-seven petitions have been filed with the Supreme Court in opposition to the act. In June and July 2020, police arrested seven activists protesting the ATA in Cebu and another eleven in Laguna. Oral arguments on the petitions were scheduled for early 2021.

Cases of state harassment also intensified as government security forces continued to label specific CSOs as communist terrorist groups, a method of blacklisting known in the Philippines as “red-tagging.” The National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), an intergovernmental body created in 2018 by Executive Order 70, is mandated to end insurgencies by addressing poverty, which is identified as the root cause of these conflicts. Sub-regional task forces were formed to implement the plans of NTF-ELCAC and aid in identifying organizations that were seen as communist terrorist groups. For example, in April 2020, social media posts from the 303rd Infantry Brigade of AFP branded human rights organizations and other CSOs as terrorists, so dangerous that they should be avoided like COVID-19. The posts explicitly identified the Philippine Alliance of Human Rights Advocates (PAHRA) and the Medical Action Group (MAG) as terrorist groups.

CSOs that are red-tagged and other human rights defenders and activists continued to face threats, harassment, and worse in 2020. Randall Echanis, a peasant movement organizer and a vocal opponent of the ATA, was murdered in his apartment in Quezon City in August. A week later, an unidentified gunman shot and killed Zara Alvarez, a legal worker for the human rights group Karapatan, in Bacolod City. Following Alvarez's killing, other Negros Island-based activists reported receiving threats through social media accounts warning that “You're next.” Also in 2020, Maria Ressa, journalist and CEO of the news website Rappler, was convicted of cyber libel for an article published before the Cybercrime Prevention Law was passed. Given Rappler's ongoing scrutiny of the Duterte administration, the retroactive application of the law was seen as a government attempt to silence critics.

Donors are eligible for tax exemptions for donations to CSOs with tax-exempt certifications, a recognition provided by BIR. However, not all CSOs know of or apply for tax-exempt certification. While CSOs' income is generally tax exempt, revenue from income-generating activities is subject to tax, regardless of the disposition of income.

CSOs are permitted to earn income from a broad range of activities including the provision of goods and services, fundraising campaigns, and receiving grants or funds from foreign donors, as long as the activities are stipulated in their bylaws. CSOs may also compete for government contracts, but the requirements to bid are quite stringent and difficult for CSOs to comply with, especially for small local CSOs with limited staffing and capacity. CSOs also often lack the information they would need to effectively bid on and implement contracts for the government. While CSOs may accept funds from foreign donors, anti-money laundering and counter-terrorism financing regulations require banks to exercise scrutiny over all financial transactions between domestic and foreign CSOs.

CSOs' need for legal services remains high and continued to rise in 2020 due to difficulties in registration and increasing harassment. Legal services for CSOs are mostly available in larger cities. CSO networks at the regional level facilitate legal services for rural CSOs when needed.

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## ORGANIZATIONAL CAPACITY: 3.6

The organizational capacity of CSOs moderately deteriorated in 2020, as CSO operations, staffing, and financial sustainability were all negatively impacted by the COVID-19 pandemic.

Some NGOs continued to work with their partner POs in 2020 to assess community needs and identify interventions for support. For example, the Partnership for Philippine Support Service Agencies (PHILSSA) used innovative tools to facilitate community assessments of the impact of COVID-19, alongside its PO network, Action for Preparedness for Disaster and Climate Change (Aksyon Para sa Kahandaan sa Kalamidad at Klima, AKKMA). Those assessments then informed PHILSSA's programming to best meet the needs of its constituents. However, in the virtual environment of 2020, CSOs struggled to maintain contact with those constituents who had little to no access to mobile phones or the internet, particularly indigenous and isolated rural communities.

ORGANIZATIONAL CAPACITY IN THE PHILIPPINES



Health concerns and restrictions on mobility prevented many CSOs from implementing programs in partner communities during the prolonged lockdown. Regular programming and other scheduled activities from strategic plans were largely postponed or cancelled. CSOs instead focused on short-term organizational plans to survive and respond to the immediate needs of their staff, members, and partner communities. The majority of cooperatives' operations were also impacted by a reduction of revenue in 2020 after the imposed lockdown and provisions of the Bayanihan Heal as One Act resulted in decreased collection of loan payments. While many CSOs struggled to implement their traditional missions and strategic plans in 2020, the challenges presented by the pandemic led some cooperatives and NGOs to develop business continuity plans to safeguard their operations moving forward.

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 and community-based organizations (CBOs) have simpler systems, including board elections and terms of office, that still allow them to practice appropriate decision-making processes.

In 2020, the majority of CSOs held their staff and board meetings remotely due to lockdown restrictions. They also conducted their annual meetings online, allowing members and partners to participate from afar. However, some CSOs decided not to hold annual meetings, which they were able to do as long as they properly notified their members and SEC.

Typically, larger CSOs have clear human resource policies and are able to maintain regular staff, while smaller NGOs and POs have lean staffing structures and are supported largely by volunteers. In 2020, CSO staffing became an increasing concern throughout the sector. Budget constraints forced many CSOs to downsize, defer hiring new staff, or ask current staff to take on additional responsibilities. Some staff continued to work as volunteers while

others left to join academia, government, consultancy groups, major development organizations, or the private sector.

As the pandemic and lockdown required a shift to online work, CSOs demonstrated resilience and agility, immediately shifting to online platforms for meetings and training and learning to utilize technologies and tools to continue working from home. However, most CSO staff use their personal laptops or mobile phones for work and experienced poor internet connections in 2020, especially given limited bandwidth as online work increased.

## FINANCIAL VIABILITY: 4.3



CSOs' financial viability deteriorated significantly in 2020 as the Philippine economy plunged, shrinking by 9.5 percent. According to the "Survey on the Effects of the COVID-19 Pandemic and the Implementation of the Government-Mandated Community Quarantine on CSOs," conducted by the Caucus of Development NGO Networks (CODE-NGO) and PHILSSA in February 2021, 70 percent of CSOs and CSO networks reported that they had fewer funding opportunities in 2020. Earned income dropped as training centers, technical consultancies, and exchange programs were cancelled, and social enterprises were forced to slow or halt production and the provision of services. CSOs that had invested funds also saw declines in their investments, while cooperatives suffered financially as members could not repay their loans and labor union membership

declined due to layoffs.

Major sources of funding, both international and national, changed their priorities and diverted resources to humanitarian work and COVID-19 relief in 2020. Some donors provided one-time support for relief operations during the pandemic, for survivors of the Taal Volcano eruption in January 2020, and in response to the destructive typhoons during the year. This consequently limited funding opportunities for many CSOs that did not work in these areas. The Doing Good Index 2020 Report, covering 2019, found that foreign funding was already being diverted away from the Philippines, which is now classified as a middle-income country. Still, 54 percent of the social delivery organizations surveyed for the index received foreign funding. Though it is declining, support from bilateral and multilateral organizations remains a significant source of funding for CSOs.

Numerous initiatives successfully generated local support in 2020. The TOWNS Foundation and UP Medical Foundation, for instance, relied primarily on local philanthropy for their COVID-19 Personal Protective Equipment (PPE) Donation and Delivery campaign. The campaign raised funds from individuals, corporate foundations, and companies and distributed PPE to 560 public hospitals, thirteen correctional facility health centers, and five quarantine facilities across the nation. CSOs and corporate foundations formed other temporary coalitions to provide food for communities most affected by the pandemic and fund livelihood opportunities for the urban poor.

However, this type of local philanthropy was almost entirely focused on emergency and humanitarian work, in which most of the funds raised went directly to the beneficiaries. CSOs continued to struggle to raise funds for core programs and operational costs, even as they successfully supported their beneficiaries most in need.

Local funding institutions and CSOs with endowments also largely reduced their loans and grants to CSOs in 2020 due to the increasingly poor market performance. This forced small CSOs to work intermittently or to rely on volunteer support. According to the "COVID-19 Impact Survey on the Philippine Non-Profit Sector," conducted by Venture for Fund Raising Foundation in December 2020, local fundraising ranked among the top three impacts, with 52 percent of surveyed nonprofits reporting that they received fewer donations in 2020.

A few organizations have explored alternative funding sources, but as noted above, earned income from fee-based training or social enterprises all but halted because of the lockdown and rapidly shrinking economy of 2020. CSO funding strategies primarily focused on grant writing, corporate partnerships, and online fundraising through

websites, emails, and crowdfunding. Some CSOs and CSO networks reported that they doubled their efforts in submitting project proposals or joined consortium projects with other CSOs. Most CSOs implemented cost-cutting efforts, stretched internal fund reserves, or temporarily stopped operation. Some also reported taking out loans to meet operational costs in 2020.

Larger and more established CSOs, corporate foundations, and cooperatives generally have good financial management systems and certified public accountants as finance managers. Small organizations have simple systems, relying on bookkeepers or administrative personnel to manage their finances, and others have outsourced their financial management systems. Few organizations publicly post their annual financial statements. Smaller CSOs submit audited financial statements to SEC and other government agencies but do not publish them.

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## ADVOCACY: 4.0

Advocacy deteriorated to an extreme degree in 2020, as both the pandemic restrictions and intensified state harassment made it difficult for CSOs to engage in advocacy work.

Lockdowns and health protocols hampered the usual processes of participation in government decision making in 2020. The government and CSOs alike grappled with new ways of deliberating, engaging stakeholders, and implementing policies. Committee meetings, demonstrations, and forums moved online where possible, and phone calls, SMS, messaging applications, and online meeting platforms and protests slowly became the tools of the trade for advocacy. However, these trends limited CSOs' opportunities to deliberate about national advocacy issues or engage in broader political or multi-sectoral dialogues, especially impacting those with poor digital access. As a result, pressure from policy advocacy groups diminished and major legislation that was passed in 2020—exemplified by the ATA of 2020—lacked or did not include consultative processes.



A number of CSOs and CSO coalitions monitored the government's COVID-19 response efforts and advocated for efficiency. For instance, the Right to Know Right Now (R2KRN) coalition utilized the government's Freedom of Information (FOI) online portal to gather information on government programs addressing the pandemic, including those on food security, social amelioration, distribution of PPE for frontline workers, and social security cash assistance. R2KRN ran its FOI Request Tracker for four months and publicized its findings in an online forum in August 2020. A parallel effort by concerned citizens called the COVID-19 Budget Tracker monitored budget allocations and government spending as part of the pandemic response. The creators of the COVID-19 Budget Tracker have since joined and become active members of the R2KRN coalition.

The hostile environment spurred many CSOs to engage in self-censorship in 2020. Some CSOs critical of the government, for instance, acknowledged the need to limit their public criticism in the interest of maintaining relationships and engagements with local government officials and executives who were supportive of the Duterte administration. The crackdown on independent media and the passage of the ATA in 2020 added to this chilling effect, discouraging advocates from expressing their dissent. Under the ATA, the definition of terrorism covers virtually all advocacy activities, including speeches, publications, and banners in public places. According to HRW, since 2015, 208 human rights defenders have been killed in the Philippines. The fourth quarter 2020 Social Weather Survey by Social Weather Stations emphasized the public's perception of danger in publishing anything that was critical of the administration, and 65 percent of Filipinos agreed that "It is dangerous to print or broadcast anything critical of the administration, even if it is the truth."

In 2020, Congress continued to deliberate the proposed Social Welfare and Development Agencies Act, which addresses regulation of CSOs. The current bill would entrust a centralized government agency with the process of assessing CSOs' capacity and integrity. NGOs and foundations instead favor the version of the bill filed by Senator

Leila de Lima, which respects the mandate of the Philippine Council for NGO Certification (PCNC) and CSO self-regulation, rather than strengthening government control over the process.

## SERVICE PROVISION: 3.4<sup>1</sup>



In 2020, CSO service provision moderately deteriorated, as the COVID-19 pandemic restricted the mobility of CSOs in delivering their services and some CSOs were forced to let go some of their staff due to budget constraints. 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 2020, however, many CSOs encountered difficulties in implementing their regular programs and services to partner communities. Instead, they pivoted to focus their efforts on COVID-19 prevention and emergency relief. CSOs remained broadly responsive to community needs, though few have evaluative measures to determine the adequacy of their planning and programming.

According to the survey conducted by CODE-NGO and PHILSSA, CSOs indicated that their programs, projects, and services were moderately to significantly affected by the implementation of government-mandated community lockdowns. The projects most affected were related to capacity building, advocacy, community organizing, and disaster risk reduction and climate change adaptation. Communication and coordination with community partners and stakeholders was also difficult, and many activities were either shifted online or suspended. A few CSOs temporarily stopped their operations altogether. Because members could not always afford to buy the technology required to shift operations online, some POs resorted to face-to-face meetings while ensuring that they followed necessary health protocols.

Despite setbacks in their operations and staffing, CSOs—including cooperatives, faith-based organizations, and corporate foundations—were at the forefront of COVID-19 response initiatives. According to a survey by AF, at least ninety organizations provided immediate relief services. This included fundraising; distributing food for their staff and members, communities, and frontline workers; providing PPE, health care, and psychosocial support; and conducting information campaigns and coordination. Cooperatives provided similar relief efforts to their members, non-members, and frontline workers, and donated to LGUs from their Community Development Fund.

CSOs often went beyond their traditional clients and services in order to contribute to food security as the lockdown cut community links to the market. CSOs, farmers' cooperatives, and volunteers linked consumers to farmers' groups, consolidated farm produce, or established systems for direct purchases from farmers, fishermen, and other suppliers. The Naga City Urban Poor Federation, for example, established a mobile market, supported by the Naga City LGU. Bukluran, a national network of indigenous people's (IPs) organizations defending their sacred territories, also shifted from providing grains and seeds to IP farmers to marketing their surplus supply of farm goods and ensuring fair prices. All profits from the market were used to purchase distance learning equipment for 200 IP scholars.

CSOs organized new online fundraisers for the benefit of frontline health workers and communities. For example, the Philippine Business for Social Progress (PBSP), the largest business-led NGO, ran the Bayanihan Musikahan online campaign with the National Artist for Music, Ryan Cayabyab. More than eighty artists performed live on Facebook or YouTube for two and a half months, raising more than PHP 122 million (approximately \$2.5 million)

<sup>1</sup> 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.



in cash and in kind to help vulnerable groups and communities. Youth group volunteers and others like Lawyers for Doctors Philippines also worked to raise funds and direct resources for frontline workers through CSOs.

Cost recovery continues to be a challenge for many CSOs, especially those that are 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 and pushed many CSOs into survival mode.

Some government agencies, particularly DILG and the Department of Social Welfare and Development (DSWD), continued to recognize CSOs as sources of credible information and reliable service providers.

## SECTORAL INFRASTRUCTURE: 3.1

The infrastructure supporting CSOs in the Philippines moderately deteriorated in 2020. Given lockdown restrictions, intermediary support organizations (ISOs) and resource centers transitioned to online training, meetings, and other activities. While this was an innovative response for some, many CSOs and CSO staff lacked access to these online opportunities, and the shift hindered networks' abilities to enhance CSO capacities and contributions. This challenge was particularly detrimental for rural CSOs. Funding from local grant-making organizations was also significantly reduced in 2020.

ISOs and CSO resource centers shifted to online mechanisms to provide training activities and other support services to the sector in 2020. For example, the Center for Humanitarian Learning and Innovation (CHLI) offered online business and service continuity planning workshops to cooperatives, small NGOs, and government agencies. The Venture for Fundraising continued to build the fundraising capacity of CSOs and created a compilation of COVID-19 fundraising campaigns that aims to help frontline workers and marginalized groups and communities, thereby enabling the public to more readily find and donate to those campaigns.

Several CSO networks and coalitions also provided online capacity-building activities to their members and partners. CODE-NGO, Philippine Misereor Partnership Inc., and other alliances offered technical assistance in managing online meetings, digital security, and data privacy to cope with the shift to online work. AF continued its Lead2Serve program by conducting online training workshops with its member foundations. Agriterra's Generating Rural Opportunities by Working with Cooperatives project tapped larger cooperatives such as AgriCoop as local resource organizations to develop and enhance the capacities of smaller cooperatives on financial management, governance, and business management. Together with Investing in Women, the Foundation for a Sustainable Society Inc. (FSSI) and its consortium partners, the National Confederation of Cooperatives (NATCCO) and PBSF, started an initiative to increase the capacities of women-led small and medium-scale enterprises on cooperative management, governance, building community enterprises, and marketing.

Local funding institutions such as FSSI, Peace and Equity Foundation (PEF), and international NGOs like Oxfam, Save the Children, and CARE Philippines extended limited support to CSOs and partner communities to respond to the COVID-19 pandemic and natural disasters in 2020. Overall, however, funding from local grant-making organizations was significantly reduced due to the ongoing economic decline in the country.

