USAID
FROM THE AMERICAN PEOPLE

2015 CSO SUSTAINABILITY INDEX

FOR ASIA

The 2015 CSO Sustainability Index for Asia

Developed by:
United States Agency for International Development

Bureau for Democracy, Conflict, and Humanitarian Assistance
Center of Excellence on Democracy, Human Rights, and Governance

Bureau for Asia
Office of the Assistant Administrator

CONTENTS

Introduction ii

Acknowledgments iii

Executive Summary v

2015 CSO Sustainability Index Scores xiii

Country Reports 1

- **Bangladesh** 1
- **Cambodia** 9
- **Indonesia** 18
- **Nepal** 27
- **Philippines** 38
- **Sri Lanka** 48
- **Thailand** 59

Annex A: CSO Sustainability Index Methodology 69

Annex B: CSOSI 2015 Statistical Data for Asia 84

INTRODUCTION

USAID is pleased to present the second edition of the *Civil Society Organization (CSO) Sustainability Index for Asia*. This edition of the *Index* reports on the strength and overall viability of the CSO sectors in Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, and Thailand.

The *Index* relies on the knowledge of CSO practitioners and researchers, who in each country form an expert panel to assess and rate seven interrelated dimensions of CSO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. The panel proposes a score for each dimension, which can range from 1 (indicating a very advanced civil society sector with a high level of sustainability) to 7 (indicating a fragile, unsustainable sector with a low level of development). Dimension scores are averaged to produce an overall sustainability score. The *Index* groups all scores into three overarching categories—Sustainability Enhanced (scores from 1 to 3), Sustainability Evolving (3.1-5), and Sustainability Impeded (5.1-7). An editorial committee composed of technical and regional experts reviews the panel's findings, with the aim of maintaining consistent approaches and standards so as to allow cross-country comparisons. Further details about the methodology used to calculate scores and produce corresponding narrative reports are provided in Annex A.

The *Index* is 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 *CSO Sustainability Index for Asia* complements similar publications covering other regions, which include reports on twenty-four countries in Central and Eastern Europe and Eurasia, thirty-one countries in Sub-Saharan Africa, seven countries and territories in the Middle East and North Africa, as well as Afghanistan and Pakistan[1]. These editions of the *CSO Sustainability Index* bring the total number of countries surveyed to seventy-one.

A publication of this type would not be possible without the contributions of many individuals and organizations. We are grateful to the implementing partners, who played 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 participated in the expert panels in each country. Their knowledge, perceptions, ideas, observations, and contributions are the foundation upon which the *Index* is based.

[1] The *CSO Sustainability Index for Afghanistan* and *CSO Sustainability Index for Pakistan* are made possible by the support of the Aga Khan Foundation. The Aga Khan Foundation also provides funding for the Mali and Kenya country reports for the *CSO Sustainability Index for Sub-Saharan Africa.*

ACKNOWLEDGMENTS

Bangladesh	Wasiur Rahman Tonmoy, The Manusher Jonno Foundation
Cambodia	Senior Management Team of CCC and CSO Leaders of Cambodia, Cooperation Committee for Cambodia (CCC)
Indonesia	Sugiarto Santoso, Lusi Herlina, Frans Tugimin, Ibrahim Rustam, Konsil LSM
Nepal	Kedar Khadka and Dipesh Ghimire, GoGo Foundation
Philippines	Roselle Rasay, Celia De Jesus, Sixdon Macasaet, Tanya Zaldarriaga and Rory Tolentino, Caucus of Development NGO Networks (CODE-NGO)
Sri Lanka	Sabrina Esufally, Vérité Research
Thailand	Wichai Limpitikranon and Sakolsri Satityathiwat, Kenan Institute Asia

Project Managers

Management Systems International, Inc.
Alex Nejadian
Allison Poyac-Clarkin

The International Center for Not-for-Profit Law
Cathy Shea
Jennifer Stuart
Margaret-Ann Scotti

Editorial Committee

USAID: Mariam Afrasiabi, Gavin Helf, and Kristine Herrmann-Deluca

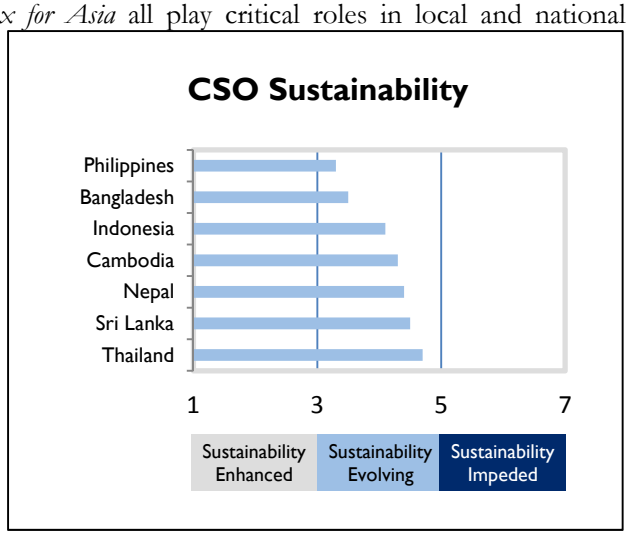
MSI: Allison Poyac-Clarkin

ICNL: David Moore

Regional Expert: Jenny Pearson

EXECUTIVE SUMMARY

Whether responding to devastating earthquakes in Nepal, facilitating national reconciliation in Sri Lanka, or advocating against a restrictive new law governing the sector in Cambodia, CSOs in the seven countries covered by this second edition of the *CSO Sustainability Index for Asia* all play critical roles in local and national development.



The *2015 CSO Sustainability Index for Asia* reports on the strength and viability of the CSO sectors in seven countries in Asia: Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka, and Thailand. While overall sustainability levels for all of the assessed countries fall within the Sustainability Evolving category, this fact masks the great variations across the countries in overall sustainability and within the different dimensions.

The Philippines has the strongest overall sustainability, followed closely by Bangladesh. In the Philippines, CSOs benefit from a supportive legal framework that facilitates registration; the ability to operate freely; various government grant programs; a variety of mechanisms to engage in policy-making processes; long-established networks that provide training and resources to other CSOs; and positive government perceptions of their work.

Thailand had the weakest overall sustainability in 2015, followed closely by Sri Lanka. Thailand remains under the rule of a military government, which continues to use the constitution and laws to suppress the freedom of expression and arrest dissidents. Thai CSOs remain under strict monitoring and are at risk of their activities being shut down. Furthermore, the military government is only beginning to engage with CSOs on policy making and continues to shut down activities related to sensitive issues, while government control over the media makes it difficult for CSOs to build their public image. In addition, most CSOs depend on a single source of funding and the infrastructure supporting the CSO sector remains weak.

Sri Lanka, which had the lowest overall sustainability in 2014, reported remarkable improvements in CSO sustainability in 2015 due to a dramatic opening of civic space in the country after the election of a new president and a new coalition government during the year. As CSOs gained the ability to work freely in the country, almost all dimensions of sustainability improved.

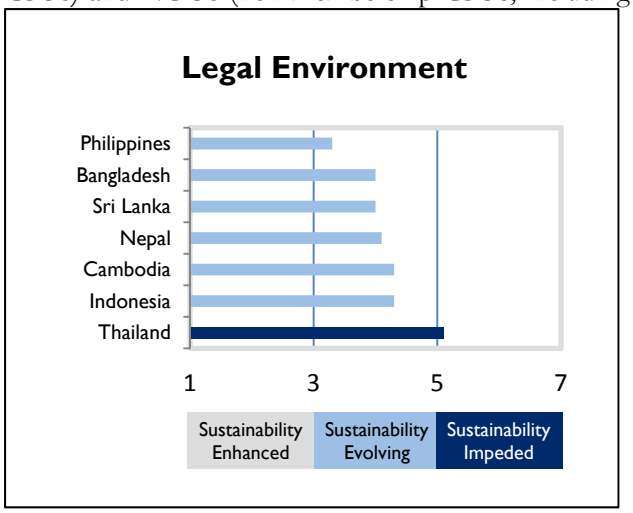
Throughout the assessed countries, CSOs are engaged in a wide variety of fields—from social services, to national development, to human rights and good governance. The magnitudes of the sectors vary greatly, both depending on the size of the country as well as the ease of registration. Nepal and the Philippines report the largest sectors: estimates place the number of active CSOs in Nepal at over 300,000, while data in the Philippines indicates the existence of 261,762 registered CSOs as of 2014. Sri Lanka reports the smallest number of registered CSOs in 2015 (1,496).

Legal Environment

Six out of the seven countries covered by the *2015 CSO Sustainability Index for Asia* now have scores for the legal environment dimension that fall within the Sustainability Evolving category; only Thailand remains in the Sustainability Impeded category. As was the case last year, the Philippines had the strongest legal environment in 2015, though it deteriorated slightly during the year.

The legal environments in Cambodia and Sri Lanka both changed significantly in 2015. The legal environment in Cambodia deteriorated with the adoption of the Law on Associations and Non-Governmental Organizations

(LANGO), despite vehement objections to the law by local CSOs, as well as the international community. The LANGO, the first law to specifically regulate CSOs in the country, requires all associations (member-based CSOs) and NGOs (non-membership CSOs, including foundations) to register and provides the Ministry of Interior the authority to deny registration—and thereby outlaw the organization—based on very broad grounds, such as jeopardizing cultures, tradition, and custom. Cambodia also adopted two other problematic laws during the year: one that limits CSOs' participation in election processes and another that allows the government broad access to electronic communications. In Sri Lanka, with the arrival of the reform-minded administration of President Maithripala Sirisena, the legal environment governing CSOs dramatically improved, with the score in this dimension moving from Sustainability Impeded to Sustainability Evolving. While the legal framework has not yet changed to reflect this opening of civic space, CSOs now feel free to criticize and engage with the government. In addition, CSOs can now work openly on issues once considered sensitive, such as minority rights and transitional justice, and access the North and East of the country without interference from the military.



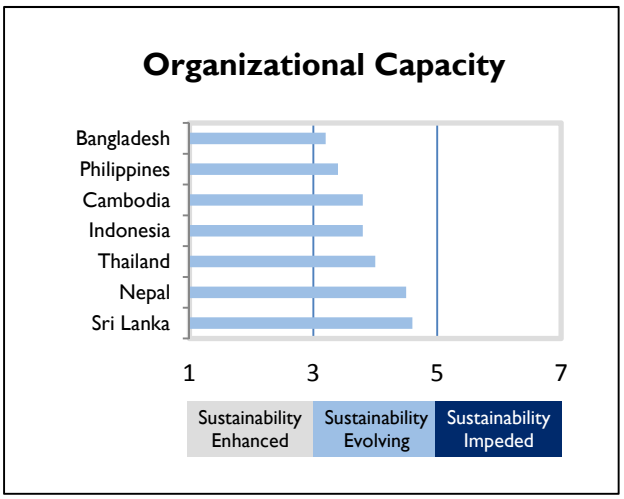
In most of the countries assessed, CSOs—particularly those based outside of main cities or working in human rights and other sensitive topics—encounter a difficult registration process. For example, in Bangladesh, the registration process may take more than a year due to corruption or favoritism towards supporters or affiliates of the ruling party. In Indonesia, registration can be expensive and take between six and twelve months. In Nepal and Thailand, CSOs must renew their registrations every one and two years, respectively. In Nepal and the Philippines, secondary registration with other departments and agencies is often required.

Burdens on CSO operations increased in several countries in 2015, including Cambodia, Nepal, the Philippines, and Thailand. In Cambodia, the new LANGO requires CSOs to provide quarterly financial and programmatic reporting, while the new Law on Election of Member of National Assembly (LEMNA) prohibits CSOs from conducting opinion surveys, producing research, or performing other activities that might favor one political party over another before, during, and after an election. In Nepal, a new regulation and several directives issued by the Social Welfare Council introduced new administrative burdens to CSOs' access to foreign funding. In the Philippines, a 2013 scandal involving laundering of public funds through fake CSOs prompted new measures to monitor CSOs more closely, including a new requirement that CSOs be accredited to access government contracts or grants. In Thailand, besides the several existing laws that suppress the freedom of expression, the government issued new regulations that appear to favor CSOs whose work supports government policies and hinder CSOs involved in sensitive issues. The government also subjected CSOs to stricter monitoring after finding that the prominent Thai Health Promotion Foundation (ThaiHealth) misappropriated funds.

CSOs that work on sensitive issues, including land rights and environmental rights, are often subject to government harassment. In the Philippines, the UN Special Rapporteur on the Rights of Indigenous Peoples reported cases of military and paramilitary forces killing activists defending land rights of indigenous peoples, while CSOs in Thailand report that the military government often requires organizations working to improve land and forestry management to provide additional information on activities that it sees as a threat to national security. In Sri Lanka, on the other hand, CSOs faced significantly less harassment than in previous years; the new administration even attempted to address allegations that officials abused civil society actors.

Organizational Capacity

Organizational capacity among CSOs in the assessed countries remained stable in 2015, with the exception of Sri Lanka, which reported marked improvement. The freer opening environment in Sri Lanka allowed CSOs to build their organizational capacities. For example, increased press freedom enhanced the capacity of advocacy-oriented CSOs to build constituencies around issues censored by the previous administration, such as missing persons from the civil war, anti-corruption, and transitional justice. Moreover, advocacy-oriented CSOs were able to recruit more interns and volunteers due to the public enthusiasm for President Sirisena's good governance mandate and to the reduced risk of state harassment for engaging in CSO activity. Additionally, the dramatic developments in the country led many CSOs to revise their strategic plans to include new areas of work, such as human rights in the North and East of Sri Lanka, which they could not pursue in previous years.



All of the assessed countries remain in the Sustainability Evolving category in this dimension. Bangladesh continues to have the strongest organizational capacity among the assessed countries, while Sri Lanka remains the weakest despite the improvements noted above. Bangladesh is particularly strong in constituency building; most large CSOs have built strong constituencies through their long-term programs, and even CSOs in rural areas have opportunities to build constituencies through partnerships with larger organizations. In addition, most Bangladeshi CSOs have clear missions and at least short-term strategic plans. CSOs in the Philippines also have strong organizational capacity; in particular, Filipino CSOs are skilled in community organizing, allowing them to reach target beneficiaries and build effective constituencies to support policy advocacy positions.

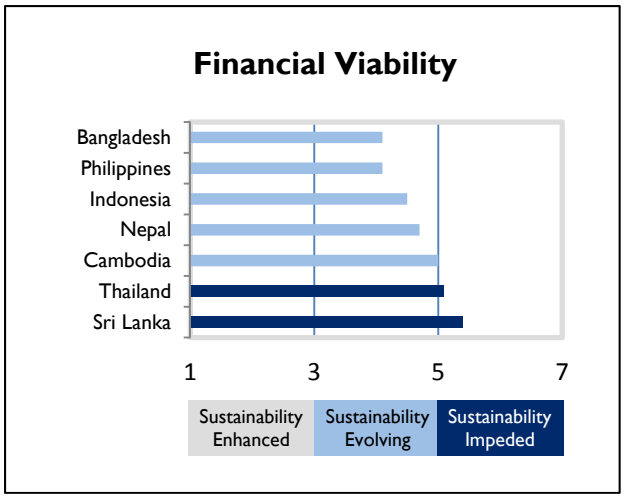
CSOs in the vast majority of assessed countries struggle with most components of organizational capacity. Constituency building and strategic planning are often hindered by dependence on foreign donor funding, which drives CSOs to follow donor priorities rather than those of potential constituents. The short-term nature of foreign-funded projects also makes it difficult for CSOs to make and follow through with long-term plans. Larger, national-level CSOs generally are more adept at constituency building and strategic planning. Internal governance, particularly the functioning of boards of directors, also tends to be weak among most CSOs, with just a few people often dominating decision making. For example, a 2015 study of the sixty-seven members of Indonesia's NGO Council found that only 46 percent were in compliance with the Council's Minimal Standards of Accountability, and many CSOs were led by just one person. In Thailand, many CSOs tried to improve their internal management structures in 2015 due to stricter government monitoring.

In virtually all of the countries assessed, CSOs have great difficulty retaining professional staff because they are unable to offer salaries that are competitive with those of international CSOs or employers in other sectors. This was especially acute in Sri Lanka in 2015, where CSOs frequently lost staff to international CSOs that were scaling up their operations due to the political developments in the country. Volunteerism is generally limited throughout the assessed countries; however, both Nepal and Sri Lanka saw a surge in volunteering in 2015 due to major developments in these countries—the election of a new government in Sri Lanka, and two devastating earthquakes in Nepal.

Financial Viability

Financial viability is the weakest dimension of CSO sustainability in all countries assessed. Sri Lanka continues to have the lowest level of financial viability, followed by Thailand, while Bangladesh and the Philippines report the strongest levels of financial viability.

The CSO sectors in all the countries assessed rely heavily on foreign funding, gains and losses of which significantly affect financial viability. Bangladesh and Cambodia reported deterioration in this dimension due to losses in foreign funding. Due to the political unrest in Bangladesh, the NGO Affairs Bureau—from which CSOs must obtain permission on a case-by-case basis to access foreign funding—released only about $275 million for foreign projects during the year, a near two-thirds decrease in amount compared to the previous year. In Cambodia, foreign donors have been shifting their support away from the country due to its progression towards middle-income status, leading many CSOs to cease their operations. Foreign funding also continued to decline in Sri Lanka and Indonesia, although this did not affect financial viability scores. On the other hand, Nepal and the Philippines noted improvements in this dimension in 2015, though likely temporary, partly due to an influx in foreign funding for projects to ameliorate natural disasters.



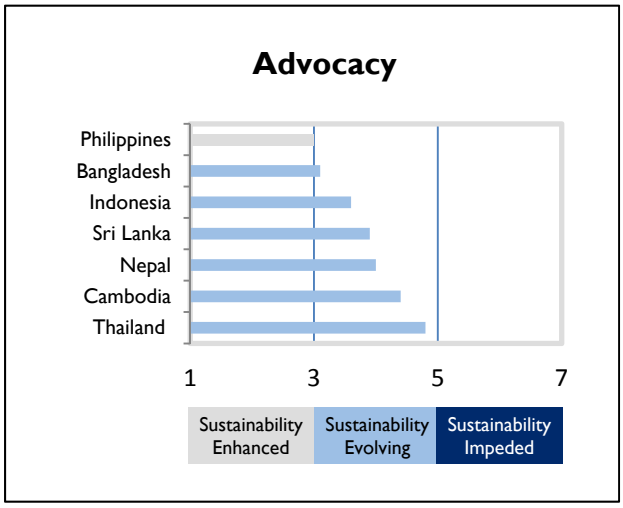
Throughout the assessed countries, local support from governments, individuals, or businesses is limited. For example, in Indonesia, government funding constitutes just 3 to 8 percent of the budgets of CSOs, and corporate donations are also marginal. In Cambodia, CSOs generally do not receive individual donations due to a perception that CSOs are well-funded; corporate philanthropy is also rare, in part due to the lack of tax benefits for corporate donations. However, some countries reported increases in local support in 2015. For example, corporate philanthropy is on the rise in the Philippines, where a non-profit consortium of over 200 corporations raises an average of $41 million each year for various projects. In Nepal, many people increasingly made donations or volunteered in response to the 2015 earthquakes. In Thailand, individual financial contributions to CSOs seem to have increased as a result of a government campaign to raise awareness of the tax benefits of donating to CSOs.

Few CSOs in the assessed countries earn substantial income from economic activity. Bangladesh is an exception in this regard; many Bangladeshi CSOs engage in economic activities, including microcredit programs and social enterprises, and a few leading CSOs have sustainable funding models. BRAC, for example, generates 72 percent of its funding from its social enterprises.

Advocacy

With the only score in the Sustainability Enhanced category, the Philippines continues to report the highest advocacy capacity of the countries assessed, with Bangladesh close behind. With Sri Lanka's dramatic improvement in advocacy in 2015 (described below), Thailand now has the weakest score in this dimension.

CSOs in several of the assessed countries, including Bangladesh, Thailand, and Sri Lanka, made significant strides in working with government and conducting broad-based advocacy and lobbying during the year. In Bangladesh, despite political turmoil during 2015, CSOs successfully advocated for the government to make plans to provide education and textbooks in five indigenous languages; contributed to the development of a national decentralization policy; and drafted a code of conduct for domestic workers' rights that was submitted to the government. In Thailand, despite laws that impede the freedoms of expression and assembly and lead to



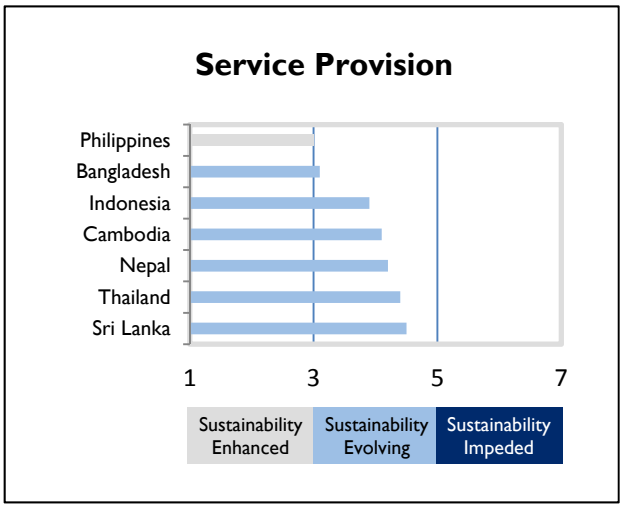
self-censorship—such as the lèse-majesté law, which criminalizes insulting the royal family— CSO-government engagement became more common, and CSOs had significant advocacy successes such as the adoption of a surrogacy law and a subsidy for newborns. The remarkable opening of civic space in Sri Lanka allowed CSOs to play a central role in sensitive issues such as accountability, transparency, and good governance, which in previous years would have been met with state-sponsored harassment. CSOs gained access to law and policy makers, particularly as former human rights defenders became members of the government. As a result, CSOs had significant advocacy successes during the year, including blocking the introduction of a new hate speech offense into Sri Lanka's criminal law. In addition, CSOs were extensively involved in monitoring the presidential and general elections.

Despite these improvements, CSOs in several of the assessed countries continue to report a lack of genuine cooperation with government. For example, while the Government of Cambodia formally recognizes CSOs as development partners in national plans, such as the Decentralization and Deconcentration Implementation Plan, in reality CSOs have little influence in these mechanisms and believe the state only seeks their involvement to legitimize these mechanisms. In Nepal, the level of public participation in policy making depends on the discretion of government officials. On the other hand, CSOs in Bangladesh and the Philippines regularly participate in policy-making processes at national and local levels. For example, the Government Procurement Reform Act in the Philippines mandates the participation of CSOs as observers in all phases of the procurement process.

The strength of advocacy and lobbying initiatives also tends to be affected by whether CSOs have the resources and ability to mobilize people. For example, in Indonesia the decline in foreign funding has greatly decreased the operations of advocacy-oriented CSOs, which significantly rely on this funding. In Nepal, CSOs were less capable of engaging in advocacy in 2015 due to the national focus on relief from the earthquakes. In Cambodia, greater use of social media helped advocacy efforts by helping to mobilize people for campaigns, such as Stop and Consult against the LANGO.