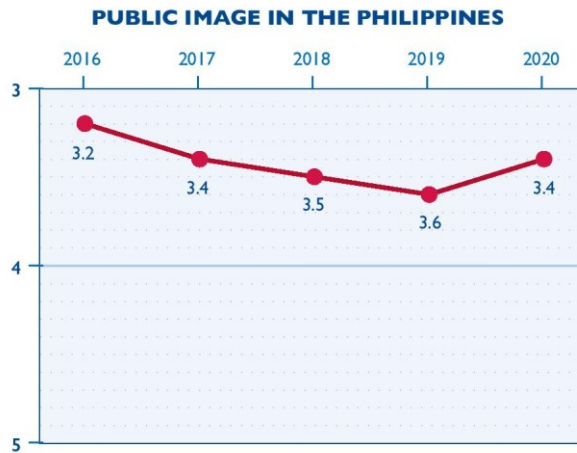
Collaboration among CSOs and between CSOs and other sectors evolved to meet new needs in 2020, especially as CSOs were no longer able to provide their regular programs and services. Coalitions worked together on pandemic-related health issues and livelihood and economic challenges and developed more accurate data on the pandemic's impact. New alliances also emerged in 2020. For instance, many of the thirty-seven petitions against the ATA were jointly filed by various groups. The COVID-19 PULSE survey, assessing the pandemic's impact on Filipino households, also came out of a joint initiative by UNDP, the Zero Extreme Poverty 2030 movement, AI4Gov Philippines, and other local CSO partners. PROJECT ARK was formed to provide affordable COVID-19

SECTORAL INFRASTRUCTURE IN THE PHILIPPINES



testing through the combined effort of Go Negosyo partners, the Philippine Red Cross, and the Department of Health.

## PUBLIC IMAGE: 3.4



Even as the government perception of CSOs remains an obstacle, the public image of CSOs moderately improved in 2020 due to the increased visibility of CSOs at the local level.

Because media coverage predominantly focused on COVID-19 and there were limited in-person events, CSOs were less visible in the public eye and in the media in 2020. Media coverage was further limited by ongoing crackdowns on free press, prominently highlighted by the cases against Maria Ressa of Rappler and the effective shutdown of ABS-CBN after criticism from President Duterte. The resulting information gap limited the dissemination of critical updates, especially around COVID-19 and the impact of natural disasters, thus reducing the public's awareness of CSO activities.

At the local level, however, CSO activities gained greater visibility and community support. A brief survey conducted as part of the Philippine Trust Index in early 2021 reported that the public is increasingly aware of both NGOs and foundations, and that that awareness often translates to an increase in trust. CSO aid to those in need during the pandemic also increased visibility and support for CSOs and NGOs in 2020. CSOs' advocacy against the ATA also seemed to have a positive impact on public perceptions at the national level, generating a certain degree of support from the private sector as well.

The military and police forces continued to red-tag some CSOs, especially advocacy groups and activists critical of government policies, accusing them of being communist and therefore terrorist groups. Red-tagging caused some LGU officials to avoid partnerships or project implementation with CSOs. However, other government agencies, such as DILG and the Department of Social Welfare and Development (DSWD), continued to recognize CSOs as sources of credible information and reliable service providers. More CSOs were trusted and approached by LGUs and communities to be their partners in development, as CSO activities were most visible at the local level.

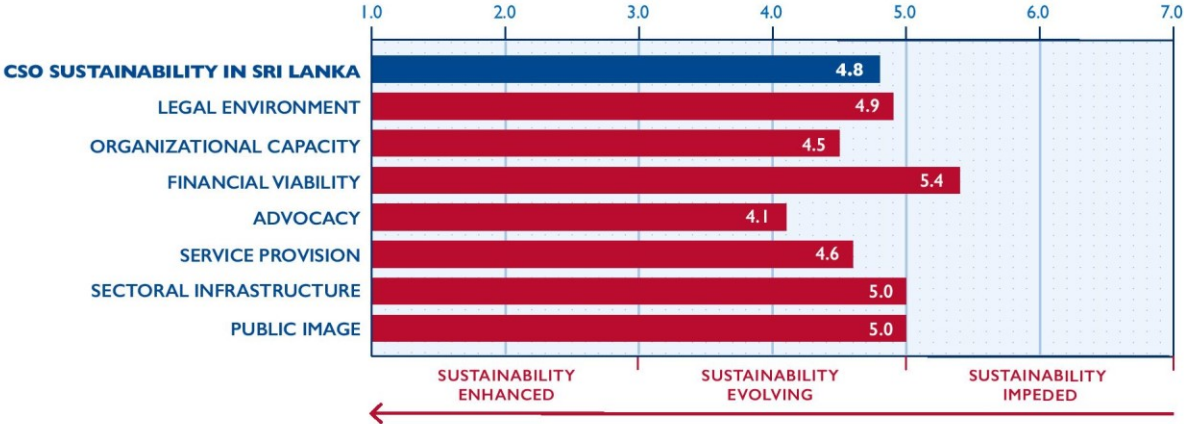
Some CSOs successfully shifted to online platforms and social media for advocacy, education, and awareness-raising activities. However, few CSOs regularly posted news articles or updates online, and many lack the funds or capacity for online awareness campaigns. Many CSOs do not have websites or designated communications officers, and they require further training to promote their organizational image and activities.

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

# SRI LANKA

**Capital:** Sri Jayawardenepura Kotte  
**Population:** 23,044,123  
**GDP per capita (PPP):** \$13,078  
**Human Development Index:** High (0.782)  
**Freedom in the World:** Partly Free (56/100)

## OVERALL CSO SUSTAINABILITY: 4.8



On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. While the first case of COVID-19 was detected in Sri Lanka in late January, the first wave of the virus became evident in early March 2020. The Sri Lankan government took several actions to curb the spread of the virus. In its first and widest response, on March 20, the government imposed a national curfew, inevitably creating obstacles for the public and impeding access to essential goods and services. This curfew was completely lifted on June 28, after which the government imposed curfews only in high-risk areas. Also in March, the government established the National Operation Center for Prevention of the COVID-19 Outbreak (NOCPCO), headed by Army Commander Lieutenant General Shavendra Silva, as part of its pandemic response.

In April 2020, the Ministry of Health issued an extraordinary gazette ordering the cremation of those who had died or were suspected to have died of COVID-19. The regulation was contradictory to WHO guidelines, which allowed for both cremation and burial options, and denied religious rights, particularly impacting Sri Lanka’s Christian and Muslim minorities. This forced cremation policy was challenged through several fundamental rights (FR) petitions before the Supreme Court of Sri Lanka in December 2020. However, the Court dismissed the petitions. In response, several CSOs, including the Center for Policy Alternatives (CPA), the Women’s Action Network, and the Muslim Women’s Development Trust, issued a joint statement against the policy. Regardless of continued complaints from civil society, the policy remained in place through the end of the year.

Political uncertainty added to the challenges of COVID-19 in 2020. On March 2, President Gotabaya Rajapaksa issued a proclamation dissolving parliament six months prior to the end of its term. At the same time, he set April 25 as the date for the next parliamentary elections. The Election Commission of Sri Lanka then postponed this election to June 20, citing the health risks of holding an election during the pandemic. Several CSOs publicly raised concerns over the resulting lack of a functioning parliament. In May 2020, seven FR petitions were filed before the Supreme Court challenging the dissolution of parliament and the postponement of the general elections. In June 2020, the five-judge bench unanimously dismissed the petitions after ten days of hearings, and elections were postponed once more to August 2020. Ultimately, there was no sitting parliament in Sri Lanka for five months. This raised several concerns relating to government expenditure, as the constitution provides the parliament with full control over public finances.

Parliamentary elections were finally held on August 5, in line with health guidelines to mitigate the spread of COVID-19. Voter turnout was 71 percent, a notable decline from previous elections, which saw voter turnout of over 90 percent. CSOs such as People’s Action for Free and Fair Elections (PAFFREL) requested the adoption of a method to allow individuals in quarantine or in hospitals the opportunity to vote. However, due to a lack of

legislation to facilitate mobile voting, the Election Commission of Sri Lanka stated that it was unable to allow those in quarantine centers the opportunity to vote. The election resulted in the Sri Lanka Podujana Peramuna (SLPP), headed by President Rajapaksa's brother, securing 145 seats in the 225-seat parliament, just five seats short of the 150 needed for a supermajority. The vote was therefore seen as a resounding victory for President Rajapaksa.

On August 19, shortly after the election, the cabinet granted approval to repeal the 19th Amendment (19A) to the Constitution and draft the 20th Amendment (20A). 19A, introduced in 2015, attempted to reduce the powers of the presidency and restore the independence of commissions, including the Election Commission, the Public Service Commission, and the National Audit Commission. In its place, the draft 20A Bill proposed reversing several democratic safeguards that had been entrenched by 19A by vesting broad powers in the president and weakening the powers of the parliament. For instance, the 20A Bill sought to replace the Constitutional Council (CC) with a Parliamentary Council. Under 19A, the CC had functioned as a check on executive powers by approving appointments and removals made by the president, thereby safeguarding the independence of the government and democratic institutions. The Parliamentary Council, however, can only make observations on the appointments, and the president is not bound to them. Thirty-nine petitions challenging the bill were filed at the Supreme Court; some of these were supported by CSOs like Transparency International Sri Lanka (TISL) and CPA. By a four-to-one majority, the Supreme Court held that the bill, minus four clauses, could be passed by a two-thirds majority vote in parliament. On October 22, 20A was passed, with 156 votes in favor and 65 votes against.

The government's progress on achieving transitional justice, accountability, and reconciliation suffered further setbacks in 2020. In February, the Sri Lankan government publicly declared its withdrawal from co-sponsorship of the United Nations Human Rights Council (UNHRC) Resolution 30/1 and the commitments made therein relating to post-war transitional justice and accountability. CSOs, including the Mannar Women's Development Federation (MWDF), condemned the decision and raised concerns over human rights abuses. In March 2020, Sunil Ratnayake, a former lance corporal who was sentenced to death for the murder of eight civilians in Mirusuvil in 2000, was granted a presidential pardon by President Rajapaksa. The president's election manifesto published in 2019 had promised to release "war heroes" who were imprisoned by the previous regime. He made similar assurances to protect the Sri Lankan armed forces from allegations of war crimes and even stated that he will "not hesitate to withdraw Sri Lanka" from "international bodies and organizations" that continue to make such accusations.

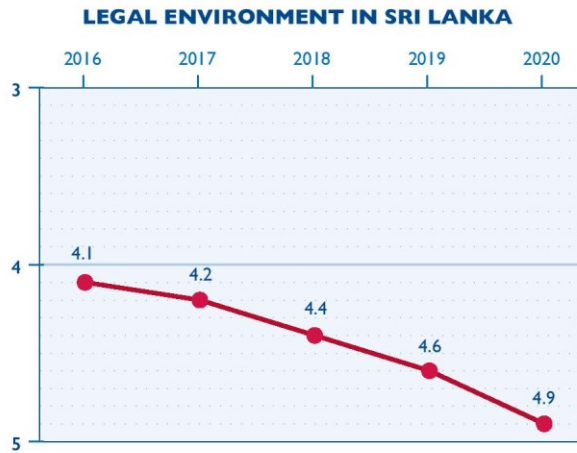
The pandemic amplified the hardships CSOs were already facing, and the constitutional changes together with several other policies posed unprecedented challenges for CSOs in Sri Lanka. Overall CSO sustainability underwent moderate deterioration in 2020, with all dimensions experiencing some level of backsliding. The legal environment for CSOs recorded one of the most drastic deteriorations, largely due to heightened state harassment and scrutiny of registration procedures. CSO advocacy also experienced a sharp decline due to reduced CSO representation within government mechanisms and an increasingly hostile environment for CSO advocacy efforts. Organizational capacity experienced a moderate decline due to pandemic-related constraints on capacity and overall functionality. The slight decline of financial viability was fueled by continued reliance on foreign donor funding and the dwindling availability of domestic funds. Limited opportunities for cooperation in response to the COVID-19 pandemic, along with decreased government recognition of CSOs and limited resources to sustain services, were leading factors in the moderate decline of service provision. Similarly, sectoral infrastructure experienced a significant decline due to movement restrictions and the lack of CSO support organizations. The moderate decline in public image was due to increased hostility and distrust towards CSOs by the government and limited public outreach as a result of the pandemic.

The Non-Governmental Organization (NGO) Secretariat maintains a directory of NGOs registered under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 (VSSO Act). As of December 2020, the directory listed 1,639 NGOs.

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## LEGAL ENVIRONMENT: 4.9

The legal environment for CSOs experienced significant levels of deterioration in 2020 due to ad hoc regulations around CSO registration and increased harassment and intimidation of CSOs by the state. Heightened state scrutiny associated with registration further resulted in difficulties for new CSOs in securing banking services.



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.

The NGO Secretariat oversees CSOs in Sri Lanka. Since December 2019, following the election of President Rajapaksa, the Secretariat has operated under the Ministry of Defense, and in 2020 its office was physically moved to the Ministry of Defense.

In 2020, CSOs reported an informal requirement to register with the NGO Secretariat. Registration with the

NGO Secretariat—in addition to CSOs' preferred methods of registration under the Companies Act, VSSO Act, or other legal instruments outlined above—enables increased scrutiny from the Ministry of Defense. The process of registering with the NGO Secretariat remains complex and subject to delays. Once a CSO submits the relevant applications, the NGO Secretariat forwards all registration documentation to the Ministry of External Resources and the Ministry of Defense for approval. This approval process takes approximately four to five months. In 2020, CSOs that were not registered with the NGO Secretariat faced difficulties opening bank accounts. CSOs not registered with the NGO Secretariat, particularly those engaged in social justice and human rights advocacy, also reported visits from government officials who insisted on registration with the NGO Secretariat. These CSOs were asked to hand over detailed documentation of their activities, financial statements, and lists of beneficiaries. CSOs registered with the NGO Secretariat were reportedly instructed to refrain from working with unregistered organizations.

Sri Lanka continues to have no regulations on the internal governance or reporting requirements for CSOs. However, government authorities increasingly scrutinized CSOs on an ad hoc basis in 2020. For instance, in June 2020, the Ministry of Defense announced that the NGO Secretariat had initiated investigations into CSOs with "questionable funding sources and projects." This policy most impacted CSOs engaged in human rights with funding from foreign donors.

CSOs in a variety of sectors faced heightened surveillance and harassment from state authorities in 2020, including the Criminal Investigations Department (CID), Terrorism Investigation Division (TID), Military Intelligence, NGO Secretariat, and the Divisional Secretaries. For instance, TID officials repeatedly made unannounced visits to a Jaffna-based think tank to inquire about its activities, funding, and staff details. In the north and east, government officials reportedly asked CSOs involved in transitional justice and human rights to focus instead on infrastructural development in the area. As a result of these requests, CSO activities on transitional justice and human rights were seriously curtailed in 2020.

There were no significant changes to tax policies applicable to CSOs in 2020. 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.

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

Lawyers and organizations such as iProbono continued to provide limited legal assistance to CSOs in 2020. However, most grassroots CSOs still lack funds to seek legal expertise and administrative support.

## ORGANIZATIONAL CAPACITY: 4.5

The organizational capacity of CSOs moderately deteriorated in 2020 due to pandemic-related constraints on CSO capacity and activities. Many CSOs, including women's groups, youth groups, community-based organizations (CBOs), and informal networks, were forced to temporarily cancel activities during the first wave of COVID-19 and the resulting curfew beginning in March.

Travel restrictions due to the pandemic also resulted in an accelerated shift to online spaces, and as a result many CSOs increased their use of internet-based technologies in 2020. However, some rural CSOs continued to lack sufficient information communication technology (ICT) resources and support, and the shift took time even for those with greater ICT resources and capacities.

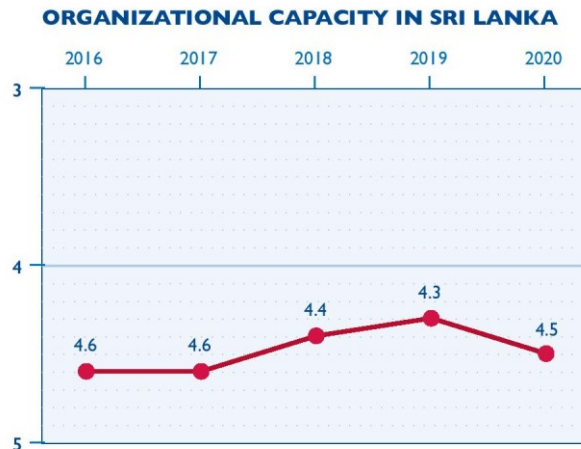
Nonetheless, urban CSOs showed a significant increase in the use of social media platforms such as Facebook, Twitter, and Instagram, along with virtual meeting platforms such as Zoom, Google Meet, and Microsoft Teams for constituency building. For instance, youth CSOs like Hashtag Generation utilized these platforms to organize webinars and raise awareness about issues relating to gender, ethnicity, and religion. Chrysalis engaged with women entrepreneurs negatively affected by the pandemic to support and promote investment. The Center for Equality and Justice (CEJ) also hosted a series of virtual roundtable discussions, addressing the urgent need for reparations for women survivors of the civil war. Discussion participants included affected individuals, members of the Office of Reparations, and other CSOs.

CSOs also built constituencies with government officials on thematic areas such as the need to increase female representation in parliament. For instance, the Yeheliya Foundation engaged with youth, academia, female members of parliament, and other stakeholders through the launch of its Crossing Diyawannawa trilingual video series and online discussions to promote female representation in politics.

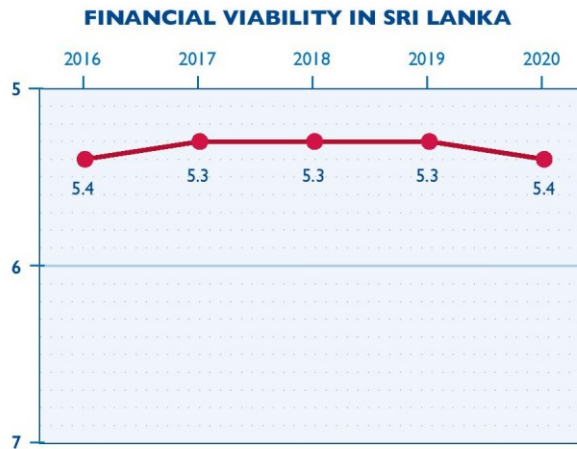
Most organizations have strategic plans and visions. However, smaller CSOs are predominately reliant upon project-based donor funding and therefore do not invest too much effort in creating strategic plans, as their focus is primarily on their financial sustainability. Most CSOs deviated from their set strategic plans in 2020, placing higher priority on COVID-19 relief efforts.

Smaller CSOs continued to lack formal structures and internal governance systems in 2020. Larger, urban-based CSOs such as Women in Need (WIN) and CPA have boards of directors and dedicated departments or personnel for human resources and finance. CSOs' ability to retain permanent staff, provide staff training, and mobilize staff in 2020 deteriorated due to the pandemic constraints. However, a few CSOs with a strong online presence, such as Hashtag Generation, made efforts to improve their organizational structures, including through the appointment of permanent staff and the creation of a board of directors.

Internet facilities are generally accessible throughout the country through state-owned and private service providers. Many CSOs increased their use of internet-based technologies in 2020, often out of necessity, as described above. However, some rural CSOs lacked sufficient ICT resources and therefore struggled with the shift to virtual platforms.



## FINANCIAL VIABILITY: 5.4



CSO financial viability deteriorated slightly in 2020. CSOs continued to rely primarily on foreign donor funding, as domestic funding remained limited. In 2020, authorities reportedly informed a majority of CSOs based in the north and east, and a few CSOs based in the west and south, that utilizing foreign funding could affect the legality of their work. These CSOs were working primarily on specific issues, such as transitional justice, human rights, and other fundamental rights. Given these instructions, CSOs in the north and the east faced significant uncertainty in terms of using foreign funds, and many of these CSOs either operated with minimal staff or ceased operations entirely.

Bilateral donors continued to be the primary source of funding for CSOs in 2020. USAID provided \$28 million

to Sri Lanka in 2020, out of which \$8.9 million was allocated to democratic participation and civil society; this was an increase from \$27 million and \$8 million, respectively, in 2019. According to the Australian Department of Foreign Affairs and Trade, the Australian government provided \$25 million in overseas development assistance to Sri Lanka in 2020–2021, a slight reduction from \$27.1 million in 2019–2020. The Canada Fund for Local Initiatives (CFLI) provided \$44,600 to the National Peace Council of Sri Lanka specifically for COVID-19 relief targeting vulnerable communities.

Although there was a slight increase in foreign funding in 2020, especially for programmatic areas such as hate speech and disinformation, funders often preferred projects with immediate results. For instance, Chrysalis re-granted funds in the form of interest-free loans to support entrepreneurs in the north who were adversely affected by the pandemic.

Access to domestic sources of funding remained limited in 2020. Most companies continued to implement their corporate social responsibility (CSR) initiatives through separate entities within their corporate structures, rather than partnering with CSOs. The Dilmah Ceylon Tea Company, for instance, established the MJF Charitable Foundation to run its CSR initiatives. In 2020, the MJF Charitable Foundation and MillenniumIT ESP, in partnership with Microsoft, Sarva Integrated, and WorldVision Lanka, launched the disABILITY application. This platform connects children with disabilities and their families to expert guidance. Similarly, John Keells Holdings established the John Keells Foundation to run its CSR initiatives.

Raising funds from local communities and constituencies remained a challenge for CSOs in 2020. Fundraising from local communities is estimated at just 5 to 10 percent of the amount CSOs receive from foreign donors.

Nonetheless, CSOs made appeals for donations in 2020 particularly in relation to COVID-19 relief. For instance, the Sarvodaya District Centers called for donations to various funding initiatives that worked to provide relief packages to vulnerable communities such as daily wage workers.

CSOs may compete for government contracts and procurements. Only a few CSOs earn income through service provision.

The lack of adequate financial management systems continued to be a challenge for CSOs in 2020. Large, urban-based CSOs generally release financial statements and annual reports, while smaller CSOs continue to maintain financial records predominantly to comply with donor requirements. Strict government scrutiny in 2020 prompted CSOs to maintain orderly financial records.

## ADVOCACY: 4.1

A combination of pandemic restrictions, reduced CSO representation within government mechanisms, and state unwillingness to engage with CSOs contributed to the significant deterioration of CSO advocacy in 2020. While CSOs continued to engage in sustained advocacy efforts, due to the above reasons they had limited ability to influence government policies in 2020.

As described above, 19A provided for CSO representation in the CC. However, this changed in 2020 with the repeal of 19A. In its place, 20A was passed in parliament in October 2020. Among other clauses, 20A replaced the CC with a new Parliamentary Council (PC) composed entirely of members of parliament. As a result, CSO access to and involvement in central government decision-making processes immediately declined.

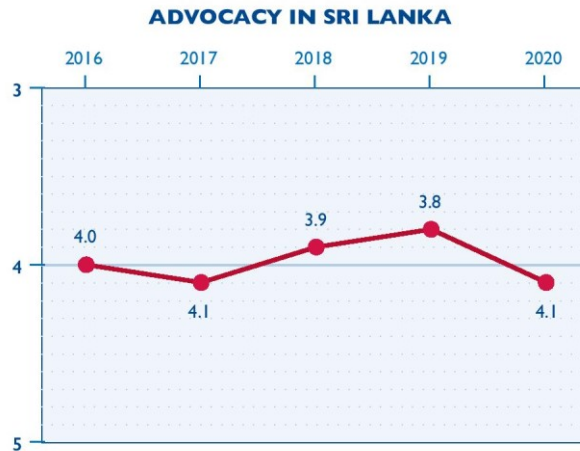
The distribution of COVID-19 public relief funds and restrictions tied to the pandemic spurred several CSO advocacy efforts in 2020. For instance, the government promised a COVID-19 relief allowance of LKR 5,000 (approximately \$25) to low-income persons, but some were initially excluded without cause. Following the advocacy efforts of TISL's regional Advocacy and Legal Advice Center, a divisional secretariat in the north promptly delivered the promised relief allowance. In response to the policy mandating cremation of COVID-19 victims, many CSOs collaborated to issue a joint statement requesting health authorities to reformulate the guidelines, which threatened to persecute or marginalize the Muslim community. CSOs leading the effort included the Sisterhood Initiative, National Peace Council, Women's Action Network, and CPA. Though several FR petitions on the matter were taken to the Supreme Court, the policy remained in place through the end of 2020.

Also in 2020, CSOs such as WIN, Child Protection Force, iProbono, and the Family Planning Association met with the Minister of Justice and Minister of Sports and Youth Affairs to discuss inadequacies in the penal code and other laws. The discussions included suggestions to introduce new provisions to curtail harassment, bullying, disinformation, and hate speech, and protect the rights of the lesbian, gay, bisexual, transgender, and intersex (LGBTI+) community. Youth CSOs also increased their advocacy efforts in relation to governance and the preservation of democracy. For instance, newly established youth CSOs such as the Democracy and Governance Initiative of Sri Lanka (DGISL) advocated for good governance and democracy during the parliamentary elections in 2020.

CSO advocacy in relation to the amendments of the Muslim Marriage and Divorce Act, No. 13 of 1951 (MMDA) shifted in 2020 as policymakers deliberated repealing the MMDA as opposed to amending it. In response, CSOs and activists who had advocated for law reform in 2019 instead took steps to prevent the MMDA from being repealed in 2020. CSOs continued to call for the minimum age of marriage to be set at eighteen years without exception, mandatory signatures or thumbprints of both bride and groom, and for women to be eligible to be appointed as Quazis (judges in Quazi courts, which have jurisdiction over matrimonial disputes involving persons professing Islam).

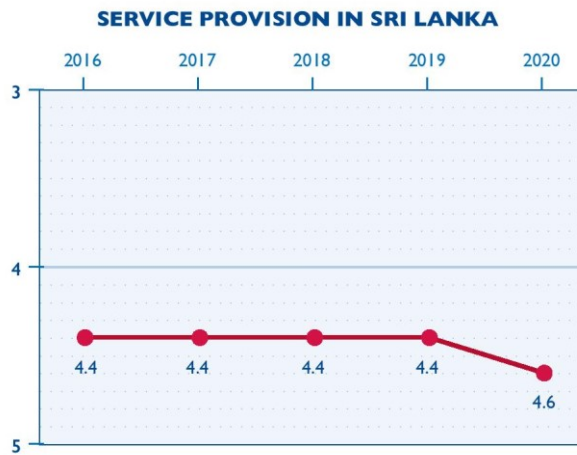
CSOs involved in environmental protection engaged in successful advocacy efforts in 2020. For instance, after five years of advocacy, the Center of Environmental Justice was successful in a 2015 action filed before the Court of Appeal against the Conservator General of Forest, a former minister, and five others regarding the destruction of forests in the north of Wilpattu National Park.

As movement was restricted due to the pandemic, CSOs largely continued their advocacy through online platforms in 2020. For instance, CEJ conducted campaigns to spread awareness about sexual bribery through illustrated stories, posts, and videos on its Facebook page. The Sisterhood Initiative also held online discussions and raised concerns tied to its advocacy efforts, including those focused on 20A and the MMDA reforms. However, CSOs' ability to conduct broad-based advocacy campaigns was limited due to the lack of ICT resources in some rural areas.





## SERVICE PROVISION: 4.6



CSO service provision deteriorated moderately in 2020 due to a necessary refocusing of CSO efforts, limited opportunities for cooperation in response to the COVID-19 pandemic, and lack of government recognition and support for CSOs.

The public health crisis spurred by COVID-19 contributed to a notable decline in the variety of goods and services provided by CSOs in 2020. Organizations that were previously focused on topics such as conflict resolution and peacebuilding realigned their services to respond to pandemic-related needs of the public. For example, Sarvodaya began distributing public health information in local languages and allowed its training and residential facilities across the island to be converted into quarantine centers. Organizations such as Viluthu

partnered with UN Women to provide emergency relief packs to more than 1,300 female-headed households. The Neelan Tiruchelvam Trust, which ordinarily focuses on social justice and reconciliation initiatives, offered grants to mitigate the impact of COVID-19. Informal social movements also raised awareness about the pandemic. For instance, Sarvodaya and Hashtag Generation created a series of online, trilingual public service announcements to promote COVID-19 safety precautions. With the increase of disinformation during the pandemic, CSOs such as the National Christian Evangelical Alliance, Minor Matters, and Hashtag Generation raised public awareness about the spread of disinformation. While the variety of goods and services provided by CSOs declined in 2020, this trend does not reflect a decline in responsiveness to the community as CSOs prioritized meeting demonstrated needs during the pandemic.

CSOs' ability to collaborate with the health sector and other government bodies in providing pandemic relief was stymied by two factors: the prominent role played by the military in the pandemic response, and the lack of government recognition of CSO capacity to provide support services. All decisions relating to the pandemic response were centralized through the military-led NOCPCO, which did not invite participation or feedback from CSOs. Regardless, CSOs continued to provide basic goods and services for disaster relief. The Family Planning Association (FPA) of Sri Lanka, for instance, assembled and distributed 3,420 hygiene kits for vulnerable groups.

CSOs continued to provide goods and services to beneficiaries beyond their own memberships in 2020, though travel restrictions and beneficiaries' lack of access to online services limited CSOs' ability to reach all of their traditional constituents. However, some CSOs were able to increase their digital capacity and move their services online, conducting online training and workshops. For instance, the Arka Initiative established an online platform for the public to raise concerns about sexual and reproductive health, then provided expert opinions and facilitated online access to gynecologists across the country.

CSOs remain dependent on donor funding and are largely unable to recover the costs of service provision, as most services are provided free of charge.

In 2020, government recognition of CSO service provision varied widely depending on their areas of focus. Rights-based CSOs received no recognition and instead faced heightened surveillance by authorities and pressure to register with the NGO Secretariat. However, CSOs that provide services in the fields of development and ICT received positive recognition from government-affiliated educational institutions. For instance, Sarvodaya-Fusion partnered with the Open University of Sri Lanka and the National Institute of Business Management to provide ICT learning opportunities to rural youth countrywide.

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## SECTORAL INFRASTRUCTURE: 5.0

The infrastructure supporting the CSO sector deteriorated significantly in 2020 due to pandemic restrictions and the continued lack of local grant-making and CSO support organizations in Sri Lanka.

Resource centers and CSO support organizations remained limited in 2020. Some local grant-making organizations were able to raise funds, but these were not sufficient to sustain CSO activities. For instance, the Neelan Thiruchelvam Trust provided funds to organizations that had lost funding due to the pandemic. Several CSOs also re-granted foreign funds to smaller organizations in 2020.

The number of issue-based coalitions declined in 2020 due to pandemic-related restrictions on movement, including a curfew imposed during the first wave of COVID-19. In previous years, collaboration between urban and rural-based CSOs was predominantly carried out through in-person interactions. However, the three-month long curfew imposed at the beginning of the pandemic included severe travel restrictions. Most rural-based CSOs lacked access to ICT resources and struggled to shift to online spaces, thereby limiting collaboration. Ad hoc procedures requiring CSOs to register with the NGO Secretariat also created complications and further weakened CSO collaboration. For instance, some CSOs were informally told by government officials that they could not work with “unregistered” CSOs.

Still, several CSO coalitions were active in 2020. Sarvodaya facilitated the Civil Society Collective for COVID-19 Response, comprised of seven CSOs. The coalition called for contributions to provide food, hygiene, and medical supplies to children, women, and elders living in homes and institutional care facilities around the country. A few coalitions were also active in relation to the general election. For instance, domestic election observation groups comprising CSOs like PAFREEL, the Asia Network for Free Elections (ANFREL), and the Center for Monitoring Election Violence (CMEV) released a COVID-19 code of conduct for election observers ahead of the 2020 parliamentary elections.

The training opportunities available for CSOs in 2020 remained largely unchanged. Donors continued to focus their investments on capacity building, and many urban-based CSOs were able to continue that capacity building and training online. For example, CEJ conducted virtual sessions on thematic issues like gender equality and war reparations. Women representing CSOs from Anuradhapura, Trincomalee, Ampara, Puttalam, Hambantota, and Kilinochchi participated in these sessions. However, grassroots level CSOs, predominantly based in rural areas, often lacked access to the internet and other facilities, and therefore were not able to participate in these types of online activities.

CSO intersectoral partnerships also remained unchanged in 2020. CSOs, predominantly urban-based organizations, formed several partnerships with the private sector, particularly aimed at raising awareness of sexual and reproductive health and digital literacy. For instance, the Arka Initiative collaborated with the online lifestyle website Pulse.lk to create a series of videos on sexual and reproductive health. Sarvodaya-Fusion, in partnership with Facebook and with the support of the Ministry of Education, launched the We Think Digital program to conduct training and increase digital literacy in the country.

SECTORAL INFRASTRUCTURE IN SRI LANKA

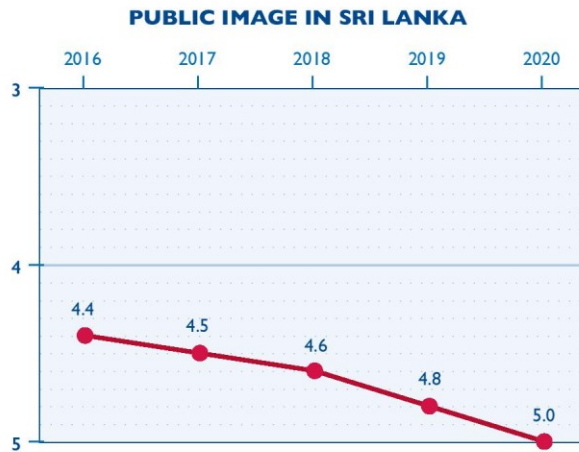


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## PUBLIC IMAGE: 5.0

The CSO sector’s public image moderately deteriorated in 2020. The ongoing decline in this dimension was attributed to increased hostility and distrust toward CSOs by the government, in addition to constrained public outreach due to pandemic-related restrictions.