Service Provision

Service provision generally remained at the same level as the previous year, with just Nepal and Sri Lanka reporting slight improvements. The earthquakes in Nepal forced CSOs to diversify their skills and services in order to engage in recovery and relief efforts, and the government recognized CSOs' contributions to earthquake relief. CSOs in the North and East of Sri Lanka were newly able to expand their scope of operations with less fear of state harassment. Sri Lankan CSOs also began using social media to disseminate research, and received more government recognition of their service provision.



With the only score in the Sustainability Enhanced category, the Philippines continues to report the highest levels of service provision among assessed

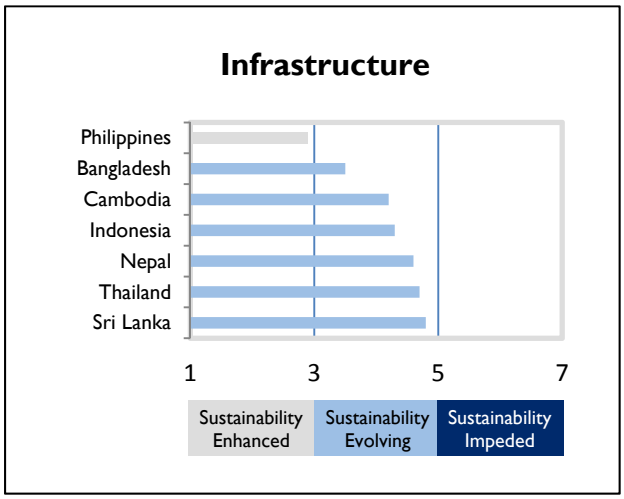
countries, with Bangladesh close behind. Despite its improvement this year, Sri Lanka continues to have the weakest score in this dimension, closely followed by Thailand.

CSOs in all of the assessed countries provide a diverse range of services—from basic public services in areas such as health and education, to more complex services in the areas of environmental protection, human rights violations, and savings and credit. However, many services rely on foreign funding, and declines in such funding can interrupt or stop services. For example, due to Sri Lanka's lower middle-income status, donor funding decreased for projects focused exclusively on service delivery, such as the UN-Habitat housing program. Dependence on foreign funding may also drive CSOs to follow donor priorities rather than that of the communities they serve. For example, as foreign funding has declined in Cambodia, CSOs have become increasingly driven by donor priorities in order to survive, redefining their scopes of operations and diversifying their mandates in order to maximize funding opportunities, despite lacking the technical expertise to work in these new areas.

Throughout the assessed countries, CSOs generally either charge nominal fees or provide services for free to their beneficiaries, typically because beneficiaries are unable (due to poverty) or unwilling (due to perceptions that CSOs are well-funded or should not collect fees because they are not-for-profit) to pay for services. There are some exceptions, including in Bangladesh and the Philippines, where microfinance institutions and social enterprises earn substantial income. In most of the assessed countries, the government recognizes the role of CSOs in service provision but provides limited to no financial support for such services. For example, only in some provinces and districts in Indonesia do local governments recognize CSOs for their services and contract with them, for example to provide training to village heads on HIV/AIDS prevention.

Infrastructure

The Philippines, Sri Lanka, and Thailand reported slight improvements in the infrastructure supporting the CSO sectors in 2015, largely due to increased coalition building and intersectoral partnerships. In the Philippines, coalitions and intersectoral partnerships emerged for disaster relief and poverty reduction in light of the Post-2015 Development Agenda and Typhoon Haiyan, respectively. There were also more training opportunities in 2015 for Filipino CSOs on disaster risk reduction and management. In Sri Lanka, the freer operating environment for CSOs led, for example, to an informal CSO-led platform for good governance which helped achieve the passage of the nineteenth amendment to the constitution, which limits the powers of the executive presidency. In Thailand, more local CSO networks are forming to improve living conditions in their communities, and a new regulation appears to have successfully encouraged cooperation among CSOs, businesses, and the Thai Chamber of Commerce. In addition, increased involvement of international donors in peace-building projects gave local Thai CSOs more opportunities to re-grant foreign funds.



All countries fall within the Sustainability Evolving category in the infrastructure dimension, with the exception of the Philippines, which has the strongest score and falls within the Sustainability Enhanced category. Despite improvements, Sri Lanka has the weakest score in this dimension, closely followed by Thailand.

In general, the assessed countries do not have enough intermediary support organizations (ISOs) or CSO resource centers, which tend to be the main providers of training, funds, consulting, and other services to CSOs, to meet the needs of their CSO sectors. In several countries, such as Bangladesh, Indonesia, and Nepal, only a few such organizations exist, and they are typically located in the major cities. Despite the size of Indonesia,

just ten organizations in the country are considered ISOs or CSO resource centers. Sri Lanka and Cambodia do not have any permanent ISOs or CSO resource centers. Meanwhile, in the Philippines, long-established CSO networks are the main resource and training providers, though they typically only provide such resources to their members. Thailand has a web platform for information sharing, but it was blocked several times in 2015 by the government because some of the content was deemed political in nature.

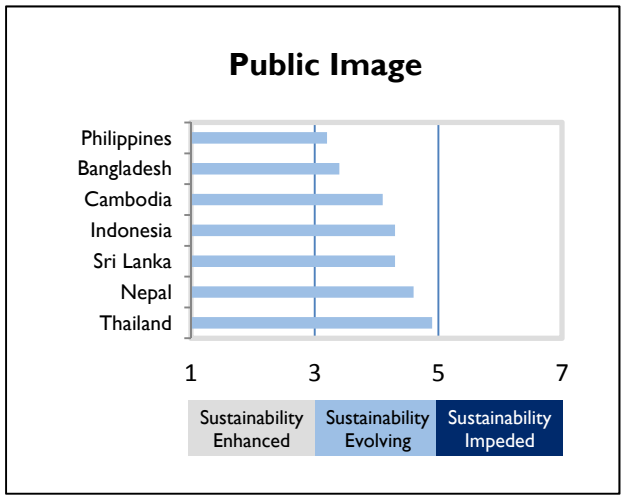
In most of the assessed countries, there are at least a few local organizations that grant funding—most often re-granting foreign funding—to local CSOs. Thai CSOs had more opportunities in 2015 to re-grant foreign funds to organizations focused on peace-building activities. In a few countries, such as Sri Lanka and Thailand, locally generated funding is also granted. For example, in Sri Lanka, some local community foundations provide both locally generated and re-granted foreign funds to address locally identified needs and projects.

Across most of the assessed countries, CSOs frequently form coalitions to tackle emerging humanitarian, governance, and community issues. These coalitions continue to strengthen, as evidenced by the improvements in the Philippines, Sri Lanka, and Thailand. A few countries even have CSO coalitions that aim to represent the interests of the sector as a whole, such as Indonesia's NGO Council, Nepal's NGO Federation of Nepal, and the Federation of NGOs in Bangladesh. At the same time, limited funding in the sector can undermine CSO cooperation, and coalitions' effectiveness may be limited by weak management structures.

Intersectoral partnerships remain nascent but are growing in most of the assessed countries. For example, in Thailand, the government established the Peace Center to facilitate dialogue between the government and citizens on peace building. In Nepal, CSOs are beginning to receive financial support from businesses for advocacy initiatives on corruption, human trafficking, and other issues.

Public Image

All countries fall in the Sustainability Evolving category in the public image dimension. The Philippines has the strongest score, closely followed by Bangladesh. Thailand has the weakest score in this dimension. There was significant movement in the public image dimension in 2015, with improvements noted in Nepal, the Philippines, Sri Lanka, and Thailand—dramatic improvement in the case of Sri Lanka—and Cambodia reporting deterioration.



In Nepal and the Philippines, public image improved due to CSOs' visible role in disaster relief efforts—for the devastating earthquakes in Nepal in 2015 and Typhoon Haiyan in the Philippines in 2013. In Thailand, the government's image of CSOs is improving as evidenced by its increased engagement with CSOs on social issues. At the same time, CSOs are increasingly using social media to promote their activities, and engaging in more self-regulation, such as adopting codes of ethics, in response to the government's increased monitoring of CSOs following ThaiHealth's misappropriation of funds. The opening of civic space and increased media freedom in Sri Lanka vastly improved media coverage of CSOs, CSOs' relations with journalists and CSO outreach efforts, and the perception of CSOs among the public in the North and East of the country who now have more CSOs championing their issues with less fear of government reprisal. The government's perception of CSOs also improved, as evidenced by CSOs' increased engagement in policy-making processes, including conducting policy research upon request from the government. On the other hand, public image in Cambodia declined due to worsening government perceptions of CSOs and the government's efforts to paint CSOs as aligned with the opposition party, resulting from CSOs'

advocacy against the LANGO. Meanwhile violence against journalists and media self-censorship persist in the country, hindering CSOs' public outreach efforts.

In most of the assessed countries, CSOs have difficulties attracting mainstream media coverage of their activities. For example, in Indonesia, most major media outlets are owned by politicians who are not interested in covering CSO activities unless they have wide political impact, such as lawsuits filed by environmental organizations against palm oil companies for damage caused by wild fires in 2015. In other countries, such as Nepal, the media provides negative coverage of CSOs, presenting them as unaccountable, lacking in transparency, or having harmful missions such as stirring ethnic controversy. In Cambodia and Thailand, the lack of media freedoms continues to hinder coverage of CSOs, particularly on political issues. In Thailand, press and media outlets have been prosecuted for presenting information that the government considers divisive or misleading. On the other hand, the media in Sri Lanka significantly opened in 2015, promoting various CSO-led campaigns targeting government policies. Across the assessed countries, CSOs are using social media to circumvent obstacles to traditional media coverage. In Sri Lanka, in particular, the 2015 presidential election was called "Sri Lanka's first cyber election," in reference to CSOs' use of social media and online political discourse surrounding the election.

Public perceptions of CSOs are improving in most of the assessed countries due to the visibility of their impactful work, though some negative beliefs persist. In Nepal, for example, the involvement of CSOs in relief work after the 2015 earthquakes improved the public perception of the sector, but many continue to view CSOs as donor driven and unaccountable. Similarly, relief and disaster preparedness work in the Philippines in response to Typhoon Haiyan improved the public perception of CSOs, though according to the Philippine Trust Index, CSOs continue to be among the least trusted institutions in society. On the other hand, in Indonesia, public opinion surveys indicate that public trust in CSOs has decreased; much of the public views CSOs as foreign agents, and CSOs' lawsuits against palm oil corporations have been viewed as being against national economic interests.

Government perceptions of CSOs continue to be mixed across the assessed countries, as well as within some countries. For example, in Bangladesh and Indonesia, government officials harbor mistrust of CSOs, particularly advocacy organizations, as foreign agents. In Cambodia, government perceptions of CSOs worsened in 2015, as the government accused CSOs advocating against the LANGO of being aligned with the opposition party. In Nepal, the relationship between CSOs and government is more mixed—the government recognizes the value of CSOs in service provision and humanitarian work, including earthquake relief efforts, while distrusting CSOs in other contexts. Meanwhile in the Philippines, the government' perception of and cooperation with CSOs is generally positive; in Sri Lanka the government's orientation toward CSOs vastly improved under the Sirisena administration; and the Thai government made more efforts to consult with CSOs on social issues during the year.

In most of the assessed countries, self-regulation in the CSO sector remains weak. CSOs tend not to have codes of conduct or publish annual reports unless required by law or requested by donors. However, self-regulation is gradually improving, again driven in part by donor or government requirements. For example, Thai CSOs have become more open to improving their accounting systems, adopting codes of ethics, and acting in a more transparent manner due both to donor requests and a new regulation on CSOs. In Cambodia, the Cooperation Committee for Cambodia (CCC) has entered collaboration agreements with a number of international NGOs to encourage their local NGO partners to go through the NGO Governance and Professional Practice (GPP) certification system hosted by CCC. CCC is also developing good practice guidelines for community-based organizations in Cambodia.

Conclusion

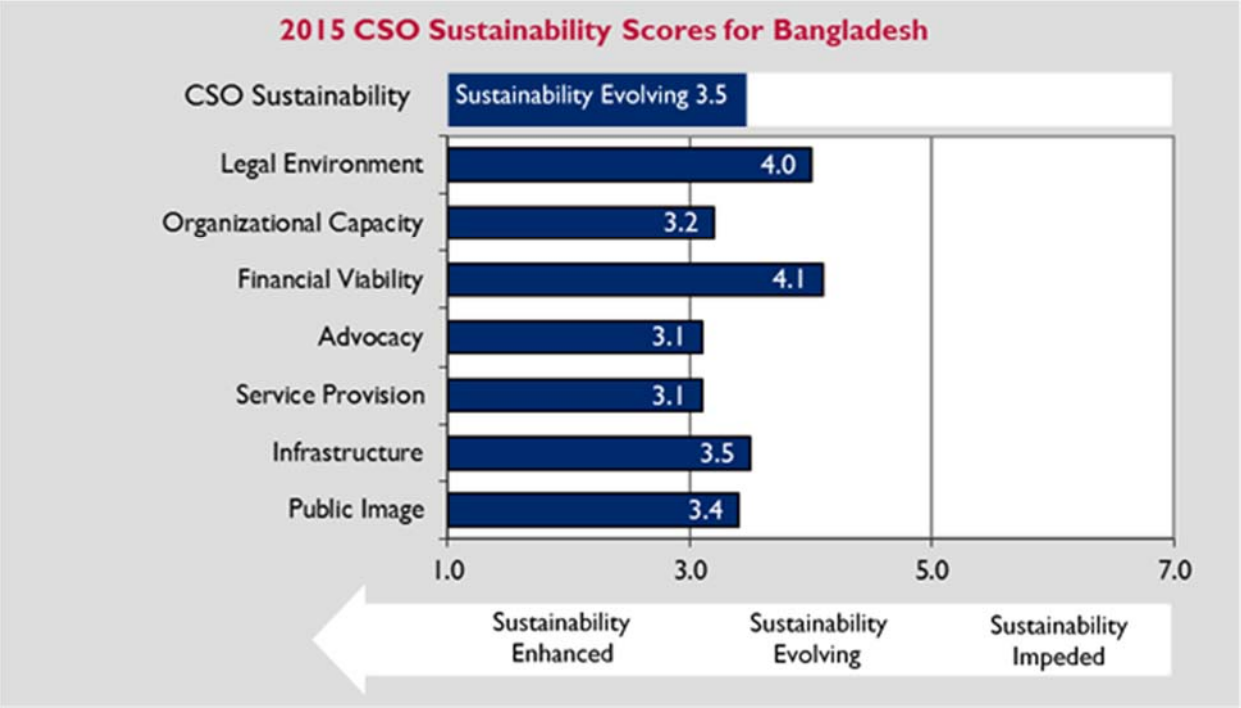
The country reports that follow expand on these developments, providing an in-depth look at the CSO sectors during 2015 in the seven Asian countries covered by this Index. We hope this survey captures useful trends for CSOs, governments, donors, and researchers supporting the advancement of CSO sectors.

2015 CSO SUSTAINABILITY INDEX FOR ASIA

COUNTRY	CSO Sustainability	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Infrastructure	Public Image
Bangladesh	3.5	4.0	3.2	4.1	3.1	3.1	3.5	3.4
Cambodia	4.3	4.3	3.8	5.0	4.4	4.1	4.2	4.1
Indonesia	4.1	4.3	3.8	4.5	3.6	3.9	4.3	4.3
Nepal	4.4	4.1	4.5	4.7	4.0	4.2	4.6	4.6
Philippines	3.3	3.3	3.4	4.1	3.0	3.0	2.9	3.2
Sri Lanka	4.5	4.0	4.6	5.4	3.9	4.5	4.8	4.3
Thailand	4.7	5.1	4.0	5.1	4.8	4.4	4.7	4.9
Average	4.1	4.2	3.9	4.7	3.8	3.9	4.1	4.1

COUNTRY REPORTS

BANGLADESH



CSO SUSTAINABILITY: 3.5

Country Facts*

Capital: Dhaka

Government Type: Parliamentary Democracy

Population: 168,957,745

GDP per capita (PPP): $3,600

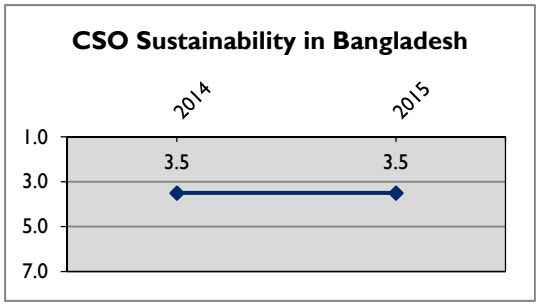
Human Development Index: 142

Although Bangladesh has recorded GDP growth rates above 5 percent over the past decade, almost one-third of the country's population still lives in extreme poverty. Three-fifths of Bangladeshis are employed in the agriculture sector, while three-quarters of export revenues are generated from the garment industry. The major obstacles to sustainable development in Bangladesh include overpopulation, poor infrastructure, corruption, political instability, and slow implementation of economic reforms.

Overall, the country was more politically stable in 2015 than in 2014, when the country experienced violent national elections and killings and arrests of opposition leaders by security forces. Still, the first few months of 2015 featured general strikes and street blockades inspired by the opposition Bangladesh Nationalist Party's (BNP) protest of the Awami League's rise to power. According to Human Rights Watch, children were prevented from attending school,

*Capital, government type, population, and GDP in all reports are drawn from the Central Intelligence Agency, The World Factbook, available online at https://www.cia.gov/library/publications/resources/the-world-factbook/geos/bg.html. Human Development Index rankings available at http://www.undp.org/content/undp/en/home/presscenter/events/2014/july/HDR2014.html

while pedestrians were killed during violent protests. The government responded to the unrest by arresting thousands of opposition members, as well as opposition leaders.

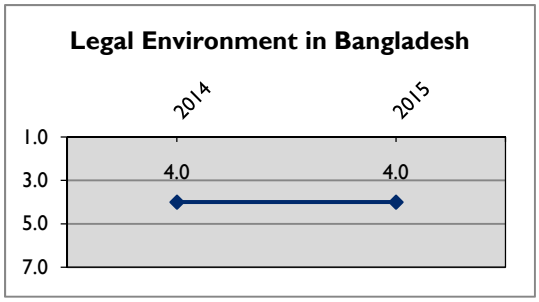


The economy in Bangladesh remained stable in 2015 despite the political turmoil during the first three months of the year, which hindered exports and private investment. The economy is expected to grow in the next two years due to steady expansion in garment exports, which surpassed $25 billion in revenue in 2015. Remittances are also a significant contributor to Bangladesh's GDP, totaling about $15 billion and constituting 8 percent of GDP in 2015.

Most CSOs were able to conduct their operations freely in 2015. However, government support to CSOs remained insignificant, and the government continued to limit civic space. A draft bill was introduced that imposed further restrictions on non-governmental organizations (NGOs) and their access to foreign funding. Since the collapse of Rana Plaza in 2013, the government, CSOs, and the private sector have been working together on industrial safety, compliance with building codes, and labor conditions and rights of garment workers, and have been making significant strides in these areas.

According to the NGO Affairs Bureau, as of March 2015, about 57,000 foreign and domestic CSOs working on social and economic development were registered with the Department of Social Services in the Ministry of Social Welfare. As of the end of 2015, 2,356 NGOs were also registered with the NGO Affairs Bureau in order to be eligible to receive foreign funds. The number of CSOs registered with various other governmental authorities, such as the Ministry of Women and Children Affairs and the Department of Youth Development, has been estimated to be around 250,000, with fewer than 50,000 active, often due to insufficient funding or organizational capacity.

LEGAL ENVIRONMENT: 4.0



CSOs in Bangladesh can register under five laws: Societies Registration Act of 1860; Trust Act of 1882; Voluntary Social Welfare Agencies (Regulation and Control) Ordinance of 1961; Co-operative Societies Act of 1925; and Companies Act of 1913, amended in 1914. In addition to complying with these laws, CSOs must abide by the Foreign Donation (Voluntary Activities) Regulation Ordinance of 1978, amended in 1982, and the Foreign Contribution (Regulation) Ordinance of 1982. Most CSOs are registered as voluntary social welfare organizations under the Department of Social Services in the Ministry of Social Welfare. CSOs specialized in certain thematic areas additionally can register with other ministries like the Ministry of Social Welfare, the Ministry of Women and Children Affairs, and the Ministry of Youth and Sports. The registration process often is delayed for more than a year due to corruption, as well as favoritism towards supporters or affiliates of the ruling party.

Administrative rules from local governments and the various departments that register CSOs clearly articulate requirements for CSO operations, financial management, and governance. Some of these requirements include periodic audited financial reports, an organizational constitution, and a governing board. Some CSOs with weak institutional governance and financial management still do not have the capacity to comply with these requirements. Many of these CSOs cease their operations due to lack of capacity to comply with legal requirements, although as of the end of 2015, the government had not cancelled their registrations.

CSOs are allowed to operate freely within certain limits. The freedom to express political views is somewhat restricted because the government believes that the role of CSOs is to address socioeconomic development issues rather than policy-related matters. This attitude limits CSOs' involvement in policy discussions with government to socioeconomic issues. The government broadly rejects negative reports regarding the human rights situation in Bangladesh.

Bureaucracy and corruption frequently hinder CSOs' activities. For example, some government officials at the central and local levels harass CSOs in order to collect bribes, which some CSOs pay. While not a common occurrence, if a CSO's views oppose those of the political party in power, the CSO's operations and the lives of its leaders could be in jeopardy. The scale of harassment is hard to measure because many CSOs are not willing to share these experiences publicly.

The Cabinet of Ministers approved the Foreign Donations (Voluntary Activities) Regulation Act in December 2014, but it had still not been approved by the parliament by the end of 2015. CSOs have expressed concern about several aspects of the proposed law, such as those requiring CSOs seeking foreign funding to undergo inspections, participate in monthly coordination meetings with the NGO Affairs Bureau, and obtain approval for each project before receiving foreign grants. The law also includes a section that prohibits terrorist financing and trafficking in persons. If a CSO is denied registration or approval of project funding, it can file an appeal with the Prime Minister's office, which will issue a final ruling; CSOs would not have judicial recourse. The draft law is still pending review in the parliament.

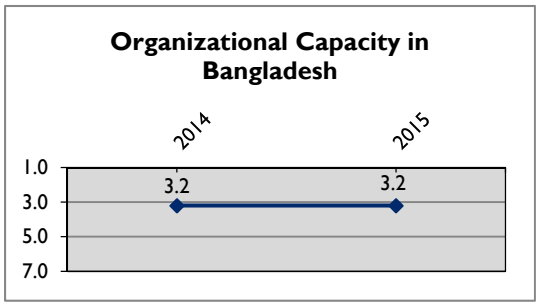
CSOs that are involved in social work and development services for the public enjoy exemptions from income tax, value-added tax (VAT), corporate tax, and other taxes. Human rights-focused work is not included among these services. Individuals and businesses that donate to CSOs focused on any of twenty-two designated public benefit purposes are eligible for tax deductions from their income.

CSOs are allowed to generate income by selling goods and services or through microfinance activities but must pay VAT on this type of income. Some CSOs have begun operating businesses to reduce dependence on foreign donations and ease financial constraints. CSOs are also allowed to compete for governmental and nongovernmental contracts for socioeconomic development projects.

As in 2014, legal practitioners continued to have little knowledge about CSO law. A few practitioners in Dhaka provide legal advice to CSOs in the capital city, whereas CSOs in rural areas have great difficulty obtaining legal advice. Some legal practitioners at the district and sub-district levels have acquired knowledge about CSO law through mentoring and educational support from national lawyers' associations and other legal aid organizations. In addition, many new lawyers have begun pursuing work with CSOs at the grassroots level in order to empower them to advocate for legal reform benefitting the CSO sector.

ORGANIZATIONAL CAPACITY: 3.2

According to a 2012 study conducted by Manusher Jonno Foundation (MJF), the organizational capacity of CSOs in Bangladesh varies by size, years of experience, and area of specialization. CSOs with larger scales of operation, more years of experience, and specialization in a given thematic area have stronger capacity in program management and sufficient human and financial resources, while smaller CSOs still require support and capacity building.



Constituency building has improved over the last few years. Most large CSOs have built strong constituencies through their long-term programs, contributions to social and physical infrastructure, greater visible impact in communities compared to public and private service

providers, and rapport with target groups. Large CSOs like BRAC, Dhaka Ahsania Mission (DAM), NGO Forum for Public Health, and Association for Social Advancement (ASA) have organized local level groups that have grown into community-based organizations (CBOs), and in some cases, formal organizations. Large CSOs, such as Chars Livelihood Programme (CLP) and Stimulating Household Improvements Resulting in Economic Empowerment (SHIREE), have also increased their technical capacities, which have been recognized by the government and some international development agencies. Meanwhile, CSOs in rural areas have opportunities to build their constituencies and organizational capacities through partnerships with larger organizations.

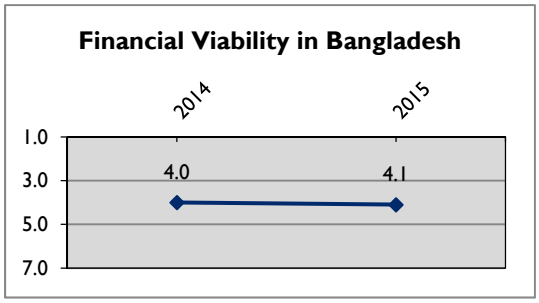
Most CSOs have clear missions, and an increasing number of them understand the need to develop strategic plans to pursue these missions. Most CSOs at least have plans to achieve short-term objectives. Large CSOs are better able to implement their strategic plans, while most small and medium-sized CSOs are unable to do so because they lack long-term funding. Therefore, these CSOs generally only develop strategic plans to meet donor requirements.

All registered CSOs have constitutions laying out their governance structures, as required by law. Some CSOs also have comprehensive policies and procedures on financial management, administration, human resources, child protection, gender, and other matters. Organizational constitutions mandate executive committees or boards of directors with responsibility for institutional governance. However, most boards are weak and not engaged in governance, sometimes getting involved in daily operations instead.

The CSO sector continues to experience high turnover and difficulty in attracting qualified young professionals. CSOs have paid staff in both their headquarters and field offices. Large CSOs and CSOs in the microcredit industry can retain permanent staff, but other CSOs that are dependent on donor funding employ staff under project-based contracts. These CSOs therefore experience high staff turnover, though their former employees tend to remain in the NGO sector due to their skills in socioeconomic development. Rural-based CSOs especially continue to have issues with turnover as skilled staff seek urban-based opportunities. Except for CBOs, almost all CSOs recruit staff for key positions, such as executive directors and specialists in finance and program management. According to the 2015 World Giving Index, 10 percent of respondents in Bangladesh reported that they participated in voluntary action in 2014, compared to 14 percent in 2013.

Most large CSOs in Bangladesh have information and communications technology (ICTs) to facilitate management information systems and knowledge management. Large CSOs have additional office equipment like photocopiers and scanners. ICTs allow CSOs to increasingly engage stakeholders through online communication. CSOs usually have basic office equipment and facilities. Almost all CSOs at least have mobile phones and Internet connection.

FINANCIAL VIABILITY: 4.1



CSOs are still largely dependent on foreign donors. In recent years, Bangladesh has received substantial foreign aid commitments, at a total of $5.21 billion in fiscal year 2014/2015. Some of the country's largest donors include the World Bank and the Asian Development Bank.

In order to access foreign funding, CSOs must obtain permission on a case-by-case basis from the NGO Affairs Bureau. Due to the political unrest during the first three months of 2015, the NGO Affairs Bureau released only $274.7 million for 345 projects during the 2015/2016 fiscal year, a dramatic decrease from the $749.9 million released for 1,035 approved projects in the 2014/2015 fiscal year. Most CSOs have programs in various

thematic areas, which typically reflect donor priorities, but they struggle to develop quality proposals to win grants. Almost all CSOs explore funds from different donors in order to ensure their financial viability.

In recent years, the private sector has recognized the potential benefits of forming partnerships for development programs. However, CSOs rarely win grants from the private sector or build partnerships with businesses because they rarely engage in research on corporate grant-making or define strategies to approach different types of corporate donors. In addition, potential donors continue to be concerned about the capacity of CSOs to manage grants in a transparent manner.

Philanthropy from individuals, including in-kind support, is limited. Few CSOs attempt to raise funds from individuals, though the number of CSOs attempting to do so is increasing gradually. Some CSOs successfully receive non-monetary support in the form of household materials, medicine, and food. Religious organizations in local communities are also able to raise donations, particularly during religious holidays, such as Ramadan and Eid. Some volunteers work closely with CSOs in program implementation at the community and national levels.

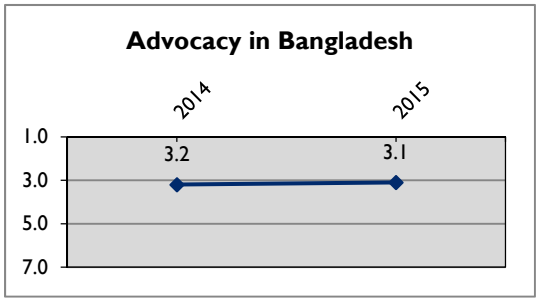
Few CSOs have the capacity to participate in bids for public contracts. Some public contracts are provided without competition to CSOs specializing in certain areas, such as tuberculosis, maternal and child health, family planning, child immunization, leprosy elimination, nutritional programs, and informal education. Such CSO-government collaboration is increasing. Parts of the government, such as the Ministries of Health, Education, Social Welfare, and Disaster Management, also provide grants to CSOs.

Many CSOs engage in economic activities including microfinance programs and various fee-based services. CSOs with microfinance programs are generally financially stronger than other CSOs. Social enterprise development is a donor priority, and CSOs have begun to develop social enterprises to ensure their own financial sustainability and promote the economic development of their target groups. A few leading CSOs have sustainable funding models. For example, BRAC relies on social enterprises, which not only provide 72 percent of the funding for its programs (most of which is reinvested into development interventions) but also provide sustainable livelihoods for Bangladesh's rural poor. BRAC provides small loans to the poor without requiring collateral while making a profit each year and staying completely self-reliant. Revenue from services, products, rent from assets, and membership fees also supplements the income of CSOs.

To ensure transparency and accountability, many CSOs—particularly those engaged in social development—publish annual reports with financial information and undergo external audits. Such CSOs have financial management systems and organizational policies to comply with audits and meet legal requirements.

ADVOCACY: 3.1

The CSO sector in Bangladesh is strong in advocacy. Most CSOs are adept at responding to changing needs, issues, and interests through advocacy and mobilization of citizens at the local and national levels. Influential CSOs have various strategies for engagement with different stakeholders; adapt these strategies to emerging issues; form coalitions to pursue issues of common interest, including CSO legislation; and lobby with policy makers and relevant stakeholders, including legislatures. At the same time, the political turmoil in 2015 hindered CSO advocacy and other CSO activities, especially for organizations perceived as politically biased.



CSO representatives of large forums or alliances regularly participate in government committees on national and local policies and strategies. For example, MJF participates in the Governance Coalitional Working Group,

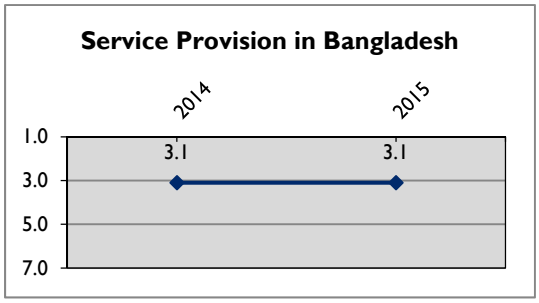
the Labor Law Reform Committee, and the National Occupation and Safety Council of the Ministry of Labor and Employment. CSOs are well recognized for their past contributions to the development of policies, such as the Child Labor Elimination Policy, Domestic Violence Act, Women Development Policy, Right to Information Act, and Hindu Marriage Registration Act. Moreover, many CSOs monitor the implementation of laws and policies.

As a result of advocacy efforts by the Multilingual Education (MLE) forum, in 2015 the government decided to provide free textbooks in five indigenous languages, and teachers were required to begin providing education in these languages by January 2016. Also in 2015, a national coalition called the Governance Advocacy Forum (GAF) formed to draft a national decentralization policy. The policy was drafted in consultation with citizens, local government associations, academicians, local governance experts, bureaucrats, politicians, and local government activists. The draft policy was shared with the minister and the Ministry of Local and Rural Development and Co-operatives. In 2015, the Bangladesh Institute for Labor Studies (BILS) formed the Domestic Workers Rights Network (DWRN) with human rights organizations working with domestic workers and trade unions. DWRN drafted a code of conduct for domestic workers and welfare policy and submitted them to the government.

At the local level, CSOs continue to engage in advocacy related to discrimination and exploitation of minority groups, as well as land rights issues, including resettlement and eviction from government land.

Before the Foreign Donations (Voluntary Activities) Regulation Act was approved by the Cabinet of Ministers in December 2014, CSO representatives took part in consultations with the government and provided a set of recommendations to the Chairman of the Parliamentary Standing Committee. For example, CSOs objected to giving the NGO Affairs Bureau the right to close down an NGO or evaluate projects. However, the version of the law approved by the cabinet still provides the NGO Affairs Bureau the right to cancel an organization's registration for violating the law.

SERVICE PROVISION: 3.1



CSOs provide a wide range of goods and services and play a critical role in filling gaps in public services in three major areas: economic development, skills development, and social services, specifically primary healthcare and informal education. For example, CSOs provide services to educate and empower marginalized groups, including indigenous people and Dalits (the lowest group according to traditional caste systems). Economic development services include microcredit programs, support for enterprise development, agricultural production, handicrafts, and human development services for self- or wage employment. Such capacity building services have contributed to the country's development, but their impact can be undermined by constituents' dependency on services and contextual changes, such as natural disasters and political unrest.

CSOs' responsiveness to community priorities and needs varies. CSO services at the grassroots level clearly reflect community needs because they seek to fill the gaps in public services. Some social services address well-defined community needs. Many services, however, remain driven by donor priorities and depend on the availability of funding. CSOs rarely conduct needs assessments or community self-assessments due to lack of resources and know-how. In general, CSOs provide goods and services to their primary target groups. However, publications and workshop reports are broadly shared with other organizations.

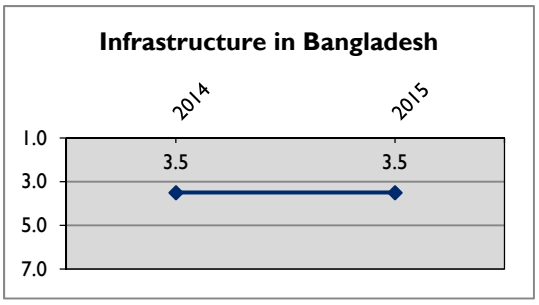
Many CSOs have become specialized in certain fields, enabling them to acquire service delivery contracts from government and other development agencies and generate income for institutional sustainability. For example, one of Bangladesh's leading CSOs partnered with Square Pharmaceuticals, one of the largest pharmaceutical

companies in the country, to develop a model for rural distribution of a micronutrient food supplement to combat malnourishment of young children.

CSOs generally do not charge beneficiaries for goods and services, although CSOs that provide microcredit earn income through service charges and interest.

CSOs' contributions to filling gaps in public services are recognized by the government and beneficiaries. The government, especially the Ministry of Social Welfare and the Department of Social Services, provides some funds and capacity building support to local CSOs, although mainly those with political connections. Moreover, CSOs continue to be involved in strengthening the government process for granting funds and awarding contracts. Some of these projects include Strengthening Government Social Protection (SGSP), Citizen Action for Results, Transparency and Accountability (CARTA) Program, and Social Engagement for Budgetary Accountability (SEBA).

INFRASTRUCTURE: 3.5



A few organizations, such as MJF and Palli Karma-Sahayak Foundation (PKSF), serve as ISOs in Bangladesh. Most foreign CSOs and development agencies operating in the country, such as Save the Children, Plan International, WaterAid, and USAID, also provide grants and capacity building support to local CSOs. With the support of donor agencies, the government has also built several resource centers for CSOs that provide information, training, and other services. BRAC and MJF implement various projects in partnership with local CSOs serving marginalized groups in order to advance their organizational development. ISOs and resource centers are active in the capital and some other major cities and provide grants, technical assistance, training, and information materials and publications to the public. ISOs also facilitate information sharing among CSOs to promote understanding of the global and local development context.

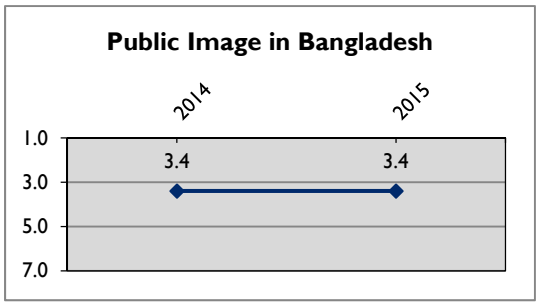
Most local grants come from international funds. A primary role of ISOs is to manage foreign grants and provide technical services to grantees to maximize the impact of the funded projects. Major donors of sub-granted funding include Japan International Cooperation Agency (JICA), UNDP, and the Asian Development Bank.

CSOs share information through networks, consortiums, and alliances, including ADAB (the largest coordinating organization for NGOs in Bangladesh), the Federation of NGOs in Bangladesh (FNB), the National Forum of Organizations Working with the Disabled (NFOWD), the Campaign for Popular Education (CAMPE), and Shishu Adkhikar (Child Rights) Forum. However, CSOs are cautious in sharing information on program funding opportunities, unless donor agencies require them to apply jointly for funding. FNB, led by BRAC, represents the entire CSO sector and addresses issues relevant to the CSO community.

Most ISOs, as well as larger CSOs, offer professional training and facilities relevant to CSO activities. ISOs and CSOs recognize that training is critical for sustainable development, and prioritize training on fundraising, financial management, program development and management, monitoring and evaluation, communication, and report writing. Sometimes donors allow the costs of training to be included in CSO project budgets, or ISOs provide funding to select CSOs to build their professional capacities. Training materials for CSOs are available both in local and English languages and training is conducted both in the capital city and at local levels. Some CSOs organize management training at regional levels.

Government-CSO partnerships exist in the fields of health, education, public health, anti-corruption, and local governance. In addition, a few CSOs partner with the private sector and implement corporate social responsibility (CSR) programs.

PUBLIC IMAGE: 3.4



The public image of CSOs did not change in 2015. The online and print media, which have both grown in Bangladesh in recent years, include CSOs in their coverage of development work. However, the media is more likely to report on specific events, rather than analyze CSOs' role and impact in society. CSO events at the local and national levels are featured in print and online media almost daily, though sometimes the coverage is negative. Despite some challenges, CSOs have become more visible in mass media over the last ten years because they have become more vocal and openly criticize public policy and faulty democratic governance practices.

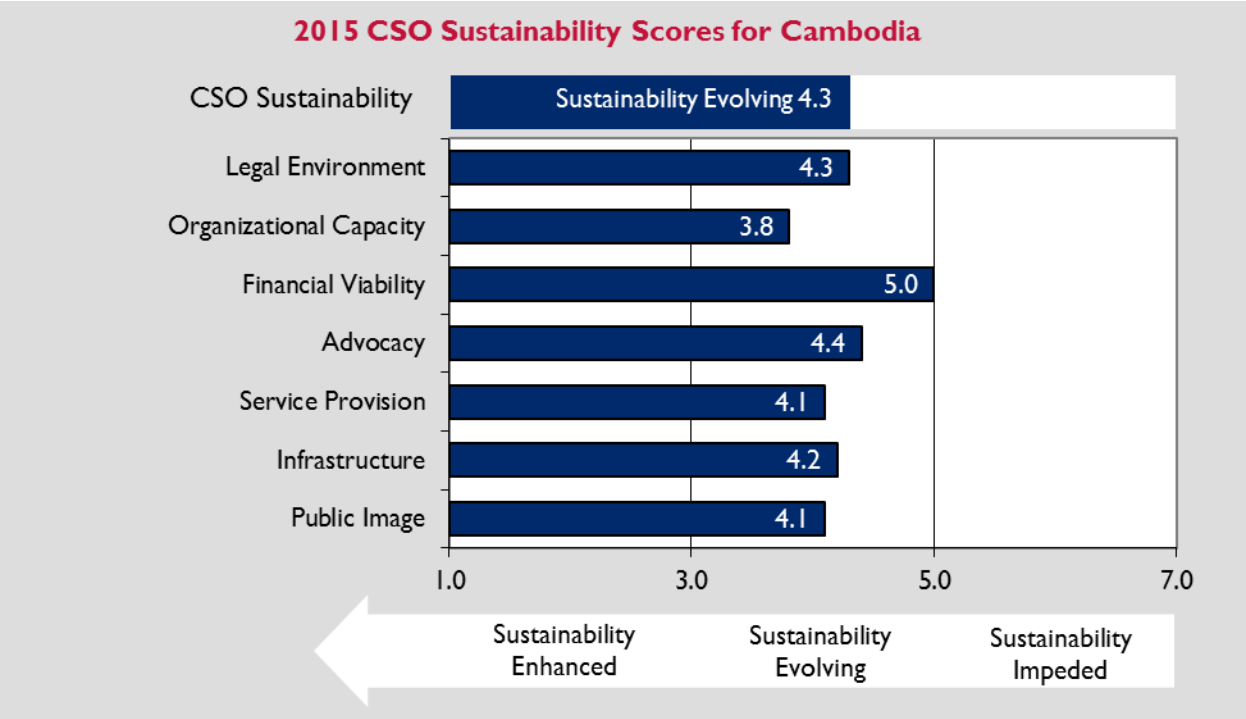
The overall public perception of CSOs has improved due to visibly strong collaboration between CBOs and local governments on different events and programs, such as open budget sessions. Through this collaboration, CSOs strengthen their engagement with local communities through grassroots-level programs that surpass the quality of public services.

There is little research on the government's perception of CSOs. However, government agencies often do not favor CSOs that publicly pressure the government to increase transparency and accountability. The government sometimes even views service-providing CSOs as foreign agents. The political party in power often harasses CSOs supporting the opposition party. Only a few corporations, such as Grameenphone and Unilever, support CSO initiatives through their CSR programs.

Individual CSOs use local and national media to raise awareness of different issues and to further advocacy initiatives. CSOs have also become more familiar with social media to disseminate information and get responses from relevant stakeholders.

Larger organizations publish annual reports with financial statements, whereas small CSOs do not regularly publish annual reports. The majority of CSOs still have not adopted a widely accepted code of ethics or concept of self-governance. For the past few years, CSOs have been discussing self-regulation due to growing concern in the sector about the need to differentiate themselves from unethical organizations, including off-shoots of political parties and entrepreneurs posing as not-for-profits to compete for foreign funds.

CAMBODIA



CSO SUSTAINABILITY: 4.3

Country Facts

Capital: Phnom Penh

Government Type: Multiparty Democracy under Constitutional Monarchy

Population: 15,708,756

GDP per capita (PPP): $3,500

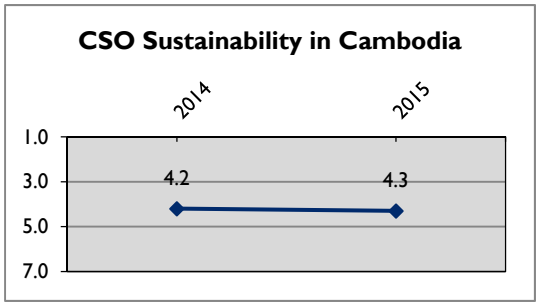
Human Development Index: 143

The overall sustainability of CSOs in Cambodia declined slightly in 2015.

The legal environment for CSOs deteriorated dramatically in 2015. New laws limit the space for CSOs. Most notably, the Law on Associations and Non-Governmental Organizations (LANGO), the first law to specifically regulate CSOs in Cambodia, was promulgated in August 2015, despite heavy criticism of its provisions from the CSO sector and the international community. The Law on Election of Members of the National Assembly (LEMNA), also adopted in 2015, prohibits CSOs' involvement in electoral processes, both before and after elections.

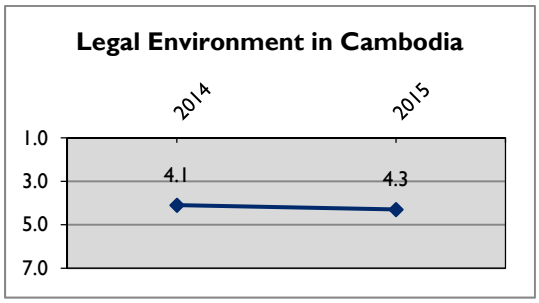
While advocacy approaches have become more robust, the political system and current government continue to ignore CSOs' policy interests and recommendations. During the campaign against the LANGO, many development partners, including the US, the EU, and the UN, publicly showed their support for CSOs and requested the government promote civic space and an enabling environment for CSOs in Cambodia. However, the government blamed these development partners for stirring public unrest and interfering in the internal affairs of Cambodia. The public image of CSOs deteriorated in 2015 due to the government's opposition to CSOs' advocacy against the LANGO and other laws.

Financial viability also worsened in 2015. Cambodia's economy continued to expand at a remarkable growth rate of approximately 7 percent. As Cambodia moves towards becoming a lower-middle income country, donor funding has reduced or stopped.



According to the most recent information available from the Ministry of Interior (MoI), at the end of 2014 there were 4,378 registered organizations. However, a study commissioned by the Cooperation Committee for Cambodia (CCC) in 2013 showed that only about one-third of registered NGOs and associations in the country were active. An Oxfam report from 2014 found that nearly 25,000 unregistered and community-based organizations (CBOs) operate in Cambodia. The provinces of Siem Reap, Battambang, and Kampong Cham have the highest concentration of CSOs.