Media coverage—especially of the work of environmental CSOs—remained largely positive in 2020. The environmental conservation activities of the Center of Environmental Justice, for instance, were positively covered



by online and print media. While CSO activities in response to the pandemic crisis were positively acknowledged, public perceptions of CSOs remained largely negative and unchanged in 2020. For instance, the public continued to negatively view the FR petitions filed by CSOs at the Supreme Court that challenged the president’s dissolution of parliament and the date selected to hold the 2020 general election. Some media coverage had categorized these petitioners as acting on the request of “NGOs” and “powerful nations,” adding to the public’s negative perception by suggesting ties to Western organizations and foreign funding.

The government perception of CSOs substantially deteriorated in 2020, with increased hostility, distrust, and intimidation toward CSOs. On July 6, Prime Minister

Mahinda Rajapaksa stated that special attention would be paid to NGO funding practices, particularly regarding foreign funding sources. Co-Cabinet Spokesman and Minister of Energy Udaya Gammanpila further alleged that the involvement of “NGOs” and foreign embassies in previous constitutional drafting had resulted in the need for a new constitution. Additionally, state actors like Lieutenant General Shavendra Silva, Commander of the Sri Lankan Army, reportedly identified CSOs as a contemporary security challenge in Sri Lanka.

The government did, however, welcome CSO work in the fields of development and ICT advancement. For instance, Chrysalis, together with British Council and CARE Germany, supported the Ministry of Small and Medium Businesses and Enterprise Development in conceptualizing and developing a Business Service Center model to facilitate regulatory functions and business development services across the country. Private sector perceptions of CSOs did not improve in 2020.

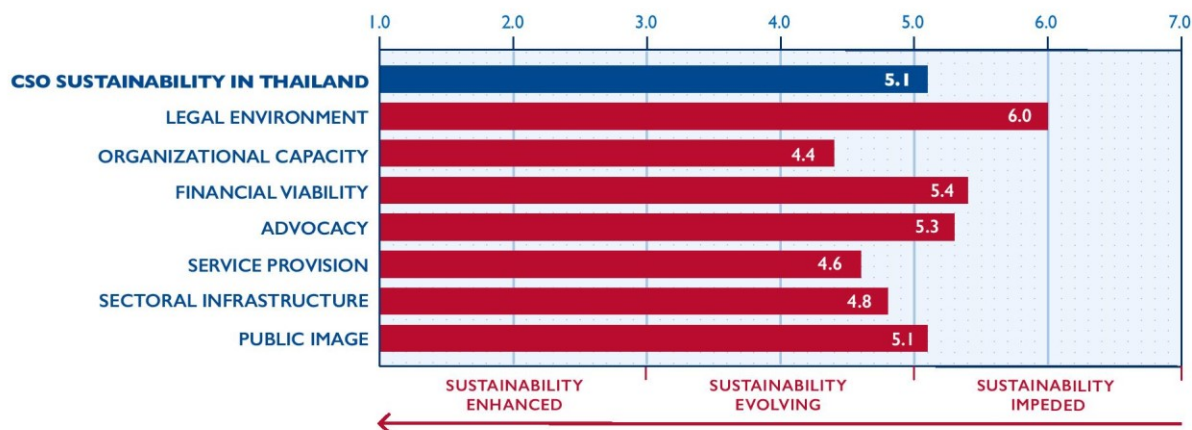
CSOs continued to expand their use of social media for public outreach in 2020. However, public outreach in rural areas was heavily constrained due to lack of resources and online access, combined with restrictions on movement due to the pandemic. Some CSOs began to increase their outreach activities in May 2020, when restrictions in the country were relaxed. For instance, the Arka Initiative continued public outreach for its Sustainable Sanitation projects in Batticaloa and Mullaitivu during this time.

Most CSOs do not have a formal code of ethics and only larger CSOs continue to publish annual reports. CSO self-regulation and reporting mechanisms are implemented predominantly at the request of donors and larger CSOs.

# THAILAND

**Capital:** Bangkok  
**Population:** 69,480,520  
**GDP per capita (PPP):** \$18,460  
**Human Development Index:** High (0.777)  
**Freedom in the World:** Not free (30/100)

## OVERALL CSO SUSTAINABILITY: 5.1



With the spread of COVID-19, a worsening economy, and waves of pro-democracy protests, Thailand’s political situation in 2020 was highly unstable.

On March 26, 2020, the government declared a state of emergency to contain the spread of COVID-19. The state of emergency was originally scheduled to last one month but was repeatedly renewed and still in effect as of December 2020. This decree gives Prime Minister Prayut Chan-o-cha full power to take any measures he deems appropriate and necessary in order to protect national security and maintain public order, including regulations prohibiting or restricting public assemblies, personal travel, fear-mongering or deceptive messages, route and building use, implementing evacuations, and access to designated areas. Authorities have also used the emergency decree to censor free speech and prosecute critics of the government’s response to the pandemic, as well as to ban pro-democracy gatherings calling for reforms of the monarchy and the restoration of real democracy. Following the second COVID-19 outbreak in December 2020, Thailand was put under partial lockdown.

The COVID-19 pandemic had a devastating impact on Thailand’s economy, with the gross domestic product (GDP) contracting by 12 percent in the second quarter of 2020. The economic contraction slowed to 6.4 percent in the third quarter, despite the ongoing pandemic.

Pro-democracy and political opposition party leaders, who had gained political support in the 2019 general elections, faced continuous challenges in accessing resources and operating in 2020. In February 2020, the Thai Constitutional Court dissolved the Future Forward Party (FWP) for allegedly accepting an illegal loan that exceeds the lending limit from its founder and leader; the decision also banned fifteen executives of the party from politics for ten years. In response to the dissolution of FWP, anti-government protests were organized on academic campuses, but these were later halted due to the COVID-19 pandemic. On July 18, 2020, Free Youth led what would become the largest protest movement since the May 2014 coup. The movement articulated three demands: the dissolution of the parliament, the adoption of a new constitution, and the end to the authorities’ harassment of government critics. As pro-democracy protests grew across the country over the following months, demands later included the resignation of Prime Minister Prayut Chan-o-cha and the students’ ten-point manifesto to reform the monarchy.

In response, in October 2020 the government declared a more stringent “severe state of emergency,” which banned the gathering of more than five people in Bangkok. At least eighty-seven protesters were arrested before the decree was revoked one week later. Violent police tactics, including water cannons, tear gas, and rubber bullets, were also used against peaceful and unarmed protesters. These tactics continued through October and

November and were reinforced on November 19 as the prime minister announced that the government would enforce “all laws and all articles” against anti-government protesters. Following this, royalists began to scour the internet and report on alleged cases of *lèse majesté*, or insults of the monarchy, specifically targeting protesters. Demonstrations calmed in December 2020 when the country was struck by a second wave of COVID-19 infections.

The ongoing conflict in Thailand’s Deep South notably abated in 2020, while the region instead faced the threat and devastation of COVID-19. On April 4, the insurgent group Barisan Revolusi Nasional (BRN) declared a unilateral ceasefire. Violence remained low even after BRN resumed operations on April 30, when security forces killed three BRN members in a house raid. Still, the human rights situation continued to deteriorate in the region as the government used biometric data as a tool in its counter-insurgency efforts. In June 2019, Internal Security Operations Command (ISOC) required that all mobile phone owners in the Deep South re-register their SIM cards with the new government’s facial recognition system by April 2020. According to Civil Rights Defenders, only 800,000 out of 1.5 million people met the deadline. Beginning in May 2020, providers were directed to shut down services for users who failed to comply. The drastic measures have been heavily criticized as potentially endangering populations in the midst of the pandemic by cutting off access to information and telecommunications services. Surveillance was also heightened in the Deep South after a January 2020 announcement that the government would use artificial intelligence (AI) in at least 8,200 surveillance cameras across the region.

The National Human Rights Commission of Thailand (NHRCT) failed to provide support in protecting and promoting human rights, and CSOs in 2020 released a joint statement confirming the NHRCT’s “B” rating from the Sub-Committee on Accreditation of Global Alliance of National Human Rights Institutions. The rating signified that the Commission is not fully compliant with the Paris Principles and can only participate in the work of the United Nations Human Rights Council (UNHRC) as an observer.

The Thai judicial system has been accused of corruption and politicization, particularly following the 2020 dissolution of FWP and other controversial verdicts. The judiciary also became increasingly intolerant of criticism, stating in December 2020 that “criticisms of rulings made with vulgar, sarcastic, or threatening words will be considered a violation of the law” and could therefore lead to prosecution.

Overall CSO sustainability in Thailand deteriorated slightly in 2020, with an extreme decline in the legal environment and slight declines in all other dimensions but public image, which remained unchanged. The legal environment underwent extreme deterioration due to increased state harassment. CSOs also continued to face barriers to registration. Financial viability inevitably worsened as the economy worsened, while access to funding remained a major issue, especially for unregistered CSOs. The infrastructure supporting the CSO sector also declined, as Thailand still lacks strong centralized CSO networks. Organizational capacity declined slightly as a result of the barriers presented by the COVID-19 pandemic, and service delivery similarly deteriorated due to COVID-19 restrictions and limited capacity. The sector’s public image remained stable, despite the fact that ongoing reliance on foreign funding reinforced government and public mistrust of CSOs, and the government continued to discredit CSO activities and the media outlets that covered them. CSO advocacy efforts were able to successfully move online but nonetheless suffered a slight setback due to COVID-19 restrictions and crackdowns.

The CSO sector in Thailand includes both registered and unregistered organizations. Foundations are the most common type of registered organizations. Others include associations, clubs, social enterprises, community-based organizations (CBOs), grassroots movements, and international non-governmental organizations (INGOs). According to a report published by CIVICUS in October 2020, as of April 2019, there were 13,572 foundations and 12,973 associations registered with the Department of Provincial Administration.

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## LEGAL ENVIRONMENT: 6.0

The legal environment for CSOs in Thailand witnessed extreme deterioration in 2020, a year marked by police violence and crackdowns on peaceful pro-democracy demonstrators, activists, human rights defenders, the media, and civil society. Also in 2020, the Thai government used the COVID-19 Emergency Decree, enacted in March, to crack down on and impose drastic control over dissenting voices both online and offline. The *lèse majesté* law was also revived in 2020 to incriminate activists calling for democracy and reforms of the monarchy.



CSOs in Thailand generally operate as foundations. Foundations register with the Ministry of Interior in accordance with the Thai Civil and Commercial Code and 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.

Many organizations, especially those working on issues deemed politically sensitive such as land tenure and peace and security, choose not to register, in part because registered CSOs may be inspected by government authorities at any time. Government reporting requirements and license renewals are time-consuming and require substantial resources, further

spurring some CSOs to remain unregistered and work as informal networks. However, registration is often a requirement for CSOs to receive donor funding. A CSO that chooses not to obtain legal status can operate as a working group, but those tend to remain small and temporary.

On March 6, 2020, the Ministry of Social Development and Human Security (MSDHS) conducted a public hearing on its draft Law on the Promotion and Development of Civil Society Organizations, which would have been Thailand's first law intended to regulate CSOs and support service delivery. After incorporating feedback, MSDHS sent the draft act to the Thai Cabinet on December 17, 2020, for consideration. By December 30, the Office of the Council of the State (OCS) had submitted its feedback on the draft, including the suggestion that foreign funding be disclosed. The Cabinet later assigned OCS to draft an alternative act, the draft Law on Operations of Not-for-Profit Organizations, which CSOs fear would further close civic space in Thailand and control foreign funding. As of December 2020, the draft had not been made available for public consultation, adding to CSO concerns around restrictions to come.

In March 2020, the government enacted the Emergency Decree on Public Administration in Emergency Situations, which enabled it to detain individuals without warrants for more than thirty days. The emergency decree was officially enacted in order to limit the spread of COVID-19 but was frequently misused to silence those opposing the government and government policies, and it remained in place even when no domestic cases of COVID-19 transmission were recorded. It further prohibited the publication and distribution of news and information that "may cause panic or intentionally distorts information." The decree remained active through the end of 2020. From October 15 to 22, the government enforced a stricter variation of the decree, the Severe State of Emergency, in Bangkok, under which unauthorized gatherings of more than five people were banned and state authorities were empowered to take all necessary actions to prevent public unrest and agitation, including by detaining individuals without charges. During this period, eighty-seven people were arrested.

During the year, the government also used a combination of pre-existing laws to further hamper CSO activities and operations and restrict civil liberties and freedoms of speech, assembly, and the press. Those laws included the Public Assembly Act of 2015, which regulates freedom of assembly, and the Computer Crime Act (CCA), which authorizes the Ministry of Digital Economy and Society to request and enforce the removal of "false content" online that is considered a threat to national security and punish those who distribute it. Several sections of the Penal Code have also been used to obstruct CSO activities: these include Section 112 on royal defamation, known as *lèse majesté*; 116 on sedition; 198 on contempt of court; 326 on defamation; 110 on violations of the Queen's liberty; and 368, which punishes any person who refuses to comply with an official's order without reasonable cause or excuse.

Throughout 2020, the above laws were used to limit CSO activism online and offline. The CCA has been increasingly weaponized to crack down on dissenting voices online, indicating a rise of digital control in Thailand and encouraging self-censorship among independent media, activists, and CSOs. In some cases, the government used the CCA to pressure platforms to remove content, such as restricting access within Thailand to the Royalist Marketplace, a Facebook group that openly discusses the monarchy.

According to ARTICLE 19 and Thai Lawyers for Human Rights (TLHR), by October 21, 2020, at least 173 individuals had been charged or arrested for their involvement in the 2020 pro-democracy protests. Numerous activists—including human rights defender and former *lèse majesté* prisoner Somyot Prueksakasemsuk, human rights lawyer and activist Arnon Nampa, and several student activists—were also charged for sedition under Section 116 of the Penal Code. Acts of sedition carry a maximum jail term of seven years.

In some cases, previously-repealed orders from the National Council for Peace and Order (NCPO), the military junta that ruled the country from 2014 to 2019, were still actively applied to prosecute the opposition in 2020. NCPO Orders No. 29/2014 and 41/2014, which allowed the military to forcibly summon individuals to military campuses, were not repealed until December 2020.

The government also reactivated the repressive Section 112 of the Penal Code, known as *lèse majesté*, to prosecute those critical of the monarchy. While no new cases of *lèse majesté* had been filed since 2018, the government threatened to apply Section 112 to pro-democracy protesters in November 2020, and it was reported that at least twelve protest leaders received police summons for allegedly violating Section 112. In December 2020, police took a sixteen-year-old protester to juvenile court on a *lèse majesté* charge and requested a detention order, but the court denied the detention order and granted conditional bail. Figures regarding the exact number of people charged under this provision vary, but according to TLHR, by the end of 2020, at least fifty-seven individuals were victims of this provision in forty-two lawsuits.

Authorities also pursued protest leaders on multiple charges to compound punishment. Chonthicha “Lookate” Jangrew, for instance, was charged under Section 112 and the CCA for Facebook posts promoting reforms of the monarchy. Critics of the government and monarchy have also fled Thailand for fear of being prosecuted under Section 112, and in 2020, one of them disappeared. On June 4, 2020, Wanchalerm Satsaksit, a Thai exile in Cambodia since 2018, disappeared after posting a video critical of the Thai prime minister. His whereabouts remain unknown.

Beyond legal charges, those who voiced opposition were met with house visits, judicial harassment, physical assault, and intimidation, and were forced to sign memorandums of understanding (MOUs) or promises not to discuss the monarchy. Women, media professionals, community-based defenders, environment human rights defenders, indigenous peoples, and pro-democracy activists were the most targeted by the wave of state harassment.

CSOs are allowed to accept funds from domestic and foreign donors, engage in fundraising campaigns, and earn income. 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. This is challenging for most CSOs given their limited capacity. Under the Revenue Code, individuals and corporations that donate to foundations and associations can receive tax deductions, at a maximum of 10 percent of income for individuals and 2 percent for corporations.

CSOs faced difficulties in accessing legal assistance in 2020, as most CSOs lacked funds to pay for legal services. Fewer lawyers were willing to do pro bono work in 2020 given the declining economy. In 2020, limited pro bono legal services were provided by law firms, NGOs, Thai bar associations, and university legal clinics, including the Community Resource Center Foundation and EnLaw. In December 2020, nine human rights lawyers’ organizations formed the Human Rights Lawyer Alliance to monitor human rights abuses and prosecute authorities. Access to legal services remains particularly limited in rural areas.