LEGAL ENVIRONMENT: 4.3



CSOs in Cambodia are regulated by the Constitution of Cambodia, the Cambodia Civil Code of 2007, and various regulations and *prakas* (proclamations).

The introduction of several restrictive laws dramatically deteriorated the legal environment in 2015. The LANGO—the first law to specifically regulate CSOs in Cambodia—was promulgated in August 2015. The CSO sector, as well as the international community, considers the LANGO to be highly problematic with regard to the freedom of association. All associations (member-based CSOs) and NGOs (non-membership CSOs, including foundations) are required to register with the MoI. The MoI has the authority to deny or revoke registration—thereby outlawing the organization—based on broad grounds of "endanger[ing] the security, stability, and public order or jeopardiz[ing] the national security, national unity, cultures, tradition, and custom of the Cambodian national society." International organizations must sign a memorandum of understanding (MOU) with the Ministry of Foreign Affairs and International Cooperation (MOFA), and sign MOUs or partnership agreements with line ministries relevant to the projects that will be implemented. MOUs with MOFA must be renewed every three years.

The actual registration process for both domestic and international CSOs has not changed significantly under LANGO, as confirmed by a study conducted with CSOs and local authorities in 2015 in three provinces in northeast Cambodia. Many authorities were not even aware of the new law. CSOs are still required to have their office address certified by local authorities and are still expected to sign agreements with relevant government ministries that oversee their areas of work. Registration is more difficult for small CSOs based in the provinces because they must travel to the capital to register. Starting in 2014, CSOs seeking registration with the MoI had to meet new conditions and requirements, such as approval from a local municipality. Despite these bureaucratic impediments, CSOs are generally able to register.

Aspects of the LANGO remain unclear. For example, it is unclear whether it applies to networks or community-based organizations (CBOs). In August 2015, just days after the LANGO was adopted, local police demanded a community of seventy-one families in Kratie province to register with the MoI before they could take action on a local land rights issue. Following this incident, the MoI declared that the LANGO did not apply to grassroots groups or small CBOs but did not provide a clear definition of these groups. The LANGO also requires CSOs "to refrain from activity in support of Political Parties," which some fear could be used to suppress advocacy activity. The LANGO's vague terms regarding registration, dissolution, and other areas could make the existence and operation of CSOs, especially those involved in sensitive issues such as human

rights, burdensome and risky. It is also possible that the MoI could impose more burdens on CSOs through administrative orders and *prakas*.

Under the LANGO, CSOs must notify the MoI of changes in their executive directors and addresses within three months, but the process of notification is unclear and difficult; many CSOs pay "facilitation fees" to MoI officials if they are unfamiliar with how to navigate this process themselves. A CSO in Kratie faced problems opening a bank account because the bank required a nomination letter from the MoI confirming the name of a new director, but the organization had difficulty officially notifying the MoI of the director's appointment and obtaining the letter. Under the new law, CSOs are also required to provide quarterly financial and programmatic reporting, a highly burdensome task because of the varying formats and requirements, as well as the frequency of reporting.

The LEMNA, which prohibits CSOs from engaging in electoral processes, both before and after elections, was also adopted in 2015. While the LEMNA allows CSOs to participate in election monitoring, CSOs cannot conduct opinion surveys, produce research, or perform other activities that could support or harm a political party. The Telecommunications Law, also adopted in late 2015, allows the government to force service providers to provide the government with broad access to electronic communications.

Organizations that provide goods and services generally collaborate well with local authorities. In contrast, CSOs that conduct advocacy, particularly for the protection of land rights and natural resources, are threatened and harassed. For example, local activists affiliated with Mother Nature, an environmental conservation organization, were arrested in 2015 for illegal deforestation after they purchased wood to build a small community hut. At the time, Mother Nature was demanding a private company to stop sand dredging activities in Koh Kong. In Stung Treng province, CSOs advocating against hydro dams have been threatened and closely monitored by local authorities, as well as required to obtain permission to work in communities affected by the dams. In addition, local authorities sometimes ask CBOs for their registration letters and have also been known to interfere with CSO activities in various ways.

The Law on Taxation of 1997 provides an income tax exemption—including on income from business and government contracts—to organizations with religious, charitable, scientific, literary, or educational purposes. It is also possible for CSOs to obtain a tax exemption for vehicles, but the process is complicated and requires approval from multiple government institutions. The law does not provide tax benefits to individual or corporate donors of CSOs.

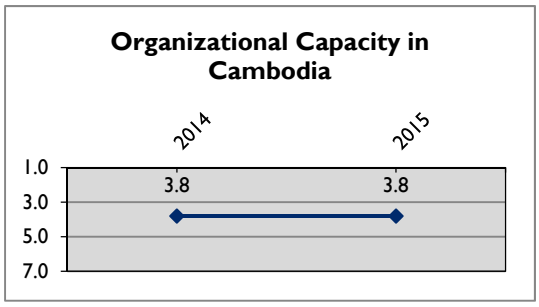
While the legal framework defines CSOs as not-for-profit, it does not clearly address whether CSOs are allowed to engage in income-generating activities. However, some CSOs generate income through social enterprises or service delivery. Other CSOs engage in micro-lending to generate income, but recently the government began shutting down such activity among CSOs because they were competing with microfinance institutions. CSOs can compete for government contracts, with the exception of contracts involving the building of physical infrastructure for local development.

Pro bono legal assistance is available mainly in Phnom Penh; such assistance is very limited in other provinces, especially in remote areas. Given the vagueness and varied implementation of the laws pertaining to CSOs in Cambodia, it is difficult for lawyers to have a deep understanding of CSO law and to adequately advise CSOs. As a result, most legal assistance is of a general nature and not specific to CSO matters. However, some lawyers and law firms have familiarity with the registration process and help CSOs obtain legal status.

ORGANIZATIONAL CAPACITY: 3.8

While CSOs continue to gain more experience and benefit from capacity development support, organizational capacity still varies depending on whether an organization is an international NGO (INGO), domestic NGO,

or grassroots organization: INGOs tend to have the strongest organizational capacities, while CBOs tend to have the weakest capacities.



CSOs generally are dependent on donors and tend to follow their priorities, rather than those of their target groups, which hinders constituency building. Some CSOs, however, try to seek input from their local constituencies and modify their programs accordingly. CSOs focused on natural resource management, self-help groups, and communities affected by land and other issues are better at building constituencies and occasionally benefit from technical and sometimes financial support from larger CSOs. However, such constituencies are generally only formed to address emerging issues and are not sustained. NGOs working in particular sectors, such as women and children, build more sustained constituencies.

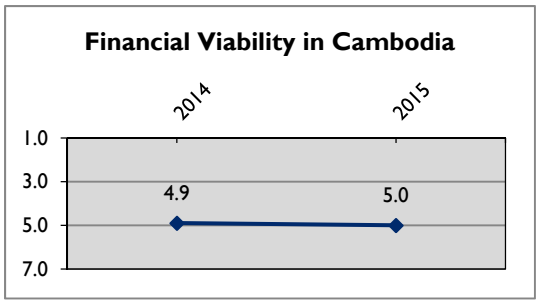
Most CSOs—though generally not CBOs—have adequate strategic plans in place, typically developed with the help of external consultants. However, most CSOs find their strategic plans difficult to implement due to uncertain funding. Some plans therefore are created to be flexible to take advantage of new funding opportunities. In addition, some strategic plans developed with the help of outside consultants have complex concepts that CSOs find difficult to understand.

Cambodian CSOs generally have internal management structures in place, including boards of directors and management committees. However, most boards do not play an active role in governance; rather they exist mainly to fulfill government and donor requirements. Some board members have close ties or personal relationships with the executive directors; therefore, if an executive director leaves a CSO, the board may soon follow. The executive director normally dominates decision making within the organization.

NGOs and associations typically employ staff on a project basis or under annual contracts. There are limited opportunities for volunteers and interns, in part due to CSOs' lack of capacity to manage them. International and large domestic CSOs employ specialists in finance, IT, and management. However, it is generally still difficult to retain qualified staff as more lucrative employment opportunities arise.

Though most organizations have functioning IT equipment, it is generally old. While CSOs may have updated software programs, staff members—especially in CBOs and organizations in remote areas—do not have the skills to use them effectively to improve their communications or performance. However, CSOs have significantly increased their use of mobile devices and social media for communication and information sharing. At the same time, CSOs are concerned that the proposed Cybercrime Law, which has been under consideration for several years, could be used to control social media platforms and other means of online sharing.

FINANCIAL VIABILITY: 5.0



Financial viability deteriorated in 2015. CSOs remain dependent on international funding; however, donors are shifting their support away from Cambodia due to the country's increased economic growth, decreasing poverty levels, and movement towards middle-income status. The major donors in Cambodia include the EU, USAID, Sida, JICA, and KOICA. Visits by the Cooperation Committee for Cambodia (CCC) to a number of provincial CSO networks in early 2016 revealed that about 65 percent of CSOs in the provinces had ceased to operate due to reduced or discontinued donor funding. Competition for funding from international donors is very strong, making it out

of reach for small province-based CSOs and CBOs, which typically do not have the capacity to develop strong funding proposals.

Local individuals provide monetary and in-kind donations to pagodas, but generally do not support NGOs and associations due to a perception that they are well-funded. Only a few visible projects attract contributions from local communities. For example, Pour un Sourire d'Enfant (PSE), which provides food and other assistance to poor children, receives donations by organizing concert events and setting up donation boxes.

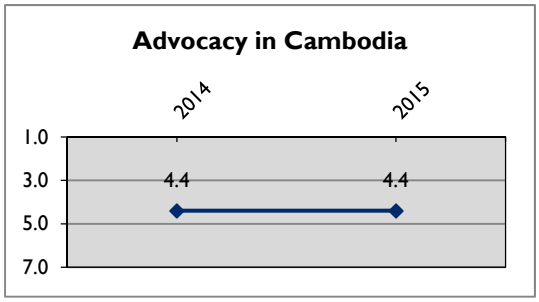
Corporate philanthropy is rare in Cambodia, in part due to the lack of tax benefits for corporate donations. However, some large businesses contribute to major CSOs with government affiliations, such as the Cambodia Red Cross, as part of their marketing strategies.

The CSO sector receives little funding from the government. Most of this funding is made through projects supported by international donors.

CSOs sometimes generate small amounts of income through service provision or the establishment of social enterprises. Some small local CSOs try to generate income by charging for their services and products or by establishing social enterprises in fields such as food services, training, and handicrafts. Some social enterprises, such as Hagar, PSE, and Digital Divide Data (DDD), are well operated. However, most social enterprises are not successful because they cannot compete with the private sector. Overall, gaining customers from the local population is difficult, in part because much of the public assumes that CSOs receive ample donor funding. Some CSO networks collect fees from their members, but such fees represent only a small portion of income.

Only large CSOs have sound financial management systems, undergo independent audits, and publish financial and activity reports. Small and grassroots organizations have limited resources to track finances and only undergo project-based audits commissioned by donors. However, CSOs will need to improve their financial management systems to meet the LANGO's new provisions requiring quarterly reports to the government and permitting random audits.

ADVOCACY: 4.4



Despite increased efforts by CSOs to influence policymaking in 2015, the political system and government continued to ignore CSOs' priorities and recommendations.

The government increasingly recognized CSOs as development partners in 2015 in national plans—such as the Decentralization and Deconcentration Three-Year Implementation Plan, Phase II (2015-2017) (D&D/IP3-II)—possibly in part due to donor pressures. CSO-government cooperation on improving rural infrastructure and providing services has grown, but it is difficult for CSOs to engage in development plans and legal and policy reform. At the national level, only some mechanisms allow CSOs and development partners to discuss or monitor national development issues. Development Cooperation and Partnership Strategy (DCPS) 2014-2018; Technical Working Groups (TWGs), which promote dialogue and partnership at sectoral and thematic levels; and Joint Monitoring Indicators (JMI), a monitoring mechanism for the National Strategic Development Plan, have CSO representation.

At the sub-national level, CSOs can engage through the D&D/IP3-II—an initiative to improve development and governance at the sub-national level—but they have little influence. Many CSOs are of the opinion that the government seeks engagement with them mainly to legitimize the process, rather than genuinely seek their input. Another new mechanism, the Implementation of Social Accountability Framework (ISAF), which aims

to improve government provision of administrative services, health, and education at the sub-national level, has CSO representation in its steering committee, spurring greater CSO optimism about the possibility of substantial engagement.

Advocacy initiatives became more developed in 2015, especially with increased use of social media, such as Facebook. For example, CSOs used social media to mobilize people against the LANGO in a campaign called Stop and Consult.

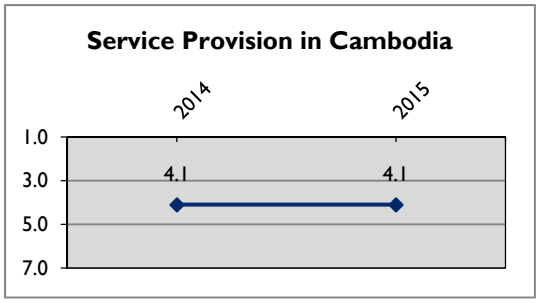
In 2015, CSOs advocated and lobbied for changes to new draft laws, such as the Trade Union Law and the LANGO, through various approaches, such as consultations, dialogues, campaigns, joint statements, analytical reports, and media outreach, in order to communicate with government, the National Assembly, the donor community, and embassies. CSO networks such as CCC, the NGO Forum on Cambodia (NGOF), Cambodian Human Rights Action Committee (CHRAC), and many strong CSOs worked together and even mobilized support at the sub-national level. CBO networks such as Cambodian Youth Network (CYN) and Community Peace-building Network (CPN) also advocated against the LANGO. Though the final version of the law remains highly problematic, CSOs' advocacy efforts made the government aware that the CSO sector found the law unacceptable and led to the revision of some provisions.

The Electoral Reform Alliance (ERA) and other CSOs also sought to amend the LEMNA in 2015, as it limits the permissible activities of CSOs during the National Assembly election season. As a result of CSO advocacy efforts, the law was amended to provide an additional CSO representative in the National Election Committee (NEC).

In general, CSOs have less influence on government than donors that provide funding to the government. However, CSO efforts have heightened public awareness of the need to hold government accountable. Therefore, the government has taken public concerns more seriously in order to remain elected, particularly as the opposition has become more powerful. For example, the work conditions and salaries for garment workers improved following advocacy by trade unions, workers, and CSOs.

There continued to be concern within the CSO sector in 2015 regarding the draft Trade Union Law and draft Cybercrime Law, which may impede the freedoms of association and expression, respectively. Therefore, CSOs established a technical working group to discuss and formulate recommendations for the laws.

SERVICE PROVISION: 4.1



Service provision did not change significantly in 2015. However, CSOs are gradually improving their capacities to provide, on their own or in collaboration with other organizations, goods and services that meet the demands of their constituents and promote sustainable development. In addition, more CSOs have started to diversify their services to promote cost recovery.

According to a 2013 study on CSOs' Contributions to Development in Cambodia conducted by CCC, more than 80 percent of all CSOs in the country are focused on service delivery. CSOs in Cambodia work in virtually every field, including agriculture, education, health, microfinance, natural resource management, advocacy, human rights, accountability, and youth engagement. Most CSOs provide services; a few CSOs also supply a variety of products to serve their beneficiaries as well as earn some income. Such products include handicrafts, publications, processed food, produce, water filters, and others. The highest concentration of CSO services continues to be in Phnom Penh. However, CSOs have managed to spread their services to remote areas through collaboration with CBOs.

CSO goods and services moderately respond to community needs since most service-providing CSOs work closely with their beneficiaries, who are mainly poor and marginalized groups. Normally, CSOs conduct needs assessments and form entry strategies in a participatory manner before they decide to operate in an area. To ensure inclusive partnership in development, CSO mandates often complement the stated priorities of both the government and local communities. However, as available funding has gradually decreased, CSOs have become increasingly donor driven to ensure their survival. They have started to redefine their scope of operations and diversify their mandates in order to maximize funding opportunities, despite lacking the technical expertise to work in these new areas.

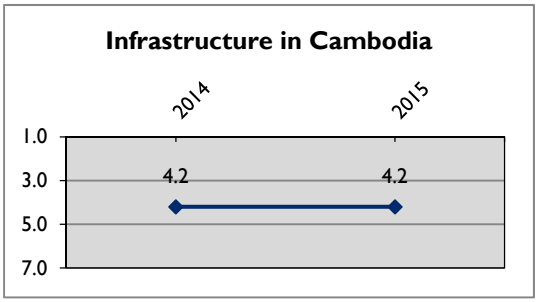
CSOs rarely market their services to constituencies broader than their immediate beneficiaries due to limited resources. CSO projects tend to be short-term and designed to address the needs of specific groups of beneficiaries. Even publications, especially hard copies, by research or policy-oriented CSOs are not widely distributed.

In 2015, more CSOs started to adopt cost recovery mechanisms for their service provision. Such mechanisms include offering fee-based capacity development services and consultations, collecting membership fees and publication fees, and engaging in microfinance and other social business initiatives. However, the government and the public have criticized CSOs for engaging in microfinance because they believe it contradicts the not-for-profit nature of CSOs and may harm the livelihoods of communities rather than alleviating poverty.

In the DCPS 2014-2018, the government acknowledged the role of CSOs in development and proposed mechanisms for CSO-government dialogue, such as annual and technical meetings. However, the DCPS appeared only to recognize service delivery CSOs, and the proposed dialogue mechanisms were never implemented, with the exception of some meetings conducted by TWGs. In addition, the government has publicly claimed credit for services provided by CSOs. The government sometimes publicly recognizes the significant roles of CSOs, but rarely allocates national funding to CSOs to implement activities, including the provision of public services.

INFRASTRUCTURE: 4.2

Infrastructure for civil society in Cambodia did not change in 2015, although collaboration among CSOs strengthened somewhat.



The civil society sector in Cambodia continues to lack any intermediary support organizations (ISOs) or CSO resource centers, which undermines the sector's ability to strengthen its capacities and constituencies. A few membership-based organizations, provincial and sectoral-based CSO networks, and other organizations play some support roles that enable their members and the public to access information, as well as coordinate some joint initiatives. These organizations include CCC, NGOF, the NGO Education Partnership (NEP), CHRAC, the provincial NGO networks in the twenty-four provinces, and other CSOs that produce quality research or provide media and information-sharing services, such as Transparency International Cambodia (TIC), the Cambodian Development Resource Institute (CDRI), the Cambodian Centre for Human Rights (CCHR), and the Cambodian Centre for Independent Media (CCIM). In general, however, their services are limited to their particular mandates, and other needs of stakeholders are not met.

There are no local organizations that generate and redistribute resources to other CSOs to implement activities. However, some donors, including the EU, GIZ, and USAID, have encouraged their partners to establish and manage sub-grant initiatives to increase local access to funding. For example, most EU grants aimed for project implementers to create and manage sub-grant schemes, which can sometimes account for as much as 10 percent

of project budgets. Sub-grants allow small, new non-state actors to contribute to community-based development and to better respond to their needs.

While there is no specific data on the number of CSO coalitions in Cambodia, observers believe that more coalitions and networks—particularly CBO networks—addressed local community issues in 2015. Recently established coalitions and networks include the Agricultural Cooperative, and networks focused on elections, natural resource management, indigenous people, and gender. In 2015, strong collaboration was observed on campaigns targeting the LANGO, the Cybercrime Law, and the Sustainable Development Goals (SDGs).

Still, cooperation among CSOs remains shallow. Many beneficiaries complain that the activities of different CSOs—mainly organizations focused on development and seeking international funding—needlessly overlap. In some cases, limited funding drives CSOs to compete with each other, while in other cases, funding opportunities facilitate cooperation by requiring collaboration. CSOs at the national level tend to collaborate better, especially within umbrella networks. National membership-based organizations and many key CSOs agree in principle that the civil society sector needs a coordinating structure, as weak collaboration undermines CSOs' public image. The government has also cited the CSO sector's inability to choose representatives as a reason not to organize the annual CSO-government dialogues called for in the DCPS.

Most CSO networks do not register with any ministry and need to strengthen their governance structures, constituency building, and sustainability. Experts estimate that only one-third of the twenty-four provincial CSO networks manage to meet regularly or create joint platforms. In 2015, this included networks targeting the LANGO, the Cybercrime Law, the Trade Union Law, hydropower construction in northeastern Cambodia, and forced evictions. Informal CSO networks generally do not require or are not able to collect sufficient membership fees to run basic coordination activities, which affects their sustainability.

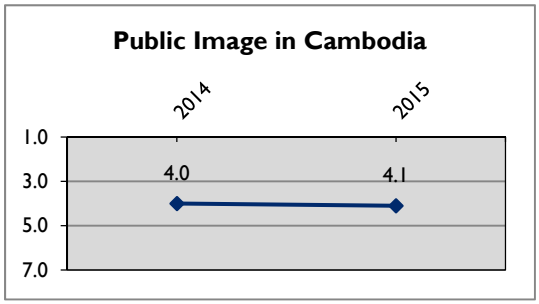
Various training and capacity development events were organized for CSOs in Cambodia in 2015. Most bilateral organizations and INGOs, such as USAID, Australian Department of Foreign Affairs and Trade (DFAT), the EU, World Vision, Dan Church Aid, Bread for the World, Diakonia, and Oxfam, organize capacity development events for their partners free of charge, but these opportunities are infrequent or do not meet the particular needs of partners. Such events often cover organizational governance, financial management, reporting, and recent development issues. Most training facilities are located in urban and suburban areas; a few small-scale training opportunities are found in rural areas. Another concern for CSOs is that staff members move to better positions in other CSOs once they are well-trained. Local training providers, typically CSOs, charge fees in order to recover costs, while a few also provide a small number of scholarships. Local trainers cover topics such as management and leadership, project cycle management, financial management, and reporting.

As in previous years, intersectoral partnerships with government and the private sector did not emerge, despite the DCPS and relevant TWG mechanisms, which encourage such partnerships through a civil society platform on corporate social responsibility (CSR). The government has not exhibited the political will to realize civil society-related commitments of the DCPS.

PUBLIC IMAGE: 4.1

The public image of CSOs deteriorated in 2015 due to worsening government perceptions of CSOs.

Freedom House continues to rank Cambodian media as "Not Free" due to the high level of self-censorship by Khmer-language journalists, the lack of access to diverse viewpoints in Khmer-language media, and an increase in violence against journalists. CSOs therefore continue to have difficulties broadcasting their messages. Most other media outlets are affiliated with or privately owned by government officers. CSOs can only access a few independent media outlets, such as Radio Free Asia (RFA) and Voice of America (VOA), and many small broadcasting outlets owned by CSOs, such as CCIM, CCHR, Committee for Free and Fair Elections in



Cambodia (COMFREL), and Community Legal Education Center (CLEC). These media outlets cover CSO activities and interview CSO experts on particular topics. Some non-independent TV stations have covered news related to CSO service provision. Also hindering media coverage is self-censorship among some CSOs and the public with regard to criticism of the government.

Development partners, the international community, and the public continue to have great trust in CSOs, as evidenced by reactions to public events. Many inquiries from local communities on emerging issues, such as agricultural techniques, health issues, human rights, land rights, and gender issues, are made to CSOs rather than the government. Local communities support and trust both CSO service providers and advocacy-oriented organizations working on sensitive issues such as land rights and resource extraction. Additionally, differences in roles and public responsibilities between civil society and the government remain unclear to most Cambodians.

The government's perception of civil society worsened in 2015. During campaigns against the LANGO and the Cybercrime Law, letters sent by CSOs requesting meetings with the government almost never received a positive response. After the introduction of the LANGO, the government painted civil society as aligned with the opposition party, which led government institutions, the private sector, and communities to refrain from publicly supporting CSOs. Furthermore, many in the private sector are displeased that CSOs receive better tax treatment and share the government's perception that CSOs can easily generate sufficient funding.

CCC continues to be the hosting institution for the NGO GPP certification system—the only self-regulation system for NGOs in Cambodia—which has helped to promote the visibility of and trust in NGOs among donors since 2007. However, only large, well-funded NGOs can access and comply with this system. Between 2007 and 2015, a total of sixty-nine certificates had been awarded to successful NGOs, six of which were awarded in 2015. A number of INGOs, such as Oxfam Novib, Norwegian People's Aid (NPA), and Enfants & Developpement (E&D), entered a collaboration agreement with CCC in 2015 to encourage their NGO partners to go through the system. In 2015, the EU also invited the NGO GPP team to provide an orientation to its NGO partners about the system and will consider further collaboration. Later in the year, CCC received funding from DFAT to develop good practice guidelines for the estimated 25,000 CBOs in Cambodia.

In general, all NGOs, but not all associations or CBOs, publish annual reports in order to meet donor requirements and to demonstrate transparency and accountability to all stakeholders.

INDONESIA

CSO SUSTAINABILITY: 4.1

Country Facts

Capital: Jakarta

Government Type: Republic

Population: 255,993,674

GDP per capita (PPP): $11,100

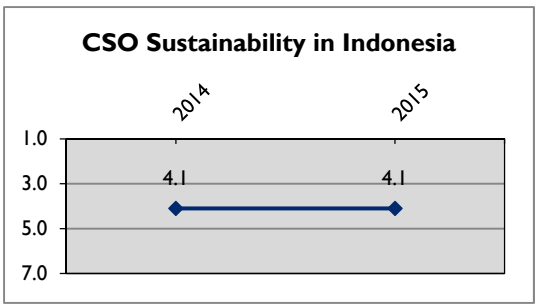
Human Development Index: 110

Indonesia is an archipelago consisting of more than 15,000 islands. With 88 percent of its 250 million people identifying as Muslim, Indonesia has the largest Muslim population in the world. The quality of democracy and freedom in Indonesia in 2015 remained largely unchanged compared to 2014. According to The Economist's 2015 Global Democracy Index, Indonesia still ranks forty-ninth out of 167 countries and falls into the category of "flawed democracy." According to Freedom House, Indonesia is considered "partly free," mainly due to impediments to civil liberties.

At the beginning of 2015, the first year of President Joko Widodo's administration, the country faced substantial economic and political challenges. Indonesia's economic growth declined from 5.02 percent in 2014 to 4.79 percent in 2015. The Rupiah (IDR) decreased in value by 10 percent, while the prices of staple foods increased. The decline in global demand for agricultural and mining exports such as rubber, palm oil, and copper has reduced people's purchasing power, increasing poverty. By the end of 2015, President Widodo had issued ten economic policy packages, which successfully increased the rate of economic growth from 4.7 percent in the first quarter of 2015 to 5 percent in the fourth quarter.

President Widodo struggled to make reforms in the political arena as the coalition of parties supporting him only comprised 37 percent of the parliament. In early 2015, the president supported a plan to reduce the

authority of the Corruption Eradication Commission (KPK), an independent state agency mandated to fight corruption, though he canceled this plan after strong opposition from civil society.

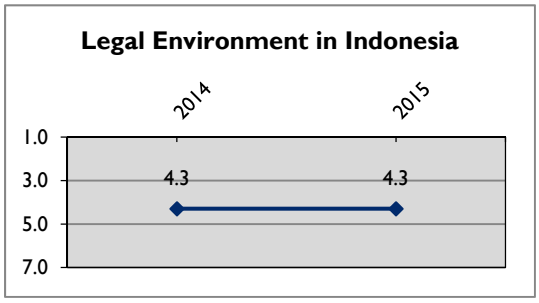


The central government struggled to protect the religious freedom of minorities during the year, failing to stop discrimination by some local governments and violence by hardline Muslim groups to close churches and non-Sunni mosques. According to the National Commission on Human Rights, the number of complaints of violations of the freedom of religion increased from seventy-four in 2014 to eighty-seven in 2015. Some of these violations occurred due to the policies of district and municipal governments. For example, in 2015, the mayor of Bogor issued a circular prohibiting the celebration of Ashura by Shi'ite groups, and the Regent of Bangka expelled the Ahmadis, a minority sect of Islam, from an area in his district.

CSOs have been well known in Indonesian society since colonial times, mainly in the form of faith-based organizations and social organizations engaged in educational, cultural, and economic advancement of society. In the early 1970s, non-governmental organizations (NGOs) began to emerge and play a role in promoting community-based development in areas such as education, health, water and sanitation, handicrafts and other small businesses, cooperatives, and legal aid. During the wave of global democratization in the 1990s, CSOs were actively involved in advocating for women's rights and gender equality, civil and political freedoms, and democratic governance. CSOs have contributed to political reform in Indonesia and had some success in promoting democracy and human rights.

According to data from the Ministry of the Interior in 2014, there were 139,957 CSOs (both associations and foundations) registered with state ministries: 65,577 CSOs, both in the capital and in the regions, registered at the Ministry of the Interior; 25,406 charity and humanitarian CSOs registered at the Ministry of Social Affairs; 48,866 associations and foundations registered with the Ministry of Justice and Human Rights; and 108 foreign CSOs registered at the Ministry of Foreign Affairs. The number of unregistered CSOs is unknown, but may be in the thousands.

LEGAL ENVIRONMENT: 4.3



In Indonesia, there are two types of legal entities in the CSO sector: associations and foundations. The Law on Associations, or the *Staatsblad* (Statute) No. 64/1870, is a legacy of the Dutch colonial period. Although the *Staatsblad* only regulates associations of individuals—not associations of legal entities—in 2015 the Minister of Justice and Human Rights began providing legal entity status to associations of legal entities. In 2015, CSOs were able to complete the registration process quicker. For example, after several years, the Council of Indonesian NGOs finally obtained legal status in 2015. In the past, their application was rejected by the ministry, which claimed that existing legislation does not regulate associations with organizations rather than individuals as members. Still, most CSOs instead choose to obtain a Registration Certificate from an Interior Ministry office in the regions because the process is easier and cheaper than traveling to Jakarta to register at the Ministry of Justice and Human Rights. While the Registration Certificate does not provide legal entity status, it does allow a CSO to operate, cooperate with the government, and receive government grants and other funding.

In 2001, the government passed the Law on Foundations No. 16/2001, which was amended by Law No. 28/2004. This law defines foundations as not-for-profit legal entities engaged in social, religious, and humanitarian activities. The law regulates in detail the procedures for foundations' establishment and registration, organizational structure and governance, financial reporting, dissolution, and other areas, and generally protects them from state interference. State inspections of foundations are only allowed by court order, and dissolution can only be done voluntarily or by court decision. The vast majority of development organizations, including charity and humanitarian CSOs, are registered as foundations.

According to the law, a foundation obtains legal status after its deed of establishment is approved by the Minister of Justice and Human Rights. This poses a burden on foundations located in remote areas, as they must first obtain a recommendation from district/city and provincial level offices of the Ministry of Justice and Human Rights, and then travel to Jakarta to obtain the Minister's approval. In addition, obtaining legal status is relatively expensive and can take between six and twelve months. Foundations must adopt organizational structures that are defined by law and approved by the Ministry.

In 2013, the government passed Law No. 17/2013 on Societal Organizations, also known as the Ormas Law. The law regulates "all organizations founded and formed by the society voluntarily on the basis of shared aspiration, will, needs, interest, activity and purposes in order to participate in the development with the intention to achieve the objective of the Unitary State of the Republic of Indonesia based on the Pancasila" (Article 1). The law contains provisions covering the scope of activities of societal organizations, registration procedures with the Interior Ministry, rights and obligations, and restrictions on societal organizations. Under this law, the Interior Ministry has the authority to suspend the activities of societal organizations that violate legal obligations and restrictions. If the organization does not comply with the imposed sanctions, the government can revoke its legal entity status based on a court decision. However, according to the Ormas Law, permanent dissolution of societal organizations should only occur based on a Supreme Court decision. Many CSOs oppose the Ormas Law on the basis that it unduly restricts the freedom of association by giving government officials wide powers to curtail the activities of CSOs. Furthermore, a number of provinces are criminalizing unregistered organizations, in violation of the Constitutional Court's decision that registration is voluntary.

With the exception of CSOs working on sensitive issues such as the rights of the LGBT community or religious minorities, CSOs and their representatives are allowed to operate freely within the law. They are generally free from harassment by the central government, local governments, and tax police, and can freely address matters of public debate and express criticism.

Law No. 36/2008 on Income Tax does not distinguish CSOs from commercial entities. The Law on Foundations and Law on Associations also do not provide for any tax incentives. As a result, in practice, most CSOs pay income and other taxes and do not receive any exemptions. 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, and social infrastructure development.

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

In 2015, Presidential Decree 54/2010 concerning Procurement of Government Goods and Services was revised, mainly to provide for e-procurement. It still severely limits opportunities for CSOs to participate in government development projects because such projects are considered businesses. Furthermore, CSOs must meet the same requirements as companies, including obtaining a business license, bank guarantee, and the ability to pre-finance projects. Exceptions are granted only to groups of people directly involved in small-scale construction projects, such as building roads and bridges. Associations therefore cannot participate at

all, and foundations must set up a separate business entity to engage in such activities. In 2015, the Indonesian Center for Law and Policies Studies (PSHK) and other CSOs worked on drafting a new government regulation on procurement to give CSOs more opportunities to become involved in government projects, but a new draft had not been submitted to the government by the end of the year.

Legal advice for CSOs in Indonesia is limited. Only PSHK has expertise in CSO law. PSHK provides training in legal drafting to CSOs, government agencies, and members of parliament at the national level and some provinces in Indonesia. Other lawyers have begun to specialize in CSO law and assist CSOs in legal drafting skills and other matters in Jakarta and some provinces.

ORGANIZATIONAL CAPACITY: 3.8

Given the large number of CSOs in Indonesia, their organizational capacities are diverse. However, the vast majority of CSOs do not have adequate independent resources to build their organizational capacities. Organizational capacity generally depends on CSOs' available resources, especially foreign funding. The decrease in foreign aid therefore has deteriorated organizational capacity in 2015, including through the closure and downsizing of many organizations.

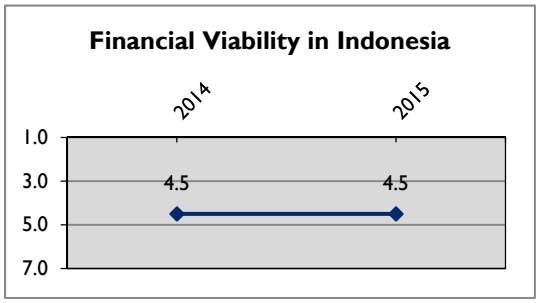
Many CSOs are registered as non-membership based foundations and therefore do not have strong constituencies. Advocacy-oriented CSOs tend to have stronger constituencies than CSO service providers. Due to limited financial resources and dependence on foreign donors, the vast majority of Indonesian CSOs have limited budgets and are not able to formulate or implement strategic plans, generally implementing short-term programs instead. Many CSOs immediately terminate their programs when their donor funding comes to an end. Only some large CSOs based in the capital and major cities—especially intermediary or resource organizations—have clear missions, engage in participatory strategic planning, and implement their strategic plans consistently.

CSO governance is generally weak. In 2015, an assessment of the Indonesia NGO Council's sixty-seven members showed that only 46 percent were fully compliant with the Council's Minimum Standards of Accountability. Many CSOs are led by one person, who retains power for a long time. Only some large CSOs based in the capital and major cities are managed efficiently and transparently. They publish annual reports with audited financial statements on their websites and have governing bodies with separate functions from executive management structures. These organizations have permanent, well-trained staff and relatively modern equipment.

Most CSOs, however, are not able to recruit or retain highly- skilled human resources, as professional staff salaries in the CSO sector are far below salaries in the private sector. The vast majority of CSOs employ staff members on a project basis. Most CSOs also lack the ability to employ specialists such as accountants, IT managers, or lawyers. Some CSOs engaged in advocacy and public campaigns recruit volunteers, but volunteers often only stay engaged for a short time until they find employment in the private sector. According to the 2015 World Giving Index, 38 percent of respondents in Indonesia reported that they participated in voluntary action in 2014, compared to 40 percent in 2013.

Most CSOs have computers, printers, Internet access, and LCD projectors.

FINANCIAL VIABILITY: 4.5



Financial viability is the most serious issue facing CSOs in Indonesia. CSOs have relied heavily on foreign funding for many years, while access to funding from government, the private sector, and the public remains very limited. Few CSOs have cultivated a loyal core of financial supporters or developed philanthropy development programs.

According to the NGO Service and Study Center (NSSC), a project funded by the Australian Department of Foreign Affairs and Trade that researches Indonesia's CSO sector, in 2015 international donor funding constituted approximately 85 to 90 percent of funding for NGOs, while the estimated annual total income for all Indonesian NGOs in 2013 was just over IDR 3.4 trillion (about $250 million). National-level CSOs have greater access to international donor funding compared to provincial and district-level CSOs. CSOs in rural areas have very little access to this funding.

Foreign funding continued to decline in 2015. Total Australian official development assistance to Indonesia, a major source of foreign funding for the sector, declined from 613.8 million Australian dollars (about $457.2 million) for fiscal year 2014/2015 to only 375.7 million (about $280 million) for fiscal year 2015/2016. A project to combat HIV/AIDS, funded by HIV Cooperation Program for Indonesia (HCPI)/AusAID and the Global Fund, ended, which forced a number of CSOs in eastern Indonesia to stop their activities until they found other donors.

Government funding for CSOs is still very limited and only granted to CSOs engaged in service delivery. According to the NSSC, government funding at all levels constitutes only 3 percent of the budgets of national level CSOs, while it constitutes 4 percent and 8 percent of the budgets of provincial and district level CSOs, respectively. Law No. 6/2014 on Villages, which started to be implemented in 2015, provided local CSOs with a remarkable opportunity to access government funds. According to the law, all 81,000 villages in Indonesia will receive about $100,000 per year from Indonesia's central budget for social development and rural infrastructure. Local CSOs will facilitate the process of distributing these funds, which will have a greater reach than foreign-funded projects that only reach hundreds of villages in Indonesia. Some CSOs have also received funds to implement social development and infrastructure projects.

According to the 2015 World Giving Index, 67 percent of respondents in Indonesia reported donating to charities in 2014, compared to 66 percent in 2013.

Private sector funding still contributes very marginally to CSOs' budgets. According to the 2015 Index of Philanthropic Freedom, Indonesia ranks fifty-six out of the sixty-four countries assessed. Indonesia's score of 2.5 (with 5 representing an environment supportive of philanthropic activities) suggests that Indonesia's philanthropic environment is not fully supportive of institutional philanthropy.

Law No. 40/2007 Concerning Limited Liability Companies requires companies in fields related to natural resources to allocate 2 percent of their budgets to charity or corporate social responsibility (CSR) activities. Government Regulation No. 47/2012 similarly requires companies engaged in the natural resources field to have CSR polices. Several companies such as Exxon, Chevron, Pertamina, and Unilever therefore collaborate with CSOs on projects focused on informal education, health, the environment, and other areas. In addition, all state companies including banks, toll road companies, and pharmacies, are obliged to allocate a percentage of their profits to charity or CSR. A study conducted by the Public Interest Research and Advocacy Center (PIRAC) and Dompet Dhuafa in 2014 found that corporate contributions to social development programs tend to increase over time. According to the Minister of Women's Empowerment and Child Protection, in 2015

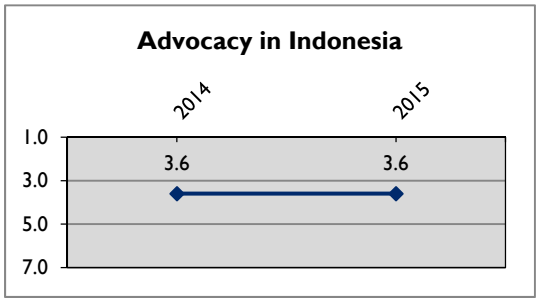
CSR funds from all companies were estimated to reach IDR 12 trillion (nearly $1 billion). Some large businesses have their own corporate foundations and implement development activities themselves. For example, Sampoerna Foundation, Rajawali Foundation, and Ancora Foundation channel funds from their parent companies toward their own development projects.

Some CSOs with capital as well as knowledge and skills in a particular field—primarily large national and provincial foundations—try to stay financially viable through economic activity, such as publishing books; launching small businesses; or providing fee-based training to the public or other CSOs on such topics as fundraising and financial management. However, the proceeds from such activities are generally not sufficient to cover organizational costs.

Some faith-based organizations and trade unions are able to mobilize local resources. Islamic organizations, especially prominent ones such as Nahdlatul Ulama (NU) and Muhammadiyah, have established schools or hospitals that generate funds, and also benefit from government assistance. In addition, many religious CSOs are engaged in the distribution of *zakat*, a religious requirement that Muslims pay about 2.5 percent of their wealth each year. *Zakat*, which is estimated to be in the range of $16 billion per year, is collected by both government agencies and faith-based CSOs and then distributed to people in need.

Only a small portion of CSOs in Indonesia, particularly large national and provincial CSOs, have sound financial management systems in accordance with the Financial Accounting Standards Guidelines for Nonprofit Organizations mandated by the government. According to these standards, organizations must undergo independent audits and publish the results on their websites. The standards also provide guidelines for organizational financial accounting and reporting systems.

ADVOCACY: 3.6



A number of CSOs engage in advocacy, focusing on issues such as civic and voter education, election monitoring, education, promotion of democracy, environment, and multicultural education. There are also several watchdog organizations, such as Anti-Corruption Watch, Parliamentary Watch, Government Budget Watch, and Democracy Watch. According to the NSSC study in 2015, international donors are the main source of funding for advocacy-oriented CSOs. For example, 99 percent of the funding for advocacy-oriented CSOs in Central Sulawesi in East Indonesia comes from international donors. As a result, CSOs engaged in advocacy have suffered the most from the decline in international donor funding. Some advocacy-oriented CSOs have greatly decreased their activities or no longer exist. For example, Interfaith, an organization in Yogyakarta that aims to build better relations among different religious groups in Indonesia, is no longer active due to lack of funding.

In line with the process of democratization, in the early 2000s the government began recognizing CSOs as partners in implementing social development programs and as stakeholders in development. In several provinces, multi-stakeholder forums bring together representatives of the government, the private sector, and CSOs to address local development issues jointly. For example, multi-stakeholder forums in East Java, West Kalimantan, and Aceh established with the help of USAID/Kinerja funding reportedly succeeded in improving health and education services in some districts.

In general, CSOs—particularly those fighting against corruption or demanding higher wages—are fairly effective in influencing the legislative process, utilizing tools such as public hearings, legal drafting, and lobbying. However, CSOs do not effectively monitor the implementation of laws, which is problematic in

Indonesia. CSOs are also generally weak in conducting public advocacy campaigns and in mobilizing other CSOs to participate in demonstrations, protests, strikes, and petitions.

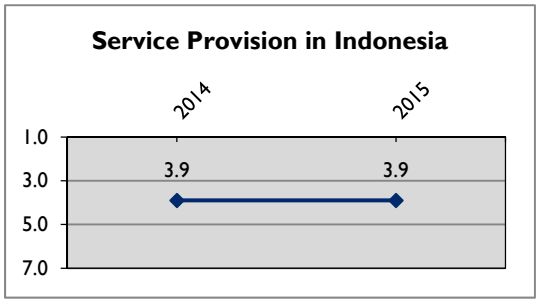
In 2015, anti-corruption CSOs advocated against the government's plan to revise Law 30/2002 on the Corruption Eradication Commission (KPK), as CSOs believed that the revision would limit the KPK's authority. Thanks to protests, demonstrations, and a petition signed by thousands of people, President Widodo cancelled the plan to revise the law.

A number of environmental organizations in several provinces filed judicial claims of liability against several palm oil corporations and government entities for extensive forest fires in 2015. Some of them filed a class-action lawsuit demanding millions of dollars in damages, as thousands of people developed respiratory diseases and many children died allegedly as a result of the fires. However, none of these suits had gone to trial by the end of the year.

In 2015, President Widodo issued Government Regulation No. 78/2015 on Wages, which some labor organizations opposed because it would potentially reduce their annual minimum wages. The labor movement organized demonstrations of thousands of workers in 2015. However, the government retained the regulation in order to have legal certainty over wages.

CSOs did not conduct any advocacy or lobbying to improve the legal or operating environment for CSOs in 2015.

SERVICE PROVISION: 3.9



CSOs in Indonesia actively serve the needs of and seek to empower poor and marginalized communities. CSOs provide services in a variety of fields including education, health, HIV/AIDS, water and sanitation, small business, microcredit, agriculture and animal husbandry, environment, women's empowerment, legal aid, and cooperatives. A number of CSOs provide more complex services, such as assistance to victims of human rights violations; environmental protection; and protection of the rights of women and indigenous peoples.

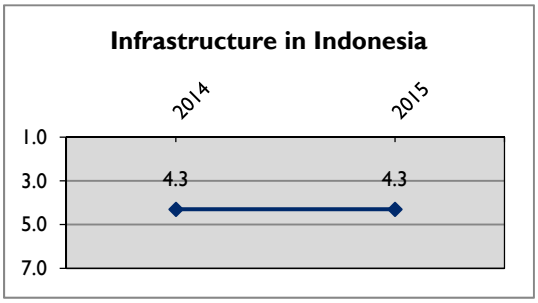
Although CSO services are very diverse, their impact is limited and services are unsustainable due to limited resources and dependence on foreign donors. When donor funding ends, services also usually end, and sometimes CSOs even cease to operate. CSO services also have limited coverage, compared to the size of Indonesia.

In general, CSOs provide services based on the emerging needs of society. CSOs usually design programs based on participatory approaches. Some CSOs are familiar with and practice planning methods such as Participatory Rural Appraisals (PRA). CSO services are generally provided to the community at large, although some CSOs, such as labor unions and cooperatives, provide services only to their members. CSO services for the poor are usually provided for free. If a fee is imposed, it is usually not enough to recover all costs of the service.