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## **ORGANIZATIONAL CAPACITY: 4.4**

The organizational capacity of CSOs declined slightly in 2020, primarily due to challenges brought on by the COVID-19 pandemic and resulting restrictions.

While some CSOs were able to better leverage digital space and make use of new technologies, most grassroots organizations struggled to move activities online and adapt to new ways of working. This exacerbated the digital divide already present due to economic, educational, and social inequalities. Lack of resources and limited human capacity also continued to present major obstacles to CSOs’ ability to work effectively and efficiently.

In 2020, most grassroots organizations address the needs of their beneficiaries, which are often local communities or members of marginalized groups. However, CSOs struggle to build close relationships with their beneficiaries due to the government's strict monitoring and portrayal of them as enemies of the state. The COVID-19 pandemic also made it difficult for CSOs to reach their local partners and grassroots communities. While established CSOs could move their work online, indigenous groups and farmer-led grassroots organizations could no longer effectively communicate with and provide services to their beneficiaries, who were not able to join online meetings and trainings.

**ORGANIZATIONAL CAPACITY IN THAILAND**



Most CSOs have clear mission statements, but few have the capacity to develop and implement strategic plans. Donors' changing priorities also continue to cause CSOs to change their focus in order to successfully seek funding, sometimes at the cost of their core mission. With the COVID-19 outbreak, donors asked many CSOs and CBOs to redirect their funding to pandemic response. Often, the resulting emergency assistance and activities did not align with strategic plans.

Most national and local CSOs, especially CBOs and grassroots movements, lack internal management structures, including human resources and accounting systems. Larger organizations, however, often have such systems, as well as written policies and procedures, in place. Board members typically are not involved in daily operations but are involved and consulted when key decisions need to be made. Due to COVID-19 restrictions on public gatherings, CSOs registered as formal associations were unable to organize general assemblies or annual meetings to discuss their activities, financial reports, or strategies in 2020.

CSOs find it difficult to offer positions with clear and well-delineated responsibilities, as limited resources make for a small, overworked staff. Often, CSOs are forced to reduce their activities as a result. The lack of human capital also undermines the efficiency of CSOs and is sometimes worsened by conflict among overburdened staff members. These difficulties were exacerbated by COVID-19, which reduced CSO budgets and therefore further reduced the number of paid staff. The challenges of remote work due to pandemic restrictions also took a toll on the mental health of many CSO staff.

In all regions, CSOs struggled to recruit volunteers in 2020 due to travel restrictions and remote work conditions. Nationwide, however, there was a noticeably high engagement of volunteers supporting COVID-19 relief efforts, and many individuals from the private sector volunteered their time. The Ministry of Public Health managed 1.04 million village volunteers, who supported relief efforts by distributing supplies and sharing information on COVID-19 prevention and symptoms.

Most Bangkok-based and established CSOs have access to the internet and information communication technologies (ICT) and relied upon them more in 2020 due to COVID-19 restrictions. Some CSOs were able to manage their tasks and deliver their services using free tools like LINE, Google Forms, Facebook, Trello, and Zoom. Organizations also used social media platforms to promote their activities, distribute information, and build their networks. This was clear during the pro-democracy protests, as activists gained support and raised awareness through social media. Although CSOs were forced to move online to continue their advocacy and services, the use of social media has been constrained by cyber-related laws such as the CCA and provisions of the Criminal Code, resulting in government-mandated content removal and increased self-censorship.

## FINANCIAL VIABILITY: 5.4

In 2020, the CSO sector's financial viability deteriorated slightly as the COVID-19 pandemic and lockdown had a devastating impact on Thailand's economy. Many donors either requested that CSOs redirect funding to COVID-19 emergency relief or entirely stopped funding CSOs, instead responding directly to new needs that emerged from the pandemic's impact on marginalized communities. As a result, funding for CSOs was further restricted.





Thailand has received increasingly less support from foreign donors in recent years, pushing CSOs to depend more on domestic donors. Foreign funding available at the country level, most often through embassies providing small grants, is more attractive to local CSOs as there are no language barriers and funding requirements are more accessible. A number of foreign donors continued to provide support to Thai CSOs in 2020. However, most of these funds were provided to international organizations in Thailand, such as the World Health Organization (WHO), UNICEF, FHI 360, Save the Children, and Winrock International. Typically, only a small portion of foreign donor funding is allocated for sub-grants, but requirements for procurement and monitoring and evaluation are often too complicated to be accessible for local groups. Although relatively small in

size, sub-granting continued to be an important source of funding for local CSOs, CBOs, grassroots movements, and human rights defenders in 2020. For example, with funding from the Canadian Embassy, the Environmental Defenders Fund, and Internews, Manushya Foundation supported two CBOs in northeastern Thailand working on land rights and natural resource management and one group in central Thailand working to defend communities impacted by a nearby gold mining company. Manushya Foundation also provided funding to the Migrant Workers Federation to support the livelihoods of migrant workers during the pandemic, many of whom were laid off and excluded from government relief measures.

The Thai government has been hesitant to contract or fund CSOs and the government funding that exists is often subject to strict conditions and monitoring. No official information regarding government funding in 2020 was made publicly available.

CSOs' ability to raise funds from local communities further worsened in 2020 due to the declining economy brought by COVID-19. Some CSOs, such as those representing indigenous groups, were previously able to generate income by selling handmade clothes and textiles. However, in 2020, they were unable to sell their products in markets due to the lockdown and travel restrictions, losing much of their usual income. CSOs running social enterprises and entertainment venues were also forced to close. CSOs often lack the skills and capacity to run successful businesses, and the pandemic made it even more difficult for them to generate income.

Most CSOs do not have financial management systems in place. Grassroots movements and CBOs in particular lack procurement guidelines and accounting systems.

## ADVOCACY: 5.3

CSOs' ability to carry out effective advocacy deteriorated slightly in 2020, largely due COVID-19 restrictions and crackdowns. Nonetheless, CSOs continued to engage around pro-democracy protests in the second half of the year.

The government passed at least forty-nine new laws, regulations, and royal and emergency decrees in 2020, yet the laws advocated for or proposed by civil society remained under review. Those laws include a bill on prevention of torture and enforced disappearance, amendments to Sections 301 and 305 of the Criminal Code criminalizing abortion, and the Civil Partnership Bill.

In 2020, the government presented just seven draft laws for public consultation. Even when those consultations



were held, CSOs' feedback was rarely reflected in final laws and policies. In some cases, communities and CSOs were obstructed from attending public hearings and were not consulted on relevant issues. COVID-19 restrictions further worsened access to government decision-making processes. For instance, nearby communities strongly opposed the construction of the Chana Industrial Zone, a government industrial zone in Southern Thailand. In July 2020, the government held a public hearing during Ramadan while COVID-19 travel restrictions remained in place, rather than postponing the hearing to allow affected communities to be informed and consulted. Thus, despite protests from members of the Chana Rak Tin Network, the government moved forward with the implementation of its Southern Economic Corridor.

Given the COVID-19 restrictions that severely limited gatherings and travel, protests were put on hold for several months. Despite this, civil society groups joined others in youth-led demonstrations to call for democratic reforms and reforms of the monarchy. CSOs working on human rights, development, and social justice were particularly active during the protests and successfully used that platform to raise public awareness of their priority issues. For instance, activists organized a Run Against Dictatorship in Bangkok in January 2020, attracting between 10,000 and 13,000 people. Afterwards, more than 2,000 people organized local versions of the event in their own provinces.

Throughout these protests, civil society actors advocating for various intersectional issues built solidarity and networks. Women's rights groups and activists supporting the rights of the lesbian, gay, bisexual, transgender, and intersex (LGBTI) community frequently collaborated to demand social justice, gender equality, and the decriminalization of both sex work and abortion. On November 7, for instance, pro-democracy activists joined hands with women's rights and LGBTI activists to demand equality for all, in addition to the three core demands of the protest movement.

However, the COVID-19 Emergency Decree, enacted in March and extended on a monthly basis through the remainder of 2020, made advocacy work difficult. The decree was frequently weaponized to crack down on critical voices, and many activists from the civil society sector were charged under the decree for assembling and demonstrating. As described above, activists were also charged under the sedition and lèse majesté sections of the Penal Code. CSO use of social media and online engagement was also constrained by cyber-related laws such as the CCA and provisions of the Criminal Code, which enable the government to deem any negative or critical information as false.

CSOs continued to lobby members of parliament (MPs). In February, the Cross-Cultural Foundation, alongside twelve other human rights organizations, developed a CSO version of the Bill on the Prevention and Suppression of Torture and Enforced Disappearances and presented it to the Standing Committee on Legal Affairs, Justice, and Human Rights. The bill was under examination at the end of 2020. Some movements also sought to directly collaborate with opposition movements, which seem to be more receptive to CSOs' needs and demands than the coalition in power. For instance, in November, university students petitioned two MPs and the House Committee on Labor regarding surveillance in relation to their activism and internships. On July 22, an MP from the Palang Pracharath Party filed an urgent motion proposing that the House of Representatives provide student activist movements with a forum to express their concerns.

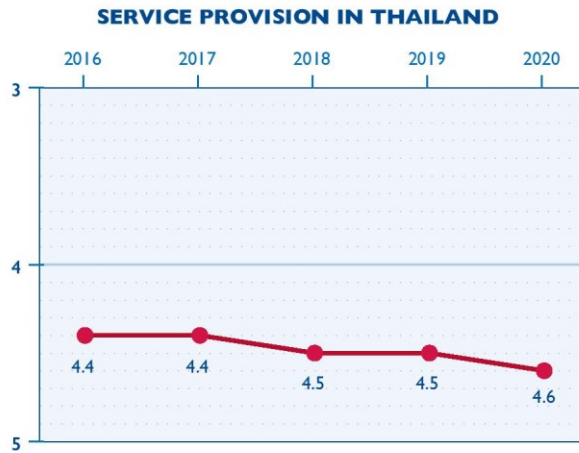
Civil society actors also increasingly reached out to the international community, including agencies of the United Nations (UN) and the German Embassy in Thailand, to call upon the Thai government to end harassment of protesters and repeal the repressive lèse majesté law. In October 2020, pro-democracy protesters marched to the German Embassy to request that German authorities investigate whether the king had conducted state business while on German soil, where he has spent most of his time since taking the throne in 2016.

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## **SERVICE PROVISION: 4.6**

CSOs' ability to provide services slightly deteriorated in 2020, largely due to COVID-19 restrictions that impeded service delivery. CSOs continued to face challenges in fulfilling the needs of their beneficiaries due to their limited capacities, including manpower and financial resources. The government also continued to obstruct CSO activities, complicating their work and service provision.

Thailand's CSO sector provides services in a variety of issues, ranging from land tenure and community rights to sexual and reproductive health and rights, women's empowerment, and labor rights. In 2020, many CSOs refocused their work to provide COVID-19 relief, and their services were more in demand as needs increased



with the worsening economy and ongoing pandemic and lockdown. For example, the call center at Childline Thailand previously received an average of 600 calls per month, but between April 1 and 21 alone, after the start of the lockdown, it provided counseling to 1,195 children. More children also made use of Childline Thailand’s services for homeless children (Hub Saidek), which provides daily meals, showers, and mental health support.

Despite the challenges of overburdened and under-resourced staff and capacity, CSOs like Childline Thailand remained responsive to the needs of their communities and expanded their reach in 2020. ThaiHealth, an autonomous agency funded by the government, worked with local CSOs and supported activities and campaigns

to mitigate the impact of COVID-19 and raise public awareness of prevention measures. In just twenty-six days, from April 16 to May 11, ThaiHealth, assisted by CSOs, provided support to 1,634 households. The Migrant Workers Federation supported migrant workers during the pandemic by distributing food to members who had been laid off and helping them seek financial remedies. Covid-Thailand Aid, a volunteer-based organization, also supported those in need during the pandemic by providing hot meals, care packages, and frontline support.

COVID-19 and the restrictions imposed under the Emergency Decree, including the curfew and ban on gatherings, impeded the operation of many CSOs and forced them to operate online as much as possible. Because cross-provincial travel was banned or subjected to a mandatory quarantine, those that traditionally provide on-the-ground services, including health and education services for marginalized communities, were most impacted. For instance, CSOs working with impoverished communities, indigenous peoples, small-scale farmers, and migrant workers tend to rely on face-to-face meetings and gatherings to carry out their activities. Due to COVID-19 restrictions, however, they could not organize such activities. They were also unable to hold online meetings because the majority of their members do not have the necessary knowledge, skills, or access to technology.

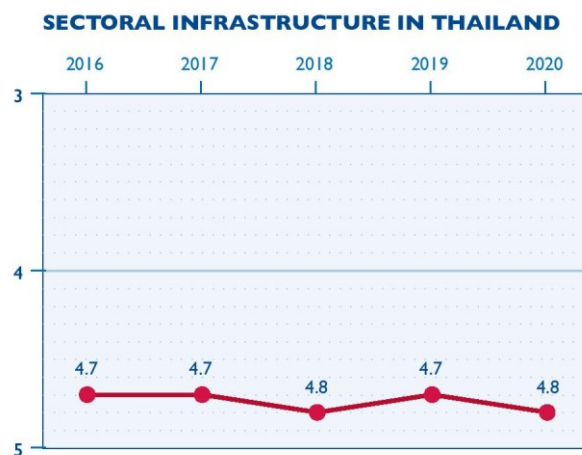
CSOs usually offer their services free of charge, as they frequently serve local and marginalized communities with low incomes.

COVID-19 restrictions made service provision particularly difficult, as described above, and the government did not support CSOs during the crisis. The only clear support from the government in 2020 was reserved for health volunteers.

## SECTORAL INFRASTRUCTURE: 4.8

The infrastructure supporting the CSO sector slightly deteriorated in 2020 due to the impact of COVID-19 restrictions. Collaborative work was difficult and competition between CSOs increased as available funding decreased. At the same time, pro-democracy protests in 2020 encouraged dialogue among civil society actors, slightly offsetting the negative impact of COVID-19 restrictions.

CSO resource centers and intermediary support organizations (ISOs) operating in Thailand include NEEDeed and the Community Organizations Development Institute (CODI), an independent organization under MSDHS, which provide CSOs with technical assistance and training. However, many CSOs, especially those located outside of urban areas, are unaware of these entities and do not receive the support they require. Instead, they receive support from larger



organizations that do not identify themselves as resource centers or ISOs. Manushya Foundation, for instance, provides training, capacity building, and sub-grants to local CSOs and groups. However, due to the pandemic, it was challenging for Manushya to provide this support to its local partners and communities, as travel restrictions either did not allow for work on the ground or delayed it considerably. Most of the marginalized communities being supported do not use the internet for online trainings.

Sub-granting of foreign funds remains a limited but important source of funding for some local CSOs and grassroots movements. Such sub-grants aim to increase the technical, operational, and management capacity of grassroots community groups by financing small-scale community initiatives related to the environment and health and community right-to-know advocacy.

Thailand does not have strong centralized CSO networks. Still, the pro-democracy protests in 2020 encouraged segments of the sector to better engage with one another as civil society actors built solidarity and collaborated to push for democratic reforms. Informal and person-to-person links among those involved in the protests remain important, and social media platforms allow them to gain support, distribute information, and further expand the network.

CSOs have access to training provided by partner organizations and other CSOs. In November 2020, Manushya Foundation, together with Justice for Peace Foundation (JFP), held four regional workshops on Thailand’s UN human rights reviews to take place in 2021, organized by the Committee on the Elimination of Racial Discrimination (CERD) and the Human Rights Council. Participants included members of the Thai Business and Human Rights Network and the Thai CSO Coalition for the Universal Periodic Review (UPR), comprising local communities and national CSOs from all human rights sectors and across Thailand. The workshops covered both the review processes and how coalition members can engage, gather credible evidence, and write their own UPR and CERD shadow reports. In December 2020, the Asia Indigenous Peoples Pact (AIPP), together with the Diplomacy Training Program, held an online regional workshop on indigenous peoples, human rights, and businesses. The program aimed to strengthen the knowledge and capacity of indigenous peoples’ advocates, particularly in the context of COVID-19 and increasing threats from climate change. However, the training available in 2020 did not cover all aspects of CSOs’ work, and training opportunities decreased during the year given the restrictions on physical meetings and ICT limitations of beneficiaries.

CSOs struggle to develop partnerships with the government, and they rarely form partnerships with businesses due to conflicting perceptions. CSOs typically view funding from corporations with suspicion, as businesses perceive themselves as facilitators and decision makers in projects while CSOs believe that business should not interfere in the projects. The COVID-19 pandemic exacerbated the lack of partnerships as many CSOs joined pro-democracy protesters to denounce what they see as economic mismanagement of COVID-19 resources and lack of financial support on the side of the government.