Several large CSOs have set up enterprises or consulting companies to cover some of their programmatic and institutional costs. Economic activities include selling agricultural products, publishing books, providing consulting services, and conducting project evaluations or surveys.

In some provinces and districts, local governments recognize and even contract with CSOs. In South Sulawesi province, for example, the local government provided funding to CSOs to provide training on HIV/AIDS prevention to village heads. Some local governments entrust CSOs with program evaluation. However, local government cooperation with CSOs is not yet widespread in Indonesia. At the national level, some CSOs are sub-contractors for government development projects. Experts and consultants from the CSO sector are also recruited for social development projects.

INFRASTRUCTURE: 4.3



More than ten organizations in Indonesia are considered intermediary support organizations (ISOs) or CSO resource centers. These include the Partnership for Governance Reform, KEHATI (biodiversity) Foundation, Tifa Foundation, Indonesia for Humanity Foundation (IKA), Resource Management and Development Consultants (REMDEC), Public Interest Research and Advocacy Center (PIRAC), and the Indonesia NGO Council. Most are based in Jakarta and actively channel funds from international donors or provide capacity building services to small and medium-sized CSOs in the region. CSO capacity building services are also available in Yogyakarta, such as those offered by the Satunama Foundation. However, these organizations can only provide limited support considering the size of the sector.

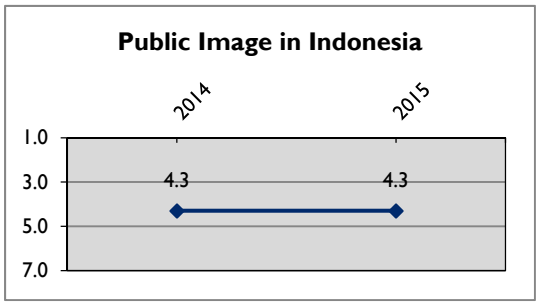
There are a number of CSO associations, including small business development associations and associations of women's CSOs. In addition to channeling funds to their members, these associations provide training in such areas as advocacy, investigation and monitoring of the environment and human rights violations, gender analysis, PRA, small and medium enterprise development, and legal drafting. The NGO Council develops and promotes NGO accountability, as well as the interests of the sector.

CSOs and resource centers offer training on various topics, such as accounting, financial management, strategic planning, organizational and resource management, project management, taxation, training of trainers, and fundraising. However, these organizations rely on international donors to fund these services. In addition, some large CSOs, such as Bina Swadaya Foundation in Jakarta and the Satunama Foundation in Yogyakarta, have in-house experts, consultants, trainers, and facilitators that are contracted by international agencies and governments through community development projects. Training materials are usually available in the national language, Bahasa Indonesia. In 2015, CSOs had access to training on such topics as fundraising, strategic planning, financial management, policy advocacy, gender mainstreaming, human rights, facilitation, and coalition building.

Intersectoral partnerships between CSOs and local businesses, the government, and media are still nascent and marked by a lack of mutual trust. However, the sectors have started to communicate and cooperate. For example, the Indonesia Philanthropy Association (PFI) unites prominent individuals, CSOs, family foundations, and companies that provide or receive grants for social development and humanitarian programs. PFI aims to strengthen the infrastructure and space for philanthropy in Indonesia in order to promote the role of civil society in social development, humanitarian efforts, and environmental protection.

PUBLIC IMAGE: 4.3

News outlets, especially national television and newspapers, are mostly owned by media conglomerates of politicians who are not interested in publicizing the activities of CSOs, unless they have broad political impact. In 2015, for example, national media widely covered the activities of CSOs involved in anti-corruption and



environmental protection. Indonesia Corruption Watch and a number of other CSOs received comprehensive coverage of their opposition to the government's plan to weaken the KPK. Similarly, environmental organizations received coverage for suing a number of palm oil corporations and local governments for damages caused by devastating forest fires that occurred in several provinces in 2015. Sometimes local newspapers also cover CSO activities in their locales.

According to the 2015 Edelman Trust Barometer Survey, the level of public trust in NGOs decreased from 73 percent in 2014 to 64 percent in 2015. The level of public trust in NGOs is also the lowest compared to other institutions: businesses had the trust of 70 percent of the population; media had 68 percent; and government had 65 percent. The decline of trust is associated with a strong stigma attached to Indonesian NGOs as agents of foreign interests. For example, when environmental organizations sued some major palm oil corporations of being responsible for the forest fires in 2015, the government accused these organizations of running a negative campaign against the corporations and potentially harming Indonesian exports.

In 2015, President Widodo recruited some CSO representatives to work for the government, most notably in the Office of the President. Among others, he appointed two anti-corruption figures as Chief of Staff of the President and the presidential spokesman. Some local governments cooperate with CSOs engaged in community development and service provision, viewing them as partners and stakeholders in development. In general, however, relations between government and CSOs are still weak and marked by mutual mistrust. Many government officials and politicians at both national and local levels view CSOs, particularly CSOs that engage in advocacy and/or receive foreign funding, as anti-government forces or foreign agents.

Cooperation between the business sector and the CSO community is limited, but growing. The private sector perceives CSOs as having weak financial management and lacking financial transparency. Most businesses are therefore still reluctant to distribute CSR funds to or through CSOs, although several multinational companies do channel their CSR funds through the sector.

CSOs' public relations capacities are very weak. Their annual reports are not widely appealing, and information on their websites might not be up-to-date. CSOs rarely issue press releases and even when they do, the media does not publish them. CSOs rarely advertise their activities through national or local media. To obtain media coverage, CSOs sometimes invite journalists to particular events or organize press conferences. Some CSOs have begun to actively build their public relations through social media, such as Twitter and Facebook, but these accounts are not professionally managed.

Law No. 20/2008 on Public Information requires CSOs that receive central or local government funding, foreign aid, or public donations to publicly disclose information about this funding. However, in general only a few CSOs undergo independent audits and publish their narrative and financial reports.

CSOs generally do not have codes of ethics for their organizations, and there is no sector-wide code of ethics. While the NGO Council implements a Code of Ethics and NGO Accountability Minimum Standards, the Council's membership constitutes a very small portion of the CSO sector.

NEPAL

CSO SUSTAINABILITY: 4.4

Country Facts

Capital: Kathmandu

Government Type: Federal Democratic Republic

Population: 31,551,305

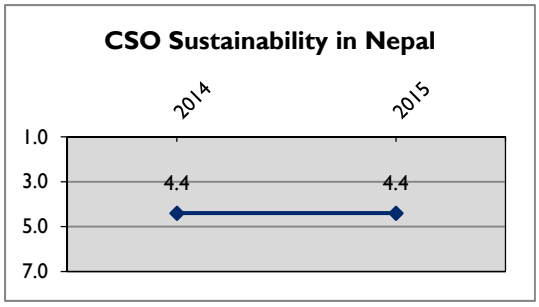
GDP per capita (PPP): $2,500

Human Development Index: 145

Nepal is a diverse country in terms of geography, ethnicity, language, religion, and caste. It is ranked by the UN as one of the Least Developed Countries (LDCs), characterized by slow economic growth and low levels of socio-economic and human development. For decades, Nepal has been struggling to emerge from a politically and socially fragile post-conflict situation, structural poverty, inequality, and deeply entrenched forms of social exclusion. Despite these difficulties, Nepal has made important strides to institutionalize human rights and democracy in the country.

In April and May 2015, Nepal was devastated by two massive earthquakes, resulting in 22,300 casualties, including 8,790 deaths, and otherwise impacting an estimated eight million people, almost one-third of the population. Thirty-one of the country's seventy-five districts were affected, and fourteen were declared "crisis-hit." Seven thousand schools were completely or significantly damaged. In April, following the first earthquake, the UN published a flash appeal calling for $415 million to meet critical humanitarian needs over the following three months. Disaster recovery "clusters," networks of domestic CSOs and local affiliates of international NGOs (INGOs), mobilized to help with the earthquake recovery. For example, the Food Security Cluster, coordinated by the World Food Program, swiftly mobilized support for community rescue and relief efforts, providing food assistance to 982,700 people and distributing 216,500 "livelihood" assistance kits, such as seeds and animal feed. Meanwhile, following the International Conference on Nepal's

Reconstruction (ICNR) organized by Nepal, dozens of countries and development partners pledged a total of $4.4 billion for the country's recovery and reconstruction.



Nepal reached two significant post-conflict milestones found in the 2006 Comprehensive Peace Accord in 2015. First, in February Nepal set up its transitional justice commissions: the Truth and Reconciliation Commission and the Commission to Investigate Forced Disappearances. Second, Nepal adopted a new constitution on September 20, 2015. In accordance with the new constitution, the Nepalese Constituent Assembly then converted to a legislative parliament.

The new constitution divides the country into seven provinces and recognizes the freedoms of association, expression, and peaceful assembly, as well as other political, civil, economic, social, and cultural rights, including ones related specifically to women, Dalits (the lowest group according to Nepal's traditional caste system), and other minorities. Similarly, the preamble of the constitution expresses commitment to democratic governance, public participation, civil liberty, human rights, and press freedom. At the same time, the constitution provides a state policy of involving CSOs only in areas of national need and priority.

Due to issues of representation emerging from the new administrative divisions of the country, Terai-based political parties escalated their opposition to the new constitution after its promulgation, inspiring several mass protests and general political unrest, particularly on the border with India. As a result, in late September, India imposed an officially undeclared blockade against Nepal, resulting in acute shortages of fuel, medicine, food, and other basic supplies. The blockade lasted for five months and resulted in double-digit inflation and a significant increase in the number of people living under the poverty line.

In October, K.P. Oli of the Communist Party of Nepal - Unified Marxist-Leninist (CPN-UML) was elected by the Legislative Parliament as prime minister of the country. Although Prime Minister Oli emphasized zero tolerance for corruption and promised to promote governmental transparency and accountability, corruption remains pervasive in the country. The elections also resulted in the election of the first female president of Nepal (Bidhya Devi Bhandari) and the first female speaker of the parliament (Onsari Gharti Magar). However, the president's powers are mainly ceremonial, as the new constitution vests executive powers in the council of ministers and the prime minister.

Nepal's political environment has demonstrated significant progress in democracy and human rights, opening space for CSOs to play a key role in promoting accountability and facilitating service provision. However, most of the legal framework governing CSOs remains out-of-date and constraining. At the same time, civil society itself is hindered by a lack of coordination, scarce resources, limited organizational capacity, and inadequate accountability and transparency.

Political parties continue to dominate Nepalese society and influence almost every sector, including civil society. Many CSOs, including federations, are co-opted by political parties or require party support to win leadership positions or gain access to decision makers. In addition, CSOs that may be implementing legitimate projects are often identified with a particular party through past affiliations or their leadership's history. These relationships—perceived or real—often delegitimize positive CSO contributions and hinder CSOs' relations with the community or government.

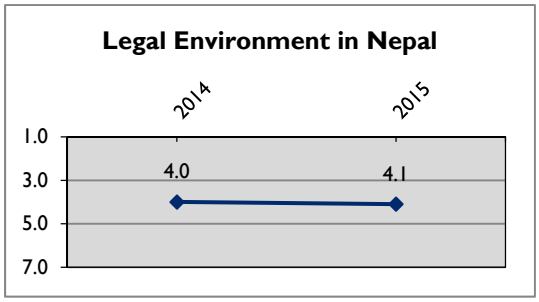
Although caste-based discrimination has been illegal since 1962 and the new constitution provides for non-discrimination, equality and protection, Nepal retains its centuries-old caste system and many of its related practices. Dalits, the most discriminated group, suffer from poor provision of public services, inadequate economic opportunities, social stigma, and other forms of neglect by the state and society. Dalit CSOs,

however, exist and form federations. For example, about 300 member organizations compose the Dalit NGO Federation. Furthermore, both Dalit and non-Dalit CSOs continue to advocate against caste-based discrimination and exclusion from services and opportunities.

Overall, CSO sustainability improved slightly in 2015. The earthquakes brought a flood of funding to the country, and CSOs demonstrated their capacity to respond to humanitarian emergencies. The public and government recognized these contributions, leading to an improved public image of the sector. At the same time, the legal environment deteriorated slightly as new regulations were introduced that increase bureaucratic requirements on CSOs, and advocacy deteriorated as CSOs diverted their focus to relief efforts instead.

Civil society is vibrant in Nepal, with estimates placing the number of active CSOs at over 300,000. CSOs work in a variety of areas, including community and rural development; women's empowerment; human rights; legal aid; election observation; good governance; anti-corruption; public health; environment; AIDS and drug abuse control; youth activities; child welfare; educational development; natural resource management; economic development; and services for persons with disabilities, among others. As of July 2015, the number of CSOs registered with the Ministry of Women, Children and Social Welfare's (MoWCSW) Social Welfare Council (SWC) was 43,269. The number of CSOs registered with District Administration Offices (DAO) under the Ministry of Home Affairs (MoHA) is much higher. Around 817 professional groups are registered under the Companies Act of 2006 with the Company Registrar's office in the Ministry of Commerce and Industries (MoCI). Many CBOs are also registered by District Development Committees (DDCs) under the Ministries of Health, Education, and Agriculture, as well as Poverty Alleviation Funds and other entities.

LEGAL ENVIRONMENT: 4.1



The new constitution guarantees the freedoms of opinion and expression, peaceful assembly, and the formation of unions and associations. However, Article 51(j) provides that among the "policies regarding social justice and inclusion," is "[i]nvolving NGOs and INGOs only in the areas of national needs and priority, by adopting a one-door policy for the establishment, endorsement, engagement, regulation and management of such organizations, and by making the investment and role of such organizations accountable and transparent." The implications of this "one-door policy" are not yet clear, although there is concern that the government may limit CSOs to work in areas that it deems important. The constitution officially comes into force three years after its adoption, as its implementation will require changes to hundreds of laws in the country.

Multiple ministries—including MoHA, MoWCSW, Ministry of Federal and Local Development (MoFALD), Ministry of Forestry (MoF), and MoCI—regulate CSOs, each with its own legal framework. The Associations Registration Act (ARA) of 1977, amended in 1992, is the primary law governing CSOs in Nepal. CSOs register under the ARA at the relevant DAO under MoHA. A DAO supervises CSOs within its district. Even if registered with another ministry, a CSO that receives donor funding is expected to register with a DAO, as well as obtain affiliation with and project-to-project approval from the SWC. Most CSOs consider the ARA to be out-of-date as it envisions CSOs only as service providers, and therefore does not readily apply to the diverse range of CSOs in the country. A DAO may impose a penalty of up to NPR 2,000 (approximately $20) on CSOs that operate without registration. However, most DAOs are not adequately staffed, and it sometimes takes three months for a CSO to register, especially for applicants from marginalized communities or remote parts of the country. Furthermore, the requirement to submit citizenship certificates is a barrier to registration—individuals from marginalized communities, such as Dalit, certain castes, and those living in poverty in remote areas, are less likely to have these documents. Although not required by law, many DAOs also demand police reports on the founders before registering a CSO and may deny registration based on these reports. National-

level CSOs must register in Kathmandu, in addition to the relevant DAOs. CSOs registered with a DAO must renew their registration annually. A CSO that does not renew its registration for five years will be delisted.

Under the SWCA of 1992, the SWC facilitates, promotes, mobilizes, coordinates, monitors, and evaluates the activities of domestic and foreign CSOs in Nepal. The SWC also advises the government on CSO development-related policies and programs. A CSO must seek prior approval from the SWC each time it seeks to receive foreign or government funding or technical assistance.

In 2015, the SWC amended its SWC Regulation under the Social Welfare Council Act (SWCA) for the first time in twelve years. The amendments: clarify some issues regarding CSO affiliation, monitoring and evaluation, and legal action against CSOs that are violating laws; provide the SWC the power to suspend or recommend the dissolution of affiliated CSOs as per Clause 20 of the SWCA; call for the establishment of an SWC Award to recognize high-performing CSOs; and encourage CSOs to seek support from the private sector under corporate social responsibility (CSR) programs. While the SWC Award is a positive development, many of the new directives appear to increase bureaucratic hurdles.

In 2015, the SWC also issued four directives under the new SWC Regulation: the Project Agreement Directive, which provides templates for project agreements; the CSO Monitoring and Evaluation Directive; the Foreign Aid Approval Directive; and the CSO Affiliation Directive. These directives introduce additional procedures to the processes for registration, affiliation, project approval, and implementation, which will especially hinder the work of CSOs in remote districts. In addition, the SWC issued the draft Social Welfare and Development Bill 2015, which aims to regulate CSOs and foreign assistance in Nepal.

The National Directive Act (NDA) of 1961 is mainly used to regulate trusts, professional associations, federations, and networks of professional associations. Associations registered under the NDA with the Company Registrar's Office are directly accountable to the government and are not required to report to or renew registration with a DAO. Unless formed by the government itself, groups registering under the NDA must apply for and receive approval from the cabinet. In December 2015, MoHA issued a five-point Letter Circular to all five DAO regional directorates to discourage DAOs from registering CSOs under the NDA, instead encouraging CSOs to register under the ARA and obtain affiliation with the SWCA.

Foreign residents cannot found CSOs in Nepal. Foreign persons can only be nominated as honorary members of a domestic CSO. Foreign CSOs cannot directly implement their activities; instead, they must work through local CSOs under project agreements.

The Local Self-Governance Act (LSGA) of 1999 recognizes the role of CSOs as development partners. This act encourages Village Development Committees (VDCs), DDCs, and municipalities to involve CSOs in the identification, formulation, implementation, and evaluation of government projects.

Besides the need for approval from the SWC to receive foreign or government funding, there are a few other operational restraints on CSOs. CSOs need to obtain prior permission from MoHA to engage in public fundraising. The Central Bank of Nepal continually restricts CSOs from opening saving accounts, precluding them from earning interest. The NGO Federation of Nepal has lobbied the government to repeal this policy, but was not successful in 2015. Furthermore, the media and government often discourage CSOs from conducting advocacy activities such as public demonstrations on social issues, labeling such activities as "political."

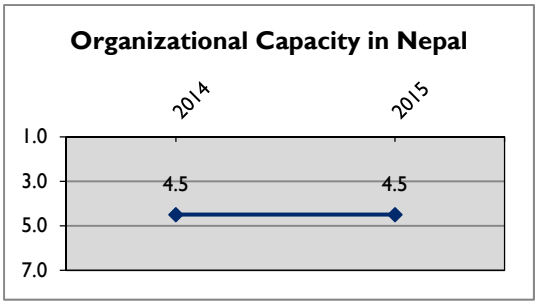
CSOs generally did not report experiencing state harassment in 2015. However, many claim that they increasingly face bureaucratic difficulties with registration, renewal of registration, and project approval, as government officials inconsistently apply the legal framework, applying particular scrutiny to human rights and good governance organizations. During 2015, the SWC and some DAOs investigated forty-seven CSOs and seven INGOs for misappropriation of funds, mainly cases of embezzlement by staff or executive members.

For organizations that have received tax-exemption certificates from the Department of Internal Revenue, income from grants, donations, and investments is not taxed as long as they carry out the public benefit purposes mentioned in their by-laws and do not carry out income generating activities. CSOs are also exempt from customs duties on specific imports. Individuals and legal entities that donate funds to CSOs do not receive any tax benefits for their donations.

CSOs are allowed to sell goods and services. CSOs that intend to participate in government tenders must register with the VAT system.

Most lawyers are familiar with the existing legislation governing CSOs and can provide legal assistance to organizations. In addition, some lawyers are specialized in CSO legal issues. While legal service providers are readily available in the major cities, legal counsel remains largely out of reach for CBOs and small CSOs at the local level, which often lack the financial means to hire qualified lawyers.

ORGANIZATIONAL CAPACITY: 4.5



Organizational capacity did not change in 2015. Following the earthquakes, donors and government agencies mobilized many CSOs to assist the affected populations, which helped them build closer connections with their constituencies. At the same time, the amended SWC Regulation and new directives imposed more administrative burdens on CSOs, thereby hindering their operations.

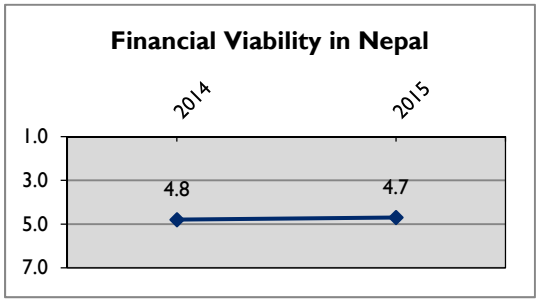
Most large CSOs are based in Kathmandu and tend not to be successful in developing constituencies because they are donor driven and move from one project to another. However, some large CSOs—Informal Sector Service Center (INSEC), HIMRIGHTS, KOSHISH, Forum for Women, Law and Development (FWLD), GoGo Foundation, Samuhik Abhiyan, and Right to Food Network are a few examples—have developed their work in specific fields, such as human rights, child rights, right to food, HIV/AIDS, the Dalit community, women, ethnic minorities, and good governance, allowing them to develop strong constituencies. Smaller CSOs based in earthquake-affected districts had more opportunities to develop constituencies in 2015. Other CSOs have developed constituencies based on ethnicity to serve their particular communities.

Most CSOs engage in ad hoc planning to meet the requirements of funders rather than long-term planning. All CSOs are required to have boards of directors. However, internal governance tends to be weak and dominated by family members, without clear divisions of responsibilities between boards of directors and management.

Due to budget constraints, most CSOs rely on part-time, intermittent, or project-based staff. It is almost impossible for small CSOs to retain skilled staff. CSOs utilize accountants and IT managers, but do not retain lawyers unless involved in a court case. Volunteerism in Nepal has declined drastically in recent years due to increasing economic hardship in the country and access to foreign employment opportunities. However, thousands of people spontaneously gave their time as volunteers to rescue and relief work in 2015. Many Nepali people living abroad also donated to relief efforts or even returned to Nepal to volunteer. According to the 2015 World Giving Index, 27 percent of respondents in Nepal reported that they participated in voluntary action in 2014, compared to 29 percent in 2013.

Most CSOs have basic technical equipment, including Internet access. However, small, rural-based CSOs lack the funding needed to acquire such equipment. In addition, because of the inconsistent supply, many CSOs have been compelled to purchase generators, which poses an additional financial burden.

FINANCIAL VIABILITY: 4.7



Financial viability improved in 2015, as there was an influx of donor funding focused on earthquake relief efforts. During the 2015/2016 fiscal year, the SWC tentatively approved twenty-five international agreements totaling more than NPR 65 million (about $600,000) with twenty-two INGOs, which are required to work in cooperation with domestic CSOs. Nepali corporations also donated to relief efforts. In addition, dozens of INGOs arrived in the country for rescue, relief, and reconstruction following the earthquakes. At the same time, however, funds for other activities seem to have been reduced.

While corporate philanthropy is nascent in Nepal, many corporations increased their giving in response to the earthquakes. Banks, insurance companies, and contractor agencies—including Sagun Saving & Cooperative, Hariwan, Sunrise International hotel group, Siddthartha Insurance, Employ Pension Fund, NIDC Development Bank, Construction Entrepreneur Association, Himali Transport Entrepreneur Association, Udayapur, and Rastriya Banijya Bank—contributed roughly $1.3 million to the Prime Minister's Relief Funds. Yeti Airlines donated NPR1.9 million (approximately $18,000) to Save the Children United Mission to Nepal, CARE Nepal, Habitat for Humanity, and others as part of its CSR efforts. The airline also partnered with Blink Nepal and World Vision Nepal in 2015 to provide humanitarian support to earthquake victims.

Individuals typically only donate to religious organizations. However, many people provided financial support to the victims of the earthquake and donated to the Prime Minister's Relief Funds in 2015. Some philanthropists establish trusts in the names of their ancestors, as well as trusts to recognize literary achievements, such as poetry and novels.

In 2015, the SWC did not provide any financial support to CSOs, unlike in 2014 when it provided 1.5 million NPR (about $14,000). The lack of SWC financial support to the sector is possibly due to the earthquakes and political turbulence during the year. On the other hand, VDCs, DDCs, and municipalities continued to provide funds to local CSOs and CBOs in all seventy-five districts of Nepal to support capacity building of marginalized communities. In addition, MoFALD circulated a letter to DDCs and municipalities encouraging them to mobilize CSOs in local development work. The DDC of the Dolakha District helped raise funds to organize the Annual General Assembly of the Senior Citizen Association.

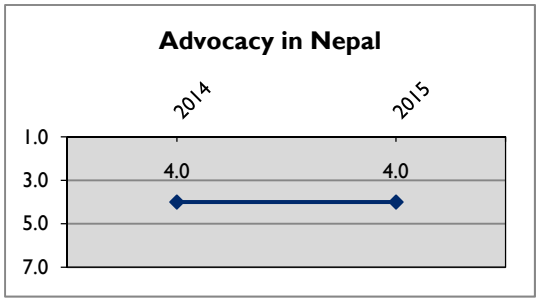
CSOs are vulnerable to interruptions in funding. Most CSOs have not been able to diversify their resources and remain dependent on foreign donors. CSOs rarely organize fundraising events as they need prior approval from MoHA to engage in public fundraising.

Some CSOs try to earn income by renting out meeting halls and equipment or selling food packets and handmade items, but such income is not enough to sustain organizations. In 2015, the Vijaya Development Resource Centre (VDRC) based in southern Nepal earned NPR 5.5 million (about $51,000) from hall rentals, multimedia services, restaurant services, and sale of goods such as stationary. KOSHISH, a CSO working in mental health, produces and sells items, such as clothing. CSOs rarely, if ever, contract with government or businesses to provide services. Some CSOs collect membership fees, but these are also minimal compared to CSOs' financial needs.

Financial management did not improve in 2015. However, donor requirements, as well as recent government policies, have pressured CSOs to develop internal governance policies, such as codes of conduct, anti-corruption policies, harassment policies, administrative and financial policies, and strategic plans. CSOs are

obligated to submit annual audited financial reports and administrative reports to the DAO. If a CSO fails to do so, the DAO may impose a penalty of up to NPR 500 (about $5) on each executive committee member.

ADVOCACY: 4.0



The earthquakes shifted the national focus to relief efforts. While many CSOs were engaged in advocacy around relief efforts including ensuring equitable access to aid and ensuring citizens were aware of and empowered to demand services, CSOs were somewhat less engaged in advocacy in 2015, although not sufficiently to affect the score for this dimension.

Article 51(j) of the new constitution, which will come into force in 2018, envisions public participation in governance and the enactment of a legal framework to facilitate this participation. The Right to Information Act and the Good Governance Act reinforce the state's recognition of the role of CSOs as development partners by engaging them in policy planning, implementation, and monitoring, but these laws are weakly implemented. The LSGA creates a CSO-friendly environment in the VDCs, DDCs, and municipalities by making these local bodies responsible for engaging CSOs, including community-based organizations (CBOs), in various aspects of development. For example, local bodies are mandated to provide seed funds for CSOs to organize public hearings, public audits, and social audits to promote local government accountability and transparency. However, the level of public participation in policy making and implementation depends on the discretion of concerned officials. Moreover, the absence of local elections since 1997 makes it difficult to hold these local bodies accountable.

There were a few national-level CSO advocacy efforts in 2015. In general, most CSOs were involved in rescue and relief work. However, CSOs successfully advocated for the establishment of the National Reconstruction Authority (NRA), which was created by the government in September to coordinate assistance to earthquake victims, and organized campaigns to ensure fair appointments of Commissioners to the Truth and Reconciliation Commission and the Commission of Investigation and Enforced Disappeared Persons.

CSOs were also involved in advocacy around the constitution-making process in 2015. Many CSOs, networks, and federations involved citizens in dialogue and provided education on federalism, minority rights, and other related issues. In addition, many responded to the Constituent Assembly's open call in writing, by visiting delegations, and through social and media campaigns

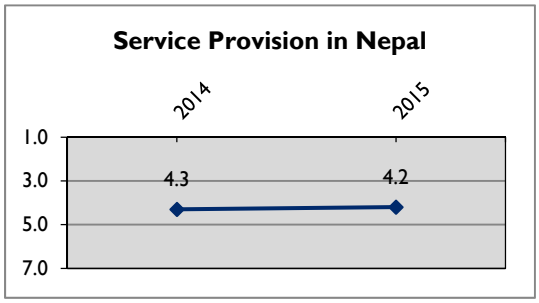
Some CSOs like HIMRIGHTS, Advocacy Forum, and the Center for Legal Research and Resource Development have been working on post-conflict issues related to transitional justice and human rights. For example, HIMRIGHTS has been working to create a platform for conflict-affected children to voice their experiences and their role in reconciliation and the peace process. Advocacy Forum has focused on the establishment of transitional justice mechanisms to identify and prosecute perpetrators, provide reparations to victims, and create a conducive environment for reconciliation in order to provide justice for the victims, end the culture of impunity, and reinforce the rule of law.

Some national-level CSOs and networks lobby to reform laws and policies. CSOs with expertise in specific fields are occasionally invited by relevant parliamentary committees or different ministries to contribute to policy reform. Transparency International - Nepal and GoGo Foundation were invited by the Parliament's Good Governance and Monitoring Committee to provide preliminary inputs on anti-corruption and good governance issues. Similarly, the Auditor General of Nepal invited GoGo Foundation to provide inputs to its five-year strategic plan.

At the community level, CSOs work to eliminate structural poverty and cultural taboos, and to uphold human rights and good governance. For example, women's organizations promote gender empowerment; Maiti Nepal and similar organizations work against the trafficking of girls and women; Dalit organizations advocate against social injustice and the caste concept of untouchability; and GoGo Foundation focuses on good governance and anti-corruption. As a result, these issues have become prominent in public debates and discourse. Human rights organizations like INSEC regularly document and publish reports of human rights violations. Mothers groups have successfully mobilized the public against alcohol and gambling. Youth groups have mobilized to demand better protection of human rights and to improve public service delivery and governance. However, youth activism is generally not well organized and has not launched strong campaigns.

In 2015, the NGO Federation organized regional and national events to discuss the need for a Social Development Act that would categorize organizations based on their objectives and fields of expertise in order to address some of the weaknesses of the ARA. These events helped to raise awareness of the need to reform the current legal framework for CSOs.

SERVICE PROVISION: 4.2



Service provision improved slightly in 2015 as the earthquakes drove CSOs to work on relief efforts, forcing CSOs to diversify their skills and services. At the same time, however, the blockade at the Indian border resulted in shortages of fuel and other transportation needs, making it more difficult for CSOs to travel and conduct their work.

Nepali CSOs offer a wide range of goods and services in fields with little government presence, such as health, education, water, sanitation, relief work, awareness building, and vocational training. For example, Local Initiatives for Biodiversity, Research, and Development (LI-BIRD) works to improve livelihoods through farming and gardening. In 2015, hundreds of CSOs in districts affected by the earthquakes engaged in rescue, relief, and rebuilding efforts. Such services include food assistance, provision of first aid items, counseling and stress management, and continued education while schools were being rebuilt. GoGo Foundation produced radio messages addressing health and hygiene, which were aired on twenty FM radio stations.

With the exception of CSOs that expanded their services to encompass relief efforts, CSOs generally do not offer goods and services beyond their immediate constituencies. Publications and broadly advertised events garner limited to no financial resources for CSOs.

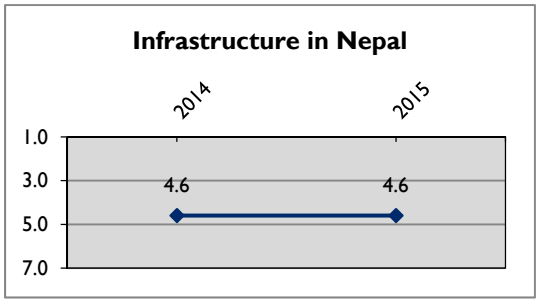
CBOs are deeply involved in all VDCs in Nepal, mobilizing communities and organizing local advocacy and development projects. Such CBOs include mothers groups, community forestry groups, ward citizen forums, citizen awareness centers, agriculture groups, human rights activists, and forest and water user groups. However, due to their remoteness, they receive limited resources and have limited capacities; therefore they cannot carry out local needs assessments and instead focus on donor priorities in order to mobilize funding.

Some CSOs working on health and sanitation, education, and environment charge nominal fees for their services to ensure organizational sustainability. However, CSOs are largely unable to recover the costs of services because they lack clear cost recovery strategies and do not understand the market for their services.

The government recognizes the value of CSOs in earthquake relief and called for government agencies to involve CSOs in rescue, relief, and reconstruction work. The NRA issued the CSO Operational Guideline for Reconstruction and Rebuilding, which recognizes the vital role of CSOs in rebuilding after the earthquake. The guidelines pressure CSOs to comply with the new SWC requirements in order to take advantage of new work

opportunities. The government also channeled some donor funding to CSOs to assist earthquake victims and monitor the delivery of government services. In addition, DDCs issue annual awards to CSOs that do quality work in their districts.

INFRASTRACTURE: 4.6



The infrastructure supporting the CSO sector did not change noticeably in 2015. USAID, the UK's Department for International Development (DFID), the Swiss Agency for Development and Cooperation, Danida, the Norwegian Embassy, and the World Bank continue to provide support at similar levels to that of 2014 to improve their partners' capacities, helping them to establish financial controls, better management practices, and networks and alliances. In addition, donor-funded projects like USAID's Sajhedari Bikaas, the multi-donor/Government of Nepal (GON)-funded Local Governance and Community Development Program, the multi-donor Governance Facility, and GON-Swiss Strengthening the Accountability of Local Governments have components focused on building the capacities of grassroots and intermediary CSOs at various levels. Despite the existence of these programs, most CSOs have limited access to information, technology, and training. Most resource facilities are based in Kathmandu, making them largely inaccessible to CSOs working in remote areas. They provide services such as assistance with staff recruitment, legal services, and consultancies on research projects.

In 2015, several new INGOs in Nepal provided grants to local CSOs to undertake earthquake relief efforts, which in turn helped them to build their capacities in program management and operation. There are a few other local grant-making organizations, such as Rural Reconstruction Nepal (RRN) that distribute donor assistance.

Donors regularly provide support in capacity building, resulting in many independent trainers and training institutions, including Chetana Kendra, Media House, Sancharika Samuha, Himawanti-Nepal, GoGo Foundation, and the Social Welfare Institute. These CSOs provide a range of trainings on topics including leadership development, proposal writing, monitoring and evaluation, advocacy, governance, human rights, climate change, and training of trainers. However, such trainings are out of reach geographically and financially for CSOs based in remote areas.

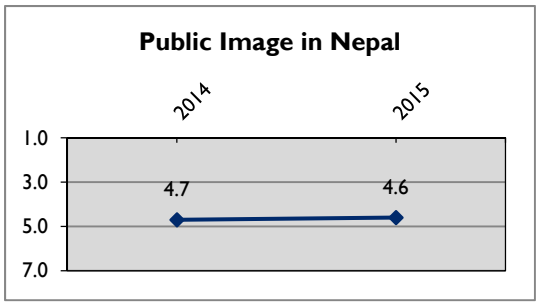
In 2015, the EU prepared the EU Country Roadmap for Engagement with Civil Society for Nepal. The EU Roadmap aims to enhance efforts to promote an enabling environment for CSOs; promote meaningful and structured participation of CSOs in Nepal's domestic policy, the EU programming cycle, and other international processes; and increase local CSOs' capacity to perform their roles as independent development actors more effectively.

There are dozens of networks and alliances related to health, education, natural resource management, human rights, governance, and other areas. Some organizations, including the NGO Federation of Nepal, are dedicated to facilitating information sharing among CSOs. As part of the UN response to the earthquake, the Food Security Cluster and other smaller initiatives came together to provide relief following the earthquakes. In addition, some online platforms and TV and radio stations have initiated services for CSOs to promote projects and recruit staff. For example, Hurdec.org.np provides recruiting services, while media outlets provide space for CSOs to advertise jobs.

Intersectoral partnerships are at a nascent stage in Nepal. For example, the concept of CSR was just introduced in Nepal a few years ago. However, CSOs are aware of the possible benefits of intersectoral partnerships, and such partnerships with the private sector have begun to emerge. For instance, Surya Nepal, Ncell, and Nabil

Bank have provided financial support to CSOs to advocate against corruption, human trafficking, and other issues. In the aftermath of the earthquakes, CSOs worked in coordination with district disaster rehabilitation committees to enhance relief efforts.

PUBLIC IMAGE: 4.6



The public image of CSOs improved slightly in 2015 due to the role played by CSOs in rescue and relief efforts following the earthquakes. The government also publicly recognized the role of CSOs in relief efforts—the NRA issued directives to mobilize CSOs in recognition of their strength in community mobilization, advocacy, and capacity building. Similarly, the new constitution recognizes the role of CSOs in ensuring public participation in the nation-building process. The public also recognized the role CSOs played in this process.

However, the media often presents national-level CSOs as urban-based and out of touch with local communities; focused on stirring ethnic issues or promoting Christianity or other "foreign" ideologies and interests; associated with partisan politics; unaccountable to government or private donors; lacking in transparency; or characterized by poor internal governance, nepotism, and self-dealing. There is a lack of more specialized media coverage by journalists who understand and interact with CSOs.

While the media rarely analyzes the achievements of CSOs, some media outlets have provided coverage of CSOs' activities and helped to generate public support. For example, some local media outlets have provided CSOs with opportunities to present their local programs and budgets. CSO campaigns on constitution building and large organizations working in healthcare and public welfare have received significant publicity. Most media outlets charge for public service announcements (PSAs) and advertisements, which only large CSOs such as RRN, INSEC, and Backward Society Education (BASE) can afford. Sometimes radio stations allow smaller CSOs to make PSAs about their missions for free.

The public's perception echoes media messages—that CSOs are donor-driven and lack transparency, accountability, and reliability. The public perceives that most CSOs and civil society platforms are run by the same privileged caste and groups that dominate politics and governance in the country. At the same time, the public appreciates services provided by CSOs in difficult times; CSOs' contributions to relief and recovery efforts related to the devastating earthquakes in particular helped to improve the sector's image in 2015.

The relationship between civil society and government is characterized by both confrontation and cooperation, and by the government's ambivalence towards civil society that ranges from distrust to recognition of its utility in service delivery. While the government and CSOs sometimes have a tense relationship, the government's attitude towards the role of CSOs is gradually improving. Many government officials view CSOs as a means of communicating with and receiving political favor with local communities, as well as key partners in development. As previously stated, the government has also recognized the role of CSOs in earthquake relief efforts.

CSOs and the business sector have recently engaged in more dialogue on possible collaboration. However, there is no regular platform to promote such collaboration. While businesses tend to appreciate the role of service-providing CSOs, they are wary of collaborating with CSOs working on governance or consumer rights. The government and business sectors also question the accountability and transparency of CSOs.

CSOs attempt to promote their activities and public image through traditional and social media. They try to engage journalists to receive coverage in print media, radio, and television. Most CSOs based in urban areas also have their own websites to promote their activities.

Most CSOs lack internal democracy, transparency, and accountability. Despite donor emphasis, very few CSOs have developed or follow codes of conduct. However, the NGO Federation, the Association of International Non-Governmental Organizations Nepal (AIN), RRN, INSEC, HIMRIGHTS, and GoGo Foundation, among others, have developed codes of conduct and encourage their members to comply with them. For example, HIMRIGHTS adopted a code of conduct and an anti-corruption policy in 2015.

The Right to Information Act of 2007 recognizes CSOs as public organizations and mandates them to publicize their budgets and activities on a quarterly basis, but few CSOs comply with these requirements. Some leading CSOs share their annual reports on their websites to demonstrate transparency and enhance organizational visibility among donors and other stakeholders. In addition, some CSOs have initiated "public audit" processes through which they present their financial transactions and respond to queries raised by their stakeholders, including local communities.

International development partners have realized the need for Nepali CSOs to improve their public image. USAID's Sajhedari Bikaas Project, implemented by Pact, Inc. and the GoGo Foundation, aims to train CSOs to use Social Accountability Tools (SATs). In 2015, USAID also made a request for assistance for organizations to implement its new Civil Society: Mutual Accountability Program starting in 2016. MoHA provides annual awards to recognize CSOs involved in various fields.

PHILIPPINES

CSO SUSTAINABILITY: 3.3

Country Facts

Capital: Manila

Government Type: Republic

Population: 100,998,376

GDP per capita (PPP): $7,300

Human Development Index: 115

After 1986, when the Marcos dictatorship fell, the Philippines codified the role of CSOs in society within the legal framework, including the 1987 Constitution and the 1991 Local Government Code.

Over the past three decades, the government has generally remained open to civil society. However, the democratic space for CSOs has expanded or constricted slightly depending on political dynamics. President Benigno Simeon C. Aquino III, who held office from 2010 until 2016, garnered strong support from many CSOs and volunteer groups because of his anti-corruption platform. During his term, government-CSO relations flourished, with the government accepting CSOs as watchdogs and partners in service delivery. Notably, the Aquino government introduced public participation in national and local budget deliberations, allowing CSOs to engage actively with the government to identify priorities, allocate resources, and monitor government expenditures.

Some other government programs initiated between 2010 and 2012 have also increased CSOs' and citizens' participation in local affairs. The Department of Budget and Management's (DBM) Bottom Up Budgeting (BUB) Program, for example, allocates national government funds to local government units (LGUs) for development projects jointly identified by LGUs and local CSOs. The Department of Social Welfare and Development (DSWD) Conditional Cash Transfer (CCT) Program directly provides cash to the poorest households, while its National Community Driven Development Program (NCDDP) provides, among other types of support, seed grants to community-based organizations (CBOs) for economic livelihood projects.

The public's negative perception of CSOs—arising from allegations in 2013 of legislators laundering $230 million of their congressionally-granted Priority Development Assistance Funds (PDAF) through fake CSOs—abated somewhat in 2015. However, the government's wariness about working with and funding CSOs continued, and during the year the government introduced new measures to regulate CSOs more closely, such as the requirement for additional accreditation by DSWD to be eligible for government contracts or grants.

Donor and international community support for humanitarian action and disaster rehabilitation programs increased in 2015, as efforts continued under the National Economic and Development Authority's Comprehensive Recovery and Rehabilitation Plan 2014-2017 to mitigate the impacts of the November 2013 Typhoon Haiyan (locally named Yolanda). Despite this, CSO financial viability is weak. Few CSOs have sufficiently diversified funding sources to be sustainable. CSOs raise some local funding, but these funds are generally in short supply.

The sector offers a wide range of goods and services that are generally responsive to the needs and priorities of communities. CSOs have formed many issue-based coalitions and have been effective in broad-based advocacy campaigns and lobbying efforts. CSO networks and associations provide training and other services to CSOs and provide a common platform for advocacy efforts.

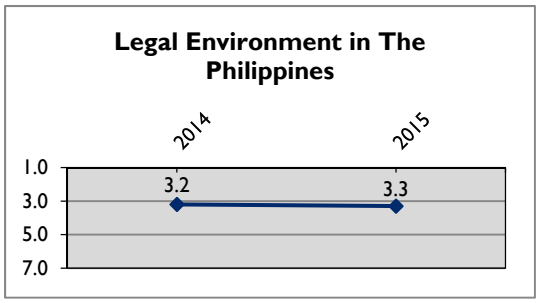
CSOs are generally categorized as either people's organizations (POs), non-governmental organizations (NGOs), or cooperatives. POs are membership organizations, and include unions and workers associations, farmers and public transport drivers associations, CBOs, homeowners associations, and many issue-based organizations. NGOs are non-membership based and typically provide citizen mobilization, education, research, and other services to communities, sectors, and other CSOs. Cooperatives are organized based on international cooperative principles and are registered with the Cooperative Development Authority (CDA).

CSOs can acquire primary registration from four different government agencies. While there is no combined database of CSOs, the most recent data indicates a total of 261,762 registered CSOs as of 2014: 164,000 NGOs and POs registered as non-stock, non-profit organizations with the Securities and Exchange Commission (SEC) and recently deemed active or operational based on submission of required reports[2]; 24,652 cooperatives registered with the CDA; 15,091 homeowners associations registered with the Housing and Land Use Regulatory Board (HLURB); and 58,019 labor unions and workers' associations[3] registered with the Department of Labor and Employment (DOLE).

LEGAL ENVIRONMENT: 3.3

The political and legal frameworks in the Philippines are generally supportive of civil society. However, the legal framework deteriorated in 2015 due to the implementation of additional measures to monitor CSOs and increased harassment of defenders of indigenous groups.

[2] The number of CSOs registered with the SEC reported in the 2014 CSOSI (250,944) included all of the registered CSOs regardless of whether they were considered active or operational. The SEC is increasingly reviewing the submission of reports and classifying as inactive/non-operational those CSOs that have not submitted the required audited financial statements and general information sheets for five consecutive years.
[3] The number of workers' associations was erroneously not included in the number of organizations reported to be registered with the DOLE in the 2014 CSOSI—the 18,428 reported in the 2014 CSOSI only included unions.



As described above, CSOs register with one of four government agencies—SEC, CDA, HLURB, and DOLE. The registration process is relatively easy, taking two weeks and costing approximately $34. However, the absence of registering offices outside of major cities is a challenge, especially given the archipelagic geography of the country. The SEC has started opening satellite offices in major shopping malls in Metropolitan Manila—and will soon do so in other key cities—and has made some online services available. While this may address the problem of physical access to SEC's services, slow Internet speed in many areas of the country may render online services difficult to use. In addition to legal registration, CSOs must often acquire secondary registration with various government agencies, such as DSWD, Department of Agriculture, or Department of Education, based on the nature of their services. CSOs may remain unregistered, though unregistered organizations cannot enter into legal contracts or open bank accounts in the name of their organizations.