## PUBLIC IMAGE: 5.1



The public image of CSOs remained unchanged in 2020. The public remained skeptical of collaborating with CSOs, while the government continued to discredit CSOs and activists with critical or dissenting views. CSOs also faced increasing harassment online and were accused of treason, supporting criminals, working for foreigners, and being extremist, radical, or illegal. However, due to increased media attention, especially of the demonstrations, a significant portion of the population backed CSOs and more people seemed to participate in their activities.

The extent of media coverage of CSOs and their work varies according to the issues they address. Media increasingly engaged in self-censorship around politically sensitive topics and were hesitant to cover pro-

democracy protests and activities in any detail. In response to those protests, however, media increasingly covered

stories related to abortion rights and the LGBTI community, in addition to some coverage of issues around Section 112 of the Penal Code and freedom of expression.

The government and government allies attempted to discredit the pro-democracy demonstrations in 2020 by claiming that the movement was being manipulated by foreign funding. In September 2020, the government published a survey claiming that 75 percent of survey respondents believed that foreign organizations were working to destabilize the country. The claim spurred a pro-monarchy group, the People of Thailand, to demonstrate in front of the U.S. Embassy, which denied any involvement with the protests.

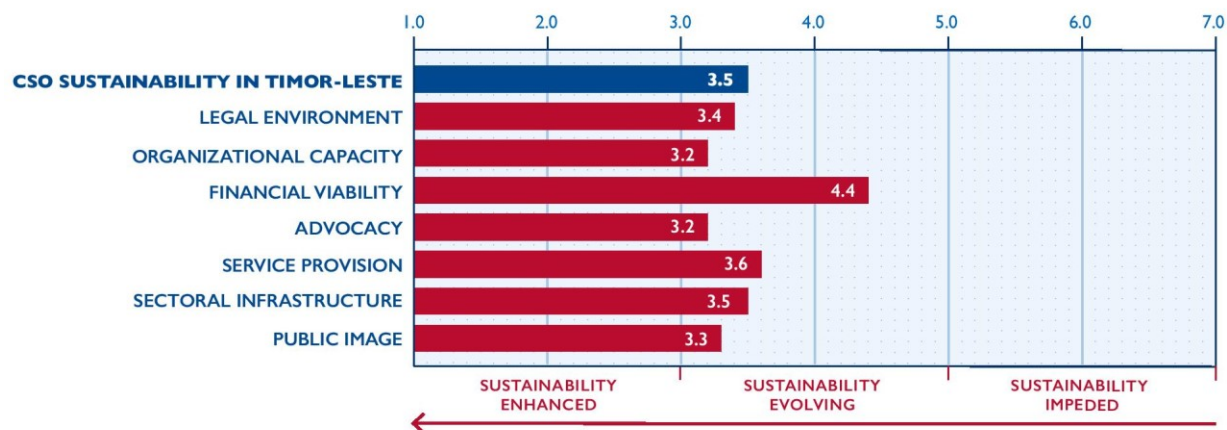
On a number of occasions in 2020, evidence suggested that the government was running an illegal propaganda campaign financed by taxpayer money. According to the secretary-general of the Prachachart Party, funds that were intended for public relations, training, or security operations in Thailand's Deep South were instead used to fund propagandist information operations, dividing society and targeting those critical of the government. ISOC's Information Operations targeted dissenting voices, including activists and academics, by establishing military-linked social media accounts that targeted posts critical of the regime with posts and articles intended to delegitimize human rights defenders and CSOs. Recognizing this, in October 2020, Twitter banned 926 military-related accounts.

CSOs effectively use social media for public outreach and in 2020 they gained stronger public support due to wider media coverage, particularly around issues raised during the public protests. Still, most CSOs lack a strong communications strategy, and both CSOs and the media often practice self-censorship on politically sensitive issues. CSOs typically do not produce annual reports, as most lack sufficient resources and staff.

# TIMOR-LESTE

Capital: Dili  
 Population: 1,413,958  
 GDP per capita (PPP): \$3,553  
 Human Development Index: Medium (0.606)  
 Freedom in the World: Free (72/100)

## OVERALL CSO SUSTAINABILITY: 3.5



Timor-Leste faced continuing political instability in 2020 and, with the rest of the globe, significant challenges due to the COVID-19 pandemic.

Conflict within the national parliament and the ruling coalition continued in 2020, ultimately resulting in the breakdown of the governing coalition and changes in the leadership of the national parliament. In October and December 2019, the parliament rejected the 2020 budget, leaving the government of Timor-Leste (GoTL) without an approved budget for the fiscal year. The governing coalition had not yet approved a state budget by February 2020, creating a political crisis that only worsened when the National Congress for the Reconstruction of Timor-Leste (CNRT) abstained from voting on the bill. As a result, the prime minister offered his resignation on February 25, 2020, before withdrawing it in April to tackle the pandemic. The coalition ultimately recruited one of Timor-Leste's largest and oldest parties as its newest member in May 2020, while CNRT became an opposition party. The government was therefore able to remain in office but did not have an approved state budget until October 2020. As a result, a number of CSO grants previously approved by the government were delayed, and money transfers or payments were postponed to the following fiscal year.

In March 2020, GoTL declared a state of emergency in response to the COVID-19 pandemic. The state of emergency, which remained in place through the end of the year, closed national borders, prohibited events and large gatherings, limited transportation, and mandated social distancing and quarantine procedures. To mitigate the economic effects of the pandemic, GoTL provided food baskets and cash transfers for every household with a monthly income below \$500. The government also covered 60 percent of the salaries of CSO and private sector staff that had social security identification numbers (Número Identificado Segurança Social, NIS), with the Ministry of Social Solidarity and Inclusion (MSSI).

CSOs were forced to adapt to the ongoing situation. Most CSOs focused their efforts on collaborating with the government to prevent the spread of the virus rather than attempting to continue their usual activities, which were largely put on hold. In addition to COVID-19 prevention and mitigation, CSOs monitored government interventions in both urban and rural communities, including the financial assistance provided through the government subsidy program.

The overall sustainability of CSOs in Timor-Leste remained unchanged in 2020, despite the challenges posed by COVID-19 and political instability, and scores for all dimensions remained stable. Organizational capacity and advocacy remain the two strongest dimensions of CSO sustainability, as CSOs proved resilient and responsive to the immediate needs of the public and the government continued to see them as active partners in development.

CSOs' service provision pivoted to COVID-19 prevention and emergency support, and the public image of CSOs remained positive. Though COVID-19 restrictions limited the availability of training sessions and in-person activities, CSO networks increased their effectiveness, particularly in supporting government relief efforts and disseminating information and assistance around COVID-19. CSO registration saw delays and obstacles in 2020, but the legal environment remained unchanged as a whole. Financial viability remains the worst performing dimension of CSO sustainability; a newly announced government commitment to support CSOs every year was offset by the lack of an approved budget for 2020 and extensive delays in the distribution of funding, causing the score for the dimension to remain unchanged.

CSOs in Timor-Leste work in diverse programmatic areas, including human rights, peace building and conflict prevention, gender and social inclusion, youth engagement, agriculture, capacity building, education, monitoring and evaluation, water and sanitation, judicial reform, advocacy, humanitarian support, and research. CSOs engage in a variety of activities to empower a range of communities in both urban areas and remote, rural areas. In 2020, however, many CSOs temporarily refocused their efforts to directly support COVID-19 prevention and relief activities, primarily by providing vulnerable communities with health education and hygienic materials.

There is some uncertainty about the number of CSOs in the country. According to data from the Ministry of Justice (MoJ), 36 national associations and 14 foundations were newly registered in 2020, bringing the total number of registered organizations to 139 foundations, 522 national associations, and 82 international non-governmental organizations (INGOs). However, according to the NGO Forum Timor-Leste (Forum ONG Timor-Leste, FONGTIL), only 201 national associations and 30 INGOs were active in Timor-Leste in 2020. This discrepancy is likely due to the fact that some organizations are still registered with MoJ even though they have stopped their activities or no longer exist.

## LEGAL ENVIRONMENT: 3.4



The legal environment for CSOs in Timor-Leste remained unchanged in 2020.

Law No. 5/2005 governs non-governmental organizations (NGOs). The law applies to both associations and foundations: an association is defined as “a corporate body comprised of persons, which does not pursue any profits for its associates and therefore cannot distribute any profits, assets or remainders, or dispose of property owned by the association even in case of winding-up or liquidation,” while a foundation is defined as “a non-profit making corporate body, of social interest and comprised of property.” Some organizations continue to struggle to differentiate between the two organizational forms.

The law is written in Portuguese and translated into Tetun, the country's other official language, as well as

English. This creates difficulties for many CSOs, however, as the Portuguese version takes precedence if there is any misunderstanding, while CSOs predominantly use Tetun. This language barrier further complicates registration, as CSOs must translate their organizational statutes into Portuguese.

Associations and foundations register with MoJ. However, according to FONGTIL, 91 active Timorese organizations and eight international organizations still had not registered with MoJ as of early 2021—a substantial percentage of the 230 organizations FONGTIL identified as active in 2020. This is largely due to the complexity of the process and language barriers. MoJ's notary department often presses for changes in an organization's statute, though those changes may contradict its founding vision and mission. MoJ has rejected some organizations' names, especially those that refer to the resistance or national identity. In such cases, the organization typically complies and changes its name in order to complete the registration process. The law further requires each organization to have a bank account, but this requirement is not applied consistently. These obstacles and the lack of clarity in the law itself particularly impede municipal-level CSOs, which frequently face delays in their registration. Funero, for

instance, began the registration process in 2017 and has yet to be legalized; MoJ has not clarified the cause for this delay.

MoJ does not monitor an organization's progress or implementation of its mission after it is legally registered, so some organizations remain registered with MoJ even after they have stopped their activities or no longer exist. This largely explains the discrepancies between MoJ data on registered organizations and FONGTIL data on active organizations. Moreover, the law states that to legally register with MoJ, an association must have a minimum of ten members, but it does not provide clear guidance for them if membership drops below ten after registration.

The law does not limit the scope of a CSO's work and the government generally does not interfere with CSOs' activities. CSOs in Timor-Leste are not typically subject to harassment by state institutions or groups acting on behalf of the state. However, no law specifically protects CSOs from dissolution, effectively allowing the government to dissolve a CSO if its actions are found unconstitutional in a court of law. While the government has not yet made use of this authority, this remains a threat to CSOs' ability to operate independently.

In 2020, the government began discussing an amendment to the criminal code regarding criminal defamation, which would limit the ability to criticize the government. As currently drafted, the amendment threatens to criminalize all defamation, including that of public officials, political parties, and/or through the media, thereby threatening people and organizations for expressing their views or sharing information. The draft defamation amendments remained under discussion at the end of 2020. The government also introduced a draft Cybercrime Law in 2020, which CSOs view as a more democratic way to regulate the online space. While the defamation law is perceived as a mechanism to protect government and public officials, the Cybercrime Law would apply across society while ensuring the right to responsibly exercise freedom of speech.

CSOs do not pay taxes on their grant income but must pay taxes on imported goods. According to the Law on Taxation, employees who earn more than \$500 a month must pay taxes equal to 10 percent of their income. Every donor in Timor-Leste receives a notice of this requirement from the Central Bank. However, CSOs, especially Timorese organizations, struggle to adhere to these requirements and it often falls to staff, rather than to the CSO, to pay taxes on their monthly income. Therefore, only staff that work for INGOs and CSOs working at the national level typically comply with the law.

Every organization is responsible for developing its own strategy to raise funds and garner support to sustain its work. The majority of CSOs pursue funding from donors and the government. Beginning in 2020, the Office of the Prime Minister announced that CSOs are legally permitted to earn income and began to promote this option.

While there is some in-country capacity for legal assistance, national and municipal-level CSOs lack the funds to cover these costs, and there are no Timorese lawyers with expertise in CSO-related regulations. INGOs, however, do employ Timorese lawyers for legal assistance.

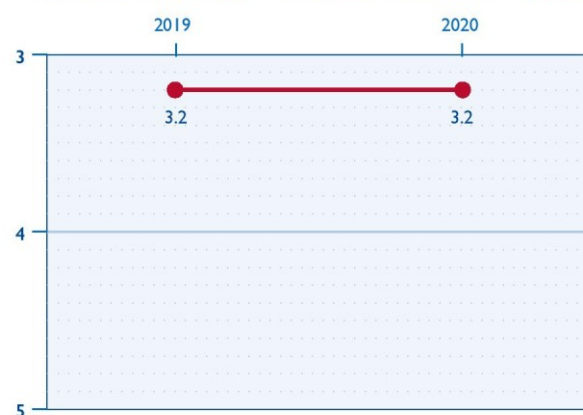
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## ORGANIZATIONAL CAPACITY: 3.2

The organizational capacity of CSOs in Timor-Leste remained unchanged in 2020. Though COVID-19 posed increased difficulties and spurred many CSOs to reorient their activities, CSOs proved resilient in adapting to the challenging environment.

Most CSOs maintained strong relationships with their constituents and were able to maintain a list of their beneficiaries and targeted areas for intervention during the year. Given restrictions on travel and gatherings, CSOs increasingly communicated with beneficiaries by phone or over messenger platforms like WhatsApp. It continues to be challenging for CSOs to focus on the priorities and needs of their constituents as they are financially dependent upon donors, often through project-based funding.

ORGANIZATIONAL CAPACITY IN TIMOR-LESTE





Most CSOs have statutes that clearly define their visions and mission, and some have worked with donors to better align funding with their strategic plans. The COVID-19 pandemic and the ensuing state of emergency, however, resulting in a sudden shift in CSO activities and priorities. Rather than carrying out their defined missions, in 2020 most CSOs focused on COVID-19 relief and supporting the government’s efforts to prevent the spread of COVID-19 at the community level. Typically, this resulted in a focus on health education and information and the provision of hygienic materials. For some CSOs, such as those working to support women, children, or the agriculture sector, this work was more readily integrated into their usual service areas.

CSOs generally have boards, but board members rarely contribute meaningfully to organizational governance or fundraising efforts. They lack knowledge about program implementation and financial reports and are not required to read the organization’s reports. Instead, the role of board members is generally limited to attending important meetings, for instance to elect the executive director, and formally approving the organization’s annual reports. Most CSOs at the national and municipal levels have limited internal management capacity, especially in terms of financial management.

Staff turnover continued to be a problem in 2020, as staff members are typically employed on a project basis. After funded projects end, staff leave the organization, taking the knowledge and skills they have gained with them. In 2020, several CSOs further reduced their staffs, especially training facilitators and field staff, in response to COVID-19 limitations and the postponement of previously planned activities. CSOs were also unable to turn to volunteers for support in 2020, given the state of emergency and COVID-19 restrictions on in-person gatherings.

CSOs’ use of technology necessarily expanded in 2020. However, while national-level CSOs typically have greater access to information and communications technology (ICT), rural and municipal CSOs are largely limited to mobile phone platforms like WhatsApp. In response to COVID-19 restrictions on gatherings, organizations at the municipal level used WhatsApp to meet with donors and stakeholders, while organizations at the national level also made use of platforms like Zoom, Microsoft Teams, Webex, and Skype.

## FINANCIAL VIABILITY: 4.4



Despite the financial challenges brought by both the pandemic and political instability, CSOs’ financial viability remained unchanged in 2020.

The majority of CSOs in Timor-Leste depend on funding from international donors and the government. Some organizations have funding from multiple donors, which allows them to sustain their activities. No Timorese organizations or foundations provide financial resources to CSOs.

Through the annual state budget, the government provides support for CSOs for both programming and operational costs. In 2020, the prime minister announced a new government commitment to provide support to CSOs every fiscal year. Given the lack of an approved budget, however, government support was not

confirmed until October 2020, so no funds were transferred until November 2020; those funds can be used for programming over the coming year. The Office of the Prime Minister ultimately allocated approximately \$3.2 million for CSO support in 2020, a notable decrease from \$6 million in 2019. Previously, CSOs were invited to submit program proposals only after the budget had been approved, but beginning in 2020, the Office of the Prime Minister reordered that process: CSOs first submit proposals, which are then brought to discussion in parliament. Included in this direct funding, the government continued to support FONGTIL to follow-up on its 2019 assessment of the internal policy and management systems of FONGTIL members. In addition, the approved FY2020 budget included \$600,000 for social audits, which CSOs conduct to ensure the quality of community participation in government-sponsored projects in the agriculture, education, health, and infrastructure sectors. While social audits have been conducted in Timor-Leste since 2016, they were previously funded by the European

Union, not the government. As part of its COVID-19 relief efforts, the government also covered 60 percent of the salaries of the staff of many CSOs.

Foreign support remained unchanged in 2020 but was largely redirected to COVID-19 prevention and mitigation, while other programs were postponed. The government of New Zealand and the World Health Organization (WHO), for example, supported the Women Network’s COVID-19 prevention and mitigation efforts. USAID also worked to strengthen CSOs in Timor-Leste, with a particular focus on capacity building and expanding initiatives to earn income.

Few CSOs in Timor-Leste actively engage in fundraising, and in 2020 there were no known instances of fundraising activities. Some NGOs, such as the Red Cross of Timor-Leste (RCTL), began to earn income in 2020 by renting assets like meeting spaces. FONGTIL continued to collect membership fees in 2020: for national NGOs, fees are just USD \$60 per year or \$5 per month, while membership fees for INGOs are \$300 per year. In 2020, the Office of the Prime Minister also supported CSOs’ capacity to expand their sources of income through the production of handicrafts and other products.

Some large companies are open to negotiations for funding support or cooperation. For instance, the Alola Foundation, which focuses on maternal and child health, education, and economic development, received funding from ConocoPhillips in Timor-Leste. In 2020, private companies focused on supporting COVID-19 relief efforts, including by funding cleaning materials, transportation, and meals for volunteers. However, few CSOs have explored these opportunities.

The majority of CSOs have internal financial management systems in place, which donors require of their partners. However, the capacity and quality of those systems remain limited for some organizations at both the national and municipal levels. Some national CSOs have financial software and dedicated staff able to manage funding and comply with donor requirements. Those organizations also typically operate in a transparent manner and share annual financial reports and financial statements with donors and the government. All CSOs are required to submit annual reports to the government if they receive government funding, though many do not undergo internal audits or submit financial reports that are not in compliance with their proposed budgets.

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## ADVOCACY: 3.2

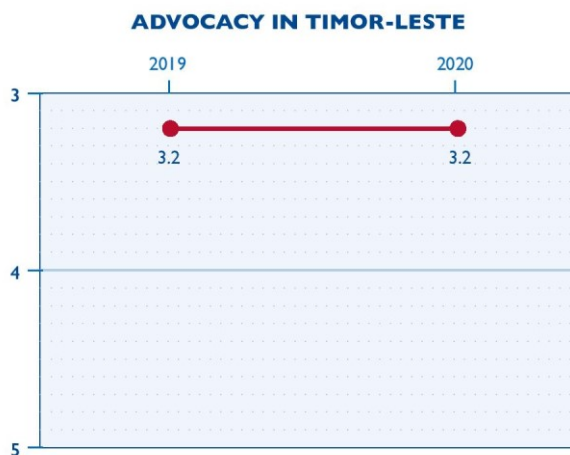
CSO advocacy remained unchanged in 2020.

The government continues to recognize CSOs as active development partners in Timor-Leste. CSOs are legally guaranteed the right to demonstrate and criticize decisions of the government or National Parliament (NP), and there is space for public debate through national news media and social media. The Office of the Prime Minister is committed to supporting CSOs and recognizes their input in developing public policies, and local government authorities continue to view CSOs as critical partners in decision-making processes and as a bridge between the government and communities.

Though the state of emergency limited large gatherings, CSOs experienced no additional challenges in advocacy, and even remained actively engaged with parties throughout the political instability and coalition restructuring in May 2020.

In 2020, FONGTIL organized the Forum Dialogue between CSOs and the government, including the president, the NP, and the Ministries of Education, Health, and Agriculture, Forestry, and Fisheries. The Forum, which focused on food security and nutrition in Timor-Leste, provided a meaningful outlet for cross-sector communication and advocacy.

FONGTIL and its members—particularly the Human Rights Network—actively contributed to the drafting, adoption, and promotion of the Law of Prevention and Combating Corruption, promulgated by the president of Timor-Leste in July 2020. They then helped disseminate information about the law after its adoption. In 2020,



CSOs also actively advocated for improvements to the Lifelong Pension Law, which currently provides full salaries and extensive benefits to former government workers and members of parliament. CSOs used public reports and outreach to call for an amendment to the law; the amendment was still under discussion in the NP at the end of the year.

The Women Network advocated for the Maubisse II Declaration to ensure that infrastructure development meets the needs of those with disabilities, working to garner support from the government and NP. Together with the United Nations Committee on the Elimination of Discrimination Against Women (CEDAW), the Women Network further prepared a proposal for the government to ratify the International Convention for People with Disabilities in Timor-Leste; its submission and ratification, however, was delayed due to challenges around the COVID-19 pandemic and political instability. Also in 2020, the Women Network and FONGTIL engaged in discussions with the NP regarding budget allocations for various ministries, including agriculture, water and sanitation, and education. However, these efforts failed to address gender concerns, and the amount allocated for gender programs remains very small. Advocacy for the rights of the lesbian, gay, bisexual, transgender, and intersex (LGBTI) populations continued in 2020, although on a limited basis. For instance, though COVID-19 restrictions limited the possibility to organize large public events in 2020, CODIVA celebrated LGBTI day through an outreach campaign, video, and small gatherings. CSOs also engaged with government ministries, the NP, and the president in policy-making forums and discussions around COVID-19 prevention.

As an umbrella organization for CSOs in Timor-Leste, FONGTIL continued to lobby the government for greater financial support for CSOs. In addition to this, in 2020, FONGTIL and its members produced a draft law to institutionalize social audits in order to maintain effective communication between CSOs, government, and communities. By the end of the year, the Office of the Prime Minister had submitted the draft law to the Council of Ministers. CSOs also engaged in ongoing advocacy efforts against the defamation law, arguing instead for a more democratic Cybercrime Law to regulate online space. CSO advocacy toward that end successfully stalled the draft defamation law at the Council of Ministers, where it remained under discussion at the end of the year.

## SERVICE PROVISION: 3.6



CSOs' capacity to provide services remained unchanged in 2020, even as the services themselves pivoted to focus on COVID-19 prevention and relief.

In the past, CSOs in Timor-Leste have worked in diverse programmatic areas, including human rights, peace building and conflict prevention, gender and social inclusion, youth engagement, agriculture, capacity building, education, monitoring and evaluation, water and sanitation, judicial reform, advocacy, humanitarian support, and research. In 2020, however, many CSOs temporarily refocused their efforts to directly support COVID-19 prevention and relief activities. While their ability to fulfill their mandated missions was limited in 2020, CSOs were responsive to the most pressing needs of the community during the COVID-19 pandemic and

the resulting state of emergency.

In 2020, FONGTIL and its members established the COVID-19 Information Center. Through this center, CSOs provided the national government with on-the-ground information about the public's needs. The center focused on issues of food security, water, sanitation, and hygiene, and overall security, while providing information to the community regarding COVID-19 protocols and prevention. CSOs also worked extensively with the government to guarantee public access to basic needs during the state of emergency. For instance, both national and local level CSOs joined discussions with MSSJ and other government officials to ensure that government subsidies reached the households that needed them most.

Some CSOs conduct baseline assessments before implementing their programs in order to determine community needs and the best interventions to support their community. In 2020, CSOs focused primarily on the most

vulnerable communities and worked closely with both communities and government authorities to monitor COVID-19 relief programs and ensure that basic needs were met at both sub-national and suco levels. CSOs do not discriminate in the selection of their beneficiaries on the basis of race, culture, religion, or gender.

CSOs continued to provide their services for free, with funding from international donors and the government, so there was no cost recovery for services to their beneficiaries in 2020. Instead, all CSOs were focused on ensuring that basic needs were met, especially for vulnerable populations.

The government continued to recognize the vital work of CSOs, which became even more significant given the extensive challenges of 2020. The Ministry of Health was particularly supportive of CSO activities in 2020, as so many worked on COVID-19 prevention and mitigation at the community level. The Office of the Prime Minister further supported FONGTIL and its members to monitor the provision of emergency subsidies to households, and the resulting data was submitted to the Ministry of State Administration.

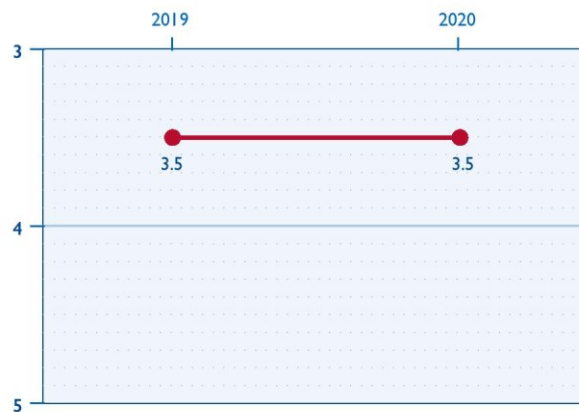
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## SECTORAL INFRASTRUCTURE: 3.5

CSOs in Timor-Leste enjoy access to fairly robust sectoral support and infrastructure. While restrictions due to the pandemic posed additional challenges, the infrastructure supporting the sector remained largely unchanged in 2020.

The infrastructure supporting CSOs in Timor-Leste includes training, networks, and intersectoral partnerships. Prior to the state of emergency in 2020, national NGO networks, including those that bring together organizations focused on women's issues, human rights, and peace building and conflict resolution, offered capacity building to other CSOs based on relevant needs. However, no such training was offered for most of 2020 due to restrictions on gatherings and CSOs' efforts to prioritize COVID-19 relief.

SECTORAL INFRASTRUCTURE IN TIMOR-LESTE



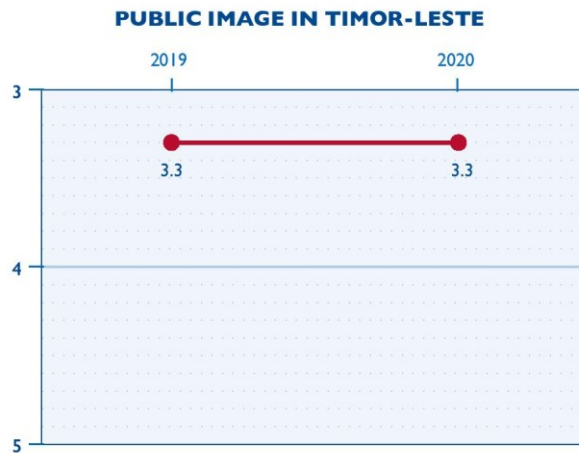
In 2020, CSOs primarily relied on the internet to access information. Those CSOs that had donor agreements in place before the state of emergency in March 2020 were best placed to access ongoing support and information on funding opportunities and training. In the past, international donors generally conducted organizational capacity assessments and provided training to program, administrative, and finance staff before awarding funding to national and local CSOs. In 2020, however, only online training was available for CSOs for the majority of the year, and even those opportunities were limited.

While no local organizations or foundations provide local funding to CSOs, in 2020 a few organizations sub-granted foreign support. For instance, Bridging Peoples sub-granted funding from the Millennium Challenge Corporation to Belun for education research in Timor-Leste.

In 2020, coalitions and networks improved their effectiveness, especially in the dissemination of COVID-19 protocols to local communities. CSOs worked jointly to support government relief efforts, ensuring that all communities were included, and coordinated to promote information about the risk and prevention of COVID-19.

CSOs also collaborated with other sectors to promote health and hygiene protocols and monitor the government's relief programs. For instance, they worked to promote guidance from the health sector and coordinated with the business sector to provide materials like soap, disinfectant, and masks. FONGTIL and its members actively supported government relief work during the state of emergency.

## PUBLIC IMAGE: 3.3



CSOs' public image remained unchanged in 2020, and CSOs continued to enjoy mostly positive relationships with the media and the public in Timor-Leste.

During the state of emergency, FONGTIL provided information on the impact of COVID-19 on a weekly basis, which the national media consistently covered. However, some CSOs provided inaccurate information about the pandemic through social media, creating conflict between the involved CSOs and the government and highlighting the need for CSO capacity building in media and digital literacy. These incidents also sparked calls for the government to better understand and manage media policies and regulations on public information.

The public perception of CSOs—both urban and rural—remains largely positive as CSOs work directly with communities, and those communities witness the role of CSOs in public assistance and development. CSOs also act as a bridge between the government and communities and are able to relay public needs and concerns to government officials. However, there is still an ongoing need for CSOs to better explain their role at the community level. In the past, CSO activists have gone on to become politicians or members of parliament, creating confusion and distrust among the public about the broader goals and ethics of CSOs. CSOs continue to promote their activities and missions through news media, online and social media, and their organizational websites.

Though the government at both the national and municipal levels perceives CSOs positively and as partners in aid and development efforts, it sometimes regards CSO activists as political actors. When government authorities do criticize the work of CSOs, it is typically aimed at specific individuals, rather than organizations. Because CSOs actively monitor government programs, the private sector is sometimes led to believe that CSOs do not implement programs themselves, but merely evaluate government programs. Businesses also sometimes come into conflict with CSO activities, particularly in response to CSO advocacy efforts. For instance, after companies raised the price of rice and other basic needs during the pandemic, CSOs advocated with the government to set a standard market price.

Most CSOs in Timor-Leste have internal control systems, such as manuals addressing personnel, financial, and procurement issues, to help them ensure good governance and transparency, particularly with partners and donors. In 2020, most CSOs continued to publish annual reports on programming and financial reports, sharing them with donors and stakeholders. CSOs generally also have codes of ethics to guide their program implementation.

# ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

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## INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

### 2020 CSO SUSTAINABILITY INDEX

#### I. INTRODUCTION

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

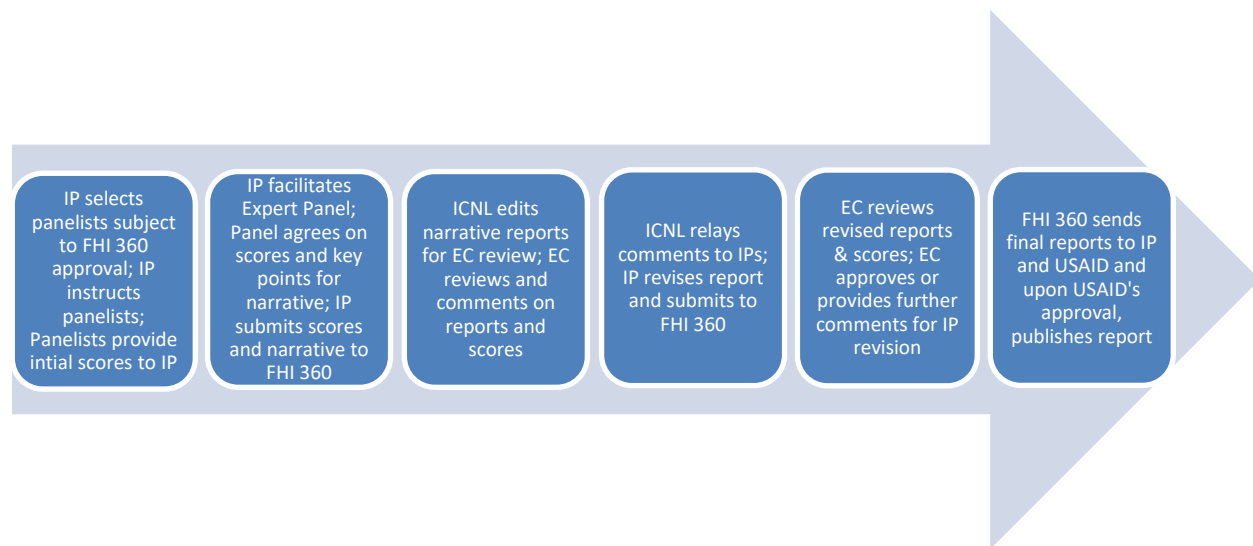
Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior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

#### **Local Implementing Partners should please remember:**

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

## II. METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed by the IP to assemble the Expert Panel that will meet in person to discuss the status of civil society over the reporting year, determine scores, and prepare a country report for the 2020 Civil Society Organization (CSO) Sustainability Index.



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

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

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

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

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

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

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

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

**Definition of CSO:**

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

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

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

In order to allow adequate time to prepare for the panel, distribute the instructions, rating description documents and a copy of the previous year’s country chapter to the members of the Expert Panel a minimum of three days before convening the Panel so that they may develop their initial scores for each dimension before meeting with the other panel members. It is critical to emphasize the importance of developing their scores and justifications before attending the panel. It is also important to remind panel members that the scores should reflect developments during the 2020 calendar year (January 1, 2020, through December 31, 2020).

We also recommend you encourage panelists to think of concrete examples that illustrate trends, since this information will be crucial to justifying their proposed scores. In countries with closing civic space, the IP should take initiative to ensure that expert panel members do not self-censor themselves, including by taking whatever measures possible to build trust. The confidentiality of all members must be ensured and participants must be protected against retaliation; to this end, the IP can choose to enforce Chatham House Rules.

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



We are very interested in using the preparation of this year’s Index to track lessons learned for use in improving the monitoring process in upcoming years. 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 to English if not originally written in English).

At the end of the discussion of each dimension, allow panel members to adjust their scores, if desired. Then, for each dimension, eliminate the highest score and the lowest score (if there are two or more of the highest or lowest scores, only eliminate one of them) and average the remaining scores together to come up with a single score for each dimension. Calculate the average or arithmetic mean<sup>2</sup> of these scores for a preliminary score for the dimension. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Use a table similar to the one provided below to track panel members’ scores without personal attribution.

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

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

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

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

<sup>2</sup> Arithmetic mean is the sum of all scores divided by the total number of scores.

“Sustainability Enhanced” phase. Please read the “Sustainability Enhanced” section for Organizational Capacity in “Ratings: A Closer Look” to ensure that this accurately describes the civil society environment.

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

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

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

**4. Prepare a draft country report.** The report should focus on developments over the calendar year 2020 (January 1, 2020, through December 31, 2020).

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

The report should then include sections on each dimension. Each of these sections should begin with a summary of the reasons for any score changes during the year. For example, if a better score is proposed, the basis for this improvement should be clearly stated up front. These sections should include a discussion of both accomplishments and strengths in that dimension, as well as obstacles to sustainability and weaknesses that impact the operations of a broad range of CSOs. Each indicator within each dimension should be addressed in the report.

The report should be written based on the Panel members’ discussion and input, as well as a review of other sources of information about the CSO sector including but not limited to analytical studies of the sector, statistical data, public opinion polls and other relevant third-party data. Some international sources of information and data that should be considered include the following:

- CIVICUS State of Civil Society Report - <https://www.civicus.org/index.php/state-of-civil-society-report-2019>
- CIVICUS Monitor -- <https://monitor.civicus.org/>
- World Giving Index - <https://www.cafonline.org/about-us/publications>
- Varieties of Democracy (V-Dem) - <https://www.v-dem.net/en/analysis/CountryGraph/>
- 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-world-2019>
- Freedom of the Press - <https://freedomhouse.org/report-types/freedom-press>
- ITUC Global Rights Index: <https://www.ituc-csi.org/rights-index-2019>
- 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: <http://www.icnl.org/research/monitor/>
- Carnegie Endowment for International Peace: <https://carnegieendowment.org/regions>
- Afro-Barometer: <http://www.afrobarometer.org/>

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

While the individual country reports for the 2020 CSO Sustainability Index must be brief, implementers may write longer reports for their own use to more fully describe the substance of the panel meetings. Longer reports may include additional country context information or examples and could be used for a variety of purposes, including advocacy initiatives, research, informing project designs, etc.

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

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

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

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

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

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

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

### III. THE ROLE OF THE EDITORIAL COMMITTEE

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

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

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

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## 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 2020 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 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.

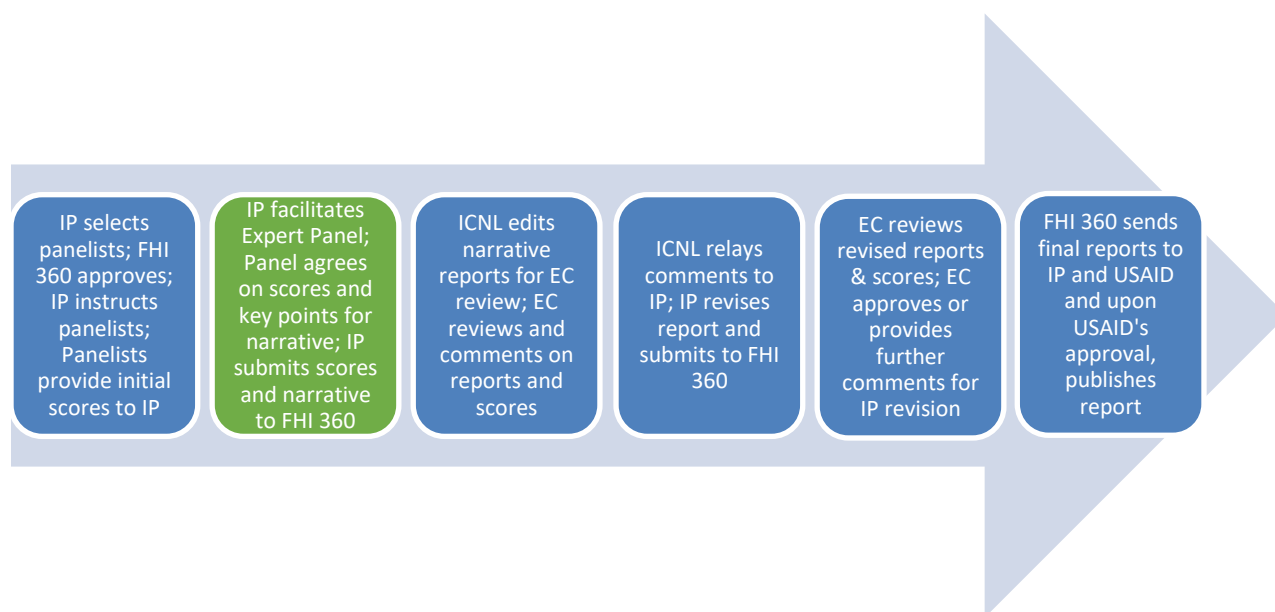
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process, 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."<sup>1</sup>*

<sup>1</sup> 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.

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

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

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

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

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

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

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

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

<i>Range of Goods and Services – Variety of goods and services offered</i>
<i>Responsiveness to the Community – Extent to which goods and services address local needs</i>
<i>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 Evolving<sup>2</sup> (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

<sup>2</sup> 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.



## Scoring Process<sup>3</sup>

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 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.**

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<sup>3</sup>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.

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

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

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

For countries with closing civic space, sufficient data and informational sources should be discussed to both acknowledge the changes in civic space and consider its impacts on dimensions. The panelists should respond to published sources and present their evidence to ensure balance between positive and negative developments affecting civil society in their country. To avoid self-censorship and ensure the confidentiality of and non-retaliation against any expert panel member, the IP could choose to enforce the *Chatham House Rule*. 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<sup>4</sup>.

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:

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

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<sup>4</sup> **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.

<b>Deterioration</b>	<p><b>Cataclysmic deterioration:</b> Trends and developments have had a completely transformative negative effect on at least one or two indicators in the dimension and significantly affected other dimensions as well.</p> <p>Example: Legal Environment – A law has banned all international CSOs and their affiliates from the country, as part of the government’s systematic crackdown on civil society organizations.</p>	0.5 or greater
	<p><b>Extreme deterioration:</b> Trends and developments have had very important negative effects on at least one or two indicators in the dimension.</p> <p>Example: Organizational Capacity – Economic depression and instability have led donor basket funds to close abruptly, leaving many major CSOs without funding for their activities. Outreach efforts to constituencies have been halted due to funding shortages and many major CSOs have lost their well-qualified staff members.</p>	0.4
	<p><b>Significant deterioration:</b> Trends and developments have had important negative effects on at least one or two indicators in the dimension.</p> <p>Example: Public Image – The government conducts a relentless media campaign to discredit the image of CSOs by calling them agents of foreign actors seeking to destabilize the country. At the same, the government intimidates media outlets and threatens them with retaliation should they partner with or cover CSO activities without prior approval by the government.</p>	0.3
	<p><b>Moderate deterioration:</b> Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – In an effort to increase public revenue, the government has decided to increase fees by 100% for some types of government services, including CSO registration renewal fees, which were already very high according to many CSOs. As a result, some CSOs, particularly community-based organizations (CBOs), had to delay or suspend their activities.</p>	0.2
	<p><b>Slight deterioration:</b> Trends or developments have had a slightly negative impact on a at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – The government has decided that CSOs should submit their financial statement and annual activity report to the registration agency every year. This may have a long-term positive effect but in the short-term it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials.</p>	0.1
<b>No Change</b>	<p>The country has not encountered any significant trends or developments in the dimension or developments have been both positive and negative in equal measure.</p>	0
	<p><b>Slight improvement:</b> Trends or developments have had a slightly positive impact on at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – To facilitate CSO registration, particularly for those in rural areas, the government has decided its registration agency will allow the agency to take applications locally and process registration directly at the district level. Now, CSOs in rural areas are not required to travel to the capital to apply. However, this measure is accompanied with a small increase in the registration fee.</p>	0.1

<b>Improvement</b>	<p><b>Moderate improvement:</b> Trends and developments have had a somewhat positive impact in at least one or two indicators in the dimension.</p> <p>Example: Service Provision – To improve the effectiveness of public service delivery, the central government has decided that at least 10% of local government contracts for basic service delivery will be set aside for CSOs. The law is lacking in specificity, particularly around the application process, but it reinforces CSOs’ image as credible partners.</p>	0.2
	<p><b>Significant improvement:</b> Trends and developments have had important positive effects on at least one or two indicators in the dimension.</p> <p>Example: Public Image – There has been a net increase of CSO partnerships with businesses. CSOs have also agreed to and published a general code of conduct for the sector, reinforcing a positive trend of greater transparency and accountability.</p>	0.3
	<p><b>Extreme improvement:</b> Trends and developments have had very important positive effects on several indicators in the dimension.</p> <p>Example: Organizational Capacity – The government and international donors have launched a five-year multi-million-dollar basket funds to support CSO-led activities and to strengthen CSO capacity, with a special focus on skills training for CSO staff members, particularly those from CBOs.</p>	0.4
	<p><b>Transformative improvement:</b> Trends and developments have had a completely transformative positive effect on at least one or two indicators in the dimension and will potentially affect other dimensions as well.</p> <p>Example: Legal Environment – A nonviolent revolution that toppled an authoritarian regime and installed a more democratic regime has produced sudden political and legal changes that will protect basic freedoms and human rights.</p>	0.5 or 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 1: 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 into the final report that clarifies that the new score for that dimension is based on a recalibration and should not be compared with the previous year's score to make assertions about improvement or deterioration.
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 into the final report that clarifies that the new score for that dimension is based on a recalibration and should not be compared with the previous year's score to make assertions about improvement or deterioration.
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 to include 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 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 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 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 send 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, 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 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 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

## 2020 ASIA SCORES



Country	CSO Sustainability	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Sectoral Infrastructure	Public Image
Bangladesh	4.0	4.9	3.3	4.6	3.9	3.4	3.7	4.0
Cambodia	4.7	5.3	4.1	5.3	5.1	4.1	4.2	4.6
Indonesia	3.9	4.6	3.8	4.4	3.2	3.5	3.9	4.0
Nepal	4.3	4.3	4.4	4.6	3.7	4.0	4.3	4.5
The Philippines	3.7	4.3	3.6	4.3	4.0	3.4	3.1	3.4
Sri Lanka	4.8	4.9	4.5	5.4	4.1	4.6	5.0	5.0
Thailand	5.1	6.0	4.4	5.4	5.3	4.6	4.8	5.1
Timor-Leste	3.5	3.4	3.2	4.4	3.2	3.6	3.5	3.3

To further explore CSOSI's historical data and past reports, please visit - [www.csosi.org](http://www.csosi.org).

## COUNTRIES RANKED BY SCORE



### Legal Environment

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

Timor-Leste	3.4
Nepal	4.3
The Philippines	4.3
Indonesia	4.6
Bangladesh	4.9
Sri Lanka	4.9

SUSTAINABILITY  
**IMPEDED**

Cambodia	5.3
Thailand	6.0

### Organizational Capacity

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

Timor-Leste	3.2
Bangladesh	3.3
The Philippines	3.6
Indonesia	3.8
Cambodia	4.1
Nepal	4.4
Thailand	4.4
Sri Lanka	4.5

SUSTAINABILITY  
**IMPEDED**

### Financial Viability

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

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

SUSTAINABILITY  
**IMPEDED**

Cambodia	5.3
Sri Lanka	5.4
Thailand	5.4

### Advocacy

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

Indonesia	3.2
Timor-Leste	3.2
Nepal	3.7
Bangladesh	3.9
The Philippines	4.0
Sri Lanka	4.1

SUSTAINABILITY  
**IMPEDED**

Cambodia	5.1
Thailand	5.3

### Service Provision

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

Bangladesh	3.4
The Philippines	3.4
Indonesia	3.5
Timor-Leste	3.6
Nepal	4.0
Cambodia	4.1
Sri Lanka	4.6
Thailand	4.6

SUSTAINABILITY  
**IMPEDED**

### Sectoral Infrastructure

SUSTAINABILITY  
**ENHANCED**

SUSTAINABILITY  
**EVOLVING**

The Philippines	3.1
Timor-Leste	3.5
Bangladesh	3.7
Indonesia	3.9
Cambodia	4.2
Nepal	4.3
Thailand	4.8
Sri Lanka	5.0

SUSTAINABILITY  
**IMPEDED**

### Public Image

SUSTAINABILITY  
**ENHANCED**

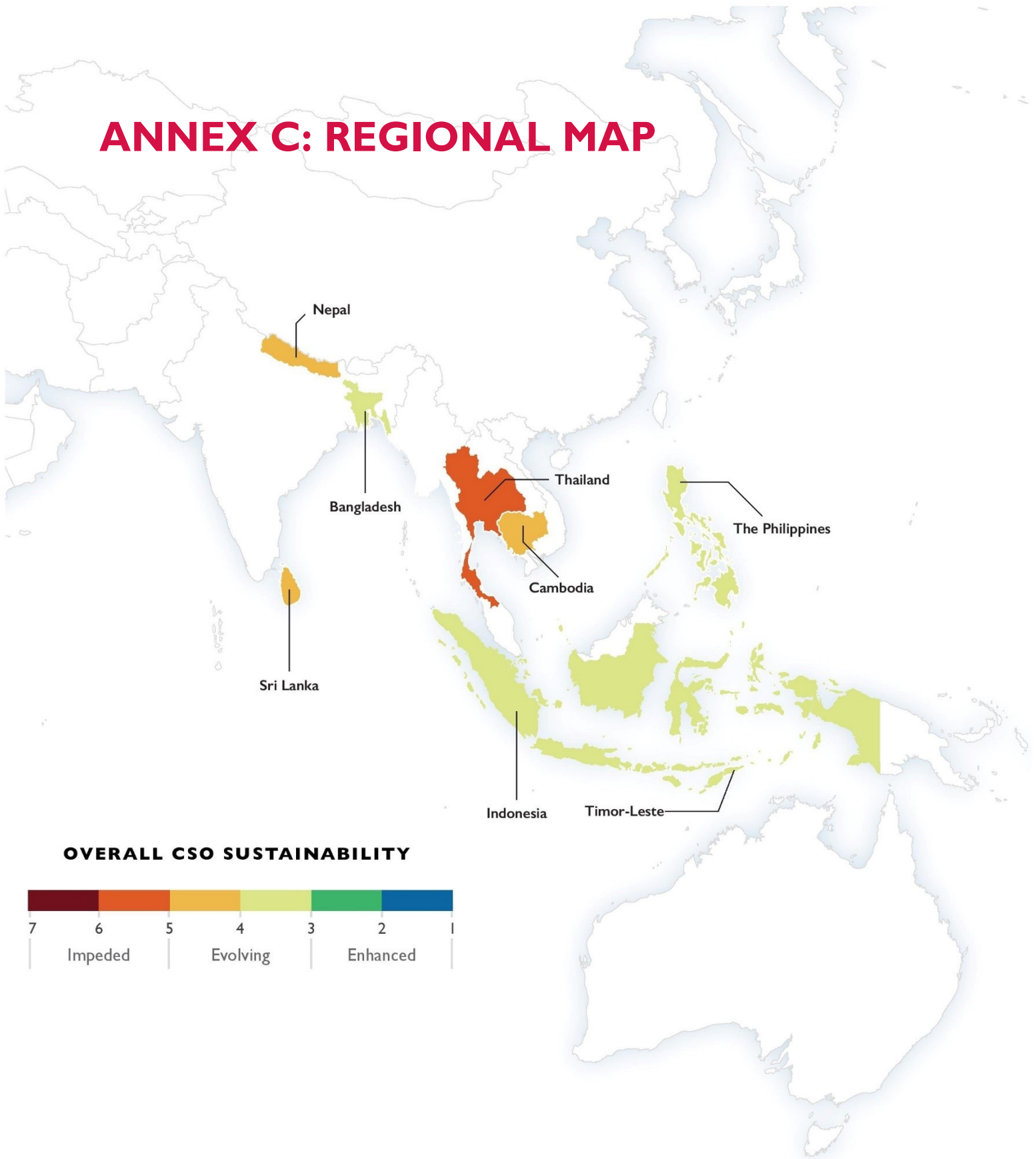
SUSTAINABILITY  
**EVOLVING**

Timor-Leste	3.3
The Philippines	3.4
Bangladesh	4.0
Indonesia	4.0
Nepal	4.5
Cambodia	4.6
Sri Lanka	5.0

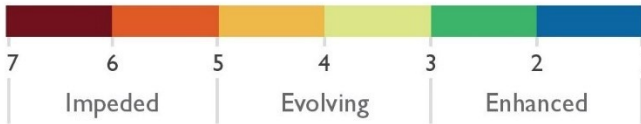
SUSTAINABILITY  
**IMPEDED**

Thailand	5.1
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# ANNEX C: REGIONAL MAP



## OVERALL CSO SUSTAINABILITY



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