Following the PDAF scandal, regulatory agencies have implemented measures to more closely monitor CSOs. In 2015, in accordance with the General Appropriations Act of 2014 and Joint Resolution 2014-001 of DSWD, DBM, and the Commission on Audit (COA), DSWD started implementing an additional accreditation requirement—beyond registration with DSWD—for CSOs seeking to access government contracts or grants. The process is quite stringent: out of 215 applications that DSWD received in 2015, they accredited only fifteen, returned 179 applications for further completion, denied fourteen, and blacklisted one. Six other applications still awaited a response at the end of the year. As a result of this process, in 2015 SEC, CDA, HLURB, and DOLE received more requests from CSOs to update their records, which is a requirement for accreditation.

CSOs generally are allowed to operate freely and to participate in matters of public interest. The 1987 Philippine Constitution provides that the state cannot arbitrarily close down any organization. However, in 2015 the UN Special Rapporteur on the Rights of Indigenous Peoples reported new cases of alleged harassment and killings by military and paramilitary forces of leaders of indigenous peoples (IP) who defended human rights and protested mining and land conversions. There were also incidents in which the government closed down alternative schools set up for IP communities on suspicion that these were run by communist insurgents and were used to teach sedition to children.

While CSOs are increasingly aware of the need to comply with government rules, it has become clear that national and local government agencies need to harmonize their interpretation and implementation of relevant laws. For example, the Bureau of Internal Revenue (BIR) only allows CSOs with SEC and CDA registration—not HLURB and DOLE registration—to print Official Receipts, which CSOs are required to issue when they enter into contracts with private donors or government. CSOs registered with HLURB or DOLE therefore cannot access grants or enter contracts with private donors or government.

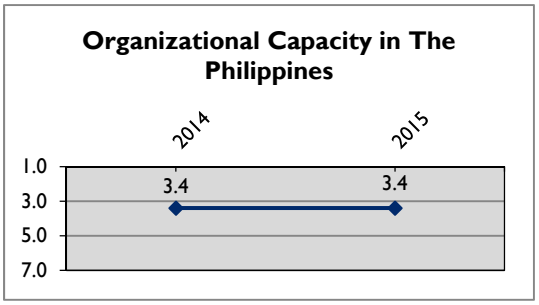
Under the 1997 Tax Reform Code, CSOs may be exempt from income tax as long as they are non-profit or are registered as cooperatives. Approximately 324 CSOs certified as donee institutions by the BIR receive additional tax exemptions. As required by the BIR, these CSOs are first certified by the Philippine Council for NGO Certification (PCNC), a self-regulation body recognized by the government. Grants to donee institutions are exempt from the donor's tax, which is equivalent to 30 percent of the donation, and are tax deductible, making CSOs with donee institution status attractive partners and grantees. Income from economic activities is taxed even when the income is used solely for the non-profit purposes of the organization.

While the government can subcontract services to CSOs, many CSOs find it difficult to comply with the many requirements of such contracts, particularly the new DSWD accreditation requirement.

In the absence of a law differentiating CSOs from other types of legal entities, there are few lawyers who specialize in non-profit law. A few professional associations, such as the Philippine Institute of Certified Public Accountants (PICPA), periodically provide seminars on special topics such as CSO taxation.

ORGANIZATIONAL CAPACITY: 3.4

CSOs are adept at community organizing, allowing them to reach target beneficiaries and build effective constituencies to support policy advocacy positions. The Bangsamoro Basic Law (BBL), for example, which would create a new autonomous political entity on the island of Mindanao, gained national awareness and the support of a broad base of peace advocates and CSOs in 2015. Multi-sectoral partnerships are common in CSO initiatives, including advocacy-oriented ones. Such partnerships have increased recently due to CSOs' engagement with government in the BUB program and in disaster risk reduction and management post-Haiyan.



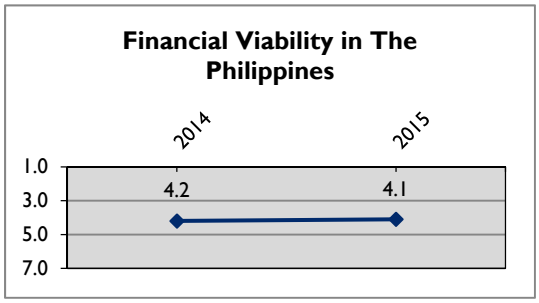
The lack of sufficient financial and human resources is an ongoing issue for CSOs, making it challenging for CSOs to implement sustainable programs. While most CSOs have defined their visions, missions, and goals and very often adhere to them, only the more developed organizations or those affiliated with national networks engage in strategic planning and appreciate the connection between strategic planning and organizational sustainability. Smaller, single-purpose service delivery CSOs often implement their activities without engaging in strategic planning and instead focus their limited time and resources on their service delivery functions. Furthermore, uncertain funding makes it difficult for such CSOs to make long-term plans.

Better funded, more diversified CSOs often have clearer governance structures on paper, though this does not guarantee the engagement of boards of directors or better governance and accountability in practice. Cooperatives, especially those providing savings and credit services, often have better governance systems than other types of CSOs due to stricter government regulations, as well as internal initiatives focused on financial performance and accountability over their members' savings.

Larger NGOs and cooperatives are able to maintain key permanent staff and employ additional staff on a project basis. In general, however, CSO funding is usually project-based, making it difficult for CSOs to maintain staff long-term. Core personnel often perform tasks that are beyond their scope of work or training and work longer hours than legally allowed. According to the 2015 World Giving Index, 42 percent of respondents in the Philippines reported that they participated in voluntary action in 2014, compared to 38 percent in 2013. Most community-based, sectoral, and other POs are composed of volunteers and do not have paid staff.

Larger urban-based CSOs tend to have basic to fairly updated office equipment, including Internet access. Often, staff members use their personal equipment, such as laptop computers and mobile phones, for official purposes. Some POs and other CSOs based in rural areas do not have even basic equipment. However, the use of information and communication technologies (ICT) is widespread. According to 2015 data by EON Stakeholder Relations Group, 44 percent of Filipinos are online and 40 million have social media accounts. Some agriculture cooperatives and POs use the Internet to access weather and market information for production.

FINANCIAL VIABILITY: 4.1



Financial viability improved in 2015—though likely just temporarily—due to an influx of grants and projects to mitigate the effects of the 2013 Typhoon Haiyan, as well as increased efforts by local organizations and CBOs to generate local in-kind resources and volunteer assistance from the private sector to address local community needs.

Philippine CSOs rely on international and local donor grants. According to the 2009-2010 Civil Society Index (CSI) for the Philippines, approximately 48 percent of NGO funding came from foreign grants; 12 percent from corporate donations; 12 percent from service fees and sales; 10 percent from government; 6 percent from individual donors; 1 percent from membership fees; and 12 percent from other sources. Most CSOs obtain up to 5 percent of their funds from government sources. POs, such as workers' and farmers' organizations, and cooperatives rely mainly on member contributions and local support. Cooperatives, schools, and some highly entrepreneurial CSOs earn revenue from products and services, such as agricultural produce, handicrafts, marketing, and lending. According to the CSI, labor unions and homeowners associations obtained 92 to 100 percent of their funding from membership fees and service fees or sales. For cooperatives, the figure was 74 percent.

Since the late 1990s, when the Philippines was classified as a middle-income country, international donor funding has dwindled. The remaining international donor funding to CSOs comes primarily from private and bilateral organizations based in Europe and the United States, such as Oxfam, the German Catholic Bishops' Organization for Development Cooperation (MISEREOR), USAID, the Australian Department of Foreign Affairs and Trade (DFAT), and others. However, recognizing the importance of CSOs, donors channeled more funds through the civil society sector in 2015, particularly for disaster response and rehabilitation after Typhoon Haiyan and capacity building for local CSOs on disaster preparedness. Still, most international humanitarian funding goes to international NGOs (INGOs), which implement their programs directly. Only a few INGOs sub-contract projects to local NGOs. International humanitarian funding is expected to be available only on a short-term basis. International funding for other CSO projects such as health, education, economic development, and environment generally remained at similar levels in 2015.

Corporate social responsibility (CSR) and corporate philanthropy are on the rise. Philippine Business for Social Progress, a non-profit consortium of over 200 corporations that provides grants to CSOs, raises an average of $41 million each year, largely from external donors but also from member corporations, for various projects. In 2015, the companies owned by the top nine Filipino billionaires listed in Forbes Philippines collectively gave $41.5 million to education, health, environment, and social welfare programs. Some Philippine corporations with long-running CSR programs are reportedly moving beyond public relations-based CSR to strategic giving in order to yield greater social impact. To do so, they increasingly integrate CSR into their business processes. For example, the Jollibee Foundation, the corporate foundation of the Jollibee Foods Corporation (JFC), assists small-scale farmers in reaching corporate markets, including that of JFC. This program has assisted 1,000 farmers since it began in 2008.

Family foundations also support programs that are personally significant to their founders, which generally include education, health, environment, and social welfare initiatives. Individual philanthropy from ordinary citizens, on the other hand, is still quite limited and focuses on schools and churches. According to the World Giving Index, 24 percent of respondents in the Philippines reported that they donated to charities in 2014, compared to 27 percent in 2013.

Various government agencies provide grants to CSOs to implement projects related to government programs such as tree and mangrove re-planting, livelihood projects, and demonstration farms for organic agriculture. CSOs providing welfare services such as feeding programs for school children and orphanages also often

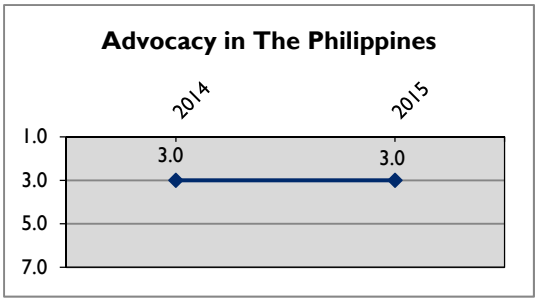
receive financial support from the government. However, many of these CSOs were not able to receive government assistance in 2015 because their accreditation applications were still pending with the DSWD.

While larger CSOs rarely benefit from local sources of funding, community-based social welfare CSOs, churches, faith-based organizations, and non-profit schools are usually able to gather local resources from private individuals, local businesses, local politicians, and parent-teacher associations, largely in the form of volunteer services and in-kind contributions. Local resource mobilization has increased as the government's BUB, CCT, and NCCDP programs have encouraged or mandated community participation. CSOs are also learning to tap into other local sources, exploring social enterprises, endowment fundraising, and service fees, among others. Still, very few CSOs have sufficiently diversified funding to be sustainable beyond the short term. Over the years, many CSOs have learned to adapt to the lack of stable funding by expanding or contracting operations based on funding availability.

Some CSOs, especially larger ones and those certified by PCNC, have financial management systems in place, but for many, improvement is critically needed. According to an SEC official, only 10 percent of the registered non-stock, non-profit organizations comply with regulatory requirements for independent annual audits. Those CSOs that undergo independent audits present their audited reports during member assemblies or make them accessible to members and the public by posting them on their websites.

ADVOCACY: 3.0

Advocacy did not change in 2015.



Because 2015 was the last full year of the Aquino administration, CSOs made stronger efforts to have laws and initiatives enacted before the end of the year. Despite these efforts, several major policies and laws promoted by CSOs in previous years, such as the Freedom of Information (FOI) Bill, the National Land Use Act, the BBL, and the Executive Order establishing a coconut farmers' trust fund, were not adopted, enacted, or implemented.

CSOs have access to a variety of mechanisms to participate in the policy-making process at both the national and local levels. The Social Reform and Poverty Alleviation Act of 1997 created the National Anti-Poverty Commission (NAPC), in which fourteen "basic sector representatives" are appointed by the president from nominees selected by CSOs. In 2015, for example, the NAPC organized consultations to craft guidelines for the implementation of the BUB program. The Local Government Code of 1991 provides for at least 25 percent CSO representation in Local Special Bodies (LSBs) such as the local development councils, local school boards, and local health boards that exist in every municipality, city, and province. The Government Procurement Reform Act (RA 9184) mandates the participation of CSOs as observers in all phases of the procurement process. In Congress, the House Rules provide for people's participation in all matters directly relating to the roles, rights, and responsibilities of CSOs in governance and legislation and provide for mechanisms for CSO consultation. The Party List system also provides marginalized and underrepresented sectors an opportunity to participate in policy formulation by being elected as members of the House of Representatives, although the system has at times appeared to favor elite individuals over the years. However, the effectiveness of and the space for CSOs within these mechanisms and other consultative bodies vary over time and across national agencies.

The Aquino administration was generally friendly to CSOs. Many CSOs have open lines of communication with key cabinet members, some of whom were themselves former CSO leaders, and were able to organize periodic dialogues with them on issues such as government accountability or implementation of reform

programs. Government programs such as the BUB, Full Disclosure Policy (FDP), and NCDDP were receptive to CSO participation. In 2015, there was more active participation of local CSOs in these programs, as well as improved communication between CSOs and LGUs, as well as national government agencies. The fallout from the PDAF scandal, however, somewhat strained the relationship between government and the CSO sector since government officials now fear public backlash if they work with CSOs. For example, since the scandal broke out, very few CSOs have received renewed tax exemption certifications from the BIR or the required accreditation from DSWD to be awarded government grants or contracts.

In 2015, CSOs were comfortable with lobbying in Congress and regularly enlisted the help of supportive legislators. For example, microfinance NGOs were able to lobby successfully for the approval of the Micro-Finance NGOs Act (Republic Act No. 10693). The Act recognizes the role of microfinance NGOs in poverty alleviation; calls for the establishment of a regulatory council for microfinance NGOs; and imposes a minimal 2 percent tax on microfinance NGOs' gross receipts from microfinance operations in lieu of other national taxes.

CSOs also lobby at the local level. The Local Government Code mandates CSO participation in local development councils and other special bodies. As a result, local CSOs are able to lobby for the passage of local ordinances on such issues as environmental sustainability. However, the extent to which local councils and advisory bodies are participatory depends on local chief executives' attitudes toward CSOs. For instance, if local CSOs objected to ordinances or programs in the past, local chief executives may not encourage CSO participation in advisory bodies. Likewise, if CSOs campaign for the political opposition, the incumbent may not be interested in working with them.

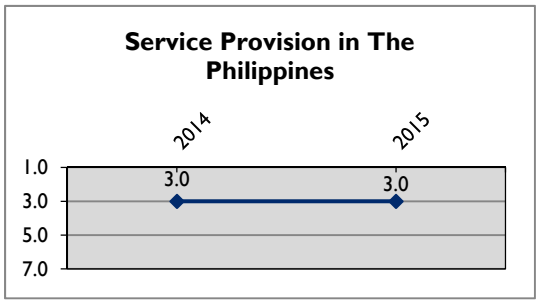
Because 2015 was the last full year of the Aquino administration, CSOs strongly advocated for the passage of key legislation, such as the extension of the Comprehensive Agrarian Reform Program (CARPER); the establishment of a coconut farmers' trust fund; adoption of the FOI Bill; and the adoption of the BBL, an important element of the peace process with the Moro Islamic Liberation Front (MILF). While these campaigns widened public awareness of these issues, none of these key initiatives were enacted in 2015. For example, even though CSOs formed a broad coalition of peace movements and elevated the BBL to a national issue, Congress halted deliberations on the bill following armed clashes between the Philippine police Special Action Force (SAF) and the MILF.

Preceding the 2016 elections, many CSOs, including Caucus of Development NGO Networks (CODE-NGO), sent candidates their development platforms in 2015, asking for their responses and positions on development issues. They also brought up their issues in various candidates' forums and disseminated information about the candidates' positions to different constituencies.

There was no concerted effort in 2015 to advocate for a comprehensive law for CSOs, although CSOs did advocate for a percentage law that would allow taxpayers to designate a percentage of their taxes to eligible organizations. The bill was approved at the committee level by the House of Representatives and was still under consideration at the end of the year.

SERVICE PROVISION: 3.0

CSOs provide a highly diverse range of goods and services, including training and research, health, legal assistance, communications, mutual assurance, product development, processing and marketing, housing, environmental protection, savings and credit, ecological tours, child care, and mortuary services. CSOs also continue to engage in humanitarian and disaster relief and preparedness work in the wake of Typhoon Haiyan. However, the CSO sector still does not adequately address certain areas of need, such as the welfare of migrant workers, services for persons with disabilities, or mental health services, especially at the local level.



Services provided by CSOs generally respond to community needs. CSO practice is rooted in community organizing and the use of participatory approaches, making them more flexible in adapting programs and services in response to identified needs. This was particularly evident in disaster recovery and rehabilitation efforts post-Haiyan, as local CSOs facilitated consultations with affected communities to develop responsive interventions. However, some CSOs that rely on foreign funding might respond more to donor priorities than community priorities.

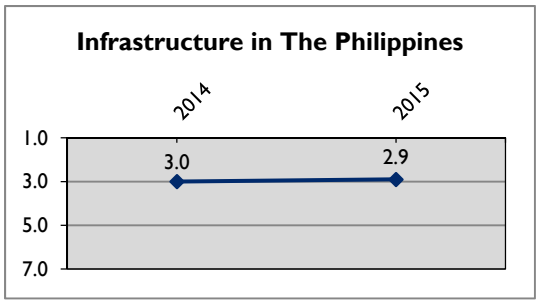
CSOs provide goods and services that the government is unable to deliver. Recipients generally lack the capacity to pay. CSOs therefore are not oriented toward cost recovery, relying on grants and other donations to support the services they provide. Cooperatives, homeowners associations, microfinance institutions, and social enterprises are notable exceptions because they earn income from membership fees, service fees, and sales of goods.

Some CSOs market their goods and services beyond their identified constituencies, for example offering training programs or services to government or marketing their research products to policy makers. Academic institutions and CSOs involved in governance programs and accredited by the government's Local Government Academy (LGA) offer their programs and services to local governments.

While a number of government agencies have units or focal points handling CSO concerns, many of them have limited understanding of the role of CSOs, often seeing collaboration with the sector mainly as a formality. At the same time, however, local CSOs continued to partner with government to implement the Payapa at Masaganang Pamayanan (PAMANA or Peaceful and Prosperous Communities Program), which aims to improve the delivery of basic social services in conflict areas, in parallel with ongoing peace processes.

INFRASTRUCTURE: 2.9

Infrastructure slightly improved in 2015 due to an increase in the number of local coalitions and intersectoral partnerships, formed particularly for disaster relief and poverty reduction. For example, major faith-based organizations, business groups, and CSOs worked to improve their coordination on responses to disasters like Typhoon Haiyan. Following the UN Summit for the Adoption of the Post-2015 Development Agenda, CSOs organized the Building Pathways: Eradicating Poverty and Inequality Summit in November 2015 to continue the dialogue on addressing poverty in the country.



Long-established CSO networks and associations, such as CODE-NGO and its member networks, National Secretariat for Social Action (NASSA), League of Corporate Foundations (LCF), Disaster Risk Reduction Network (DRRNet), and others continue to provide training, advocacy platforms, and other services to CSOs. While such networks serve as important resource centers for the sector, their services are often limited to their members. A few independent service organizations and resource centers also cater to specific CSO needs. The newly-organized FUND Philippines, for example, aims to professionalize fundraising practices in the country. Their services, however, are not readily accessible to those outside major cities. Unlike the public sector, there is no training and mentoring institution specifically for CSO managers and key personnel.

There are a few local grant-making institutions that support the CSO sector, such as the Foundation for Sustainable Societies (FSSI), Peace and Equity Foundation (PEF), the Foundation for the Philippine

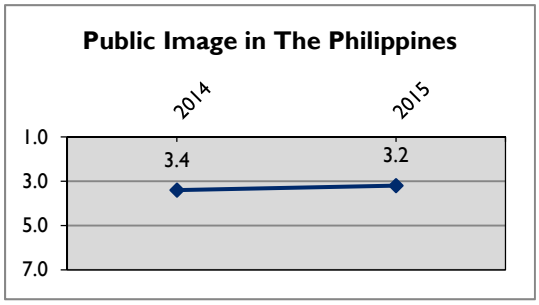
Environment (FPE), and the Philippine Tropical Forest Conservation Foundation (PTFCF). Their grant budgets, however, depend on the investment yields of their endowments, most of which were established decades ago through debt arrangements between the Philippines and other governments, as well as other foreign sources. The USAID-funded Phil-Am Fund continued to support CSO projects in 2015. Corporate foundations may also provide grants or partner with CSOs to implement projects consistent with their corporate missions.

CSO coalitions organized around specific issues continued to thrive at local and national levels. These include advocacy coalitions, like the Right to Know Right Now (R2KRN) Coalition campaigning for the FOI Bill and the various national and Mindanao coalitions advocating for the BBL. New coalitions were also formed in 2015. For example, Grow Asia was formed at the ASEAN World Economic Forum 2015 to promote sustainable and inclusive agricultural development in Southeast Asia.

In 2015, there was a marked increase in training opportunities offered to CSOs on disaster risk reduction and management. For example, the START Network, a consortium of international humanitarian NGOs, began implementing a project in the Philippines called Transforming Surge Capacity (TSC) to strengthen local capacities in disaster response. These initiatives, however, are primarily project-based and may end when the projects close in a few years. While there are ample instructors and resources for training CSOs, support organizations have limited resources and capacity to manage resource centers, secure accreditation for their training services and other programs, or maintain quality standards.

Intersectoral partnerships are increasing. Religious institutions, businesses, and CSOs formed a partnership during the Building Pathways: Eradicating Poverty and Inequality Summit in November 2015 to work on addressing poverty and inequality in the Philippines, consistent with the international Sustainable Development Goals. CSOs, church organizations, and business sector groups, such as CODE-NGO, the business-led Philippine Disaster Recovery Foundation, and Simbahang Lingkod ng Bayan (Church in the Service of the Nation), are also starting to collaborate on disaster response preparation.

PUBLIC IMAGE: 3.2



CSOs' public image improved in 2015. The negative publicity of CSOs associated with the PDAF scandal, which implicated fake NGOs, has subsided with more discerning members of the public now able to differentiate between legitimate and fake organizations. At the same time, the visibility of local CSOs in disaster relief; provision of technical assistance to LGUs in disaster preparedness post-Haiyan; and facilitation of community participation in government programs such as the BUB, CCT, and NCDDP increased trust in local CSOs.

With the exception of a few national campaigns, CSOs receive more media coverage from community radio and TV stations than from national media. Mainstream media usually cover trending or popular issues. For example, CSOs involved in BBL campaigns or HIV prevention programs were interviewed when these issues were being discussed publicly. The media does not consistently cover less attention-grabbing issues like the land use bill and agrarian reform. This lack of coverage is due both to CSOs' lack of resources and ability to communicate about their work, as well as the propensity of traditional media to focus on more sensational news.

While trust in local CSOs has increased, the Philippine Trust Index 2015, a public perception survey conducted by EON Stakeholder Relations, continued to rank NGOs and the business sector as the least trusted institutions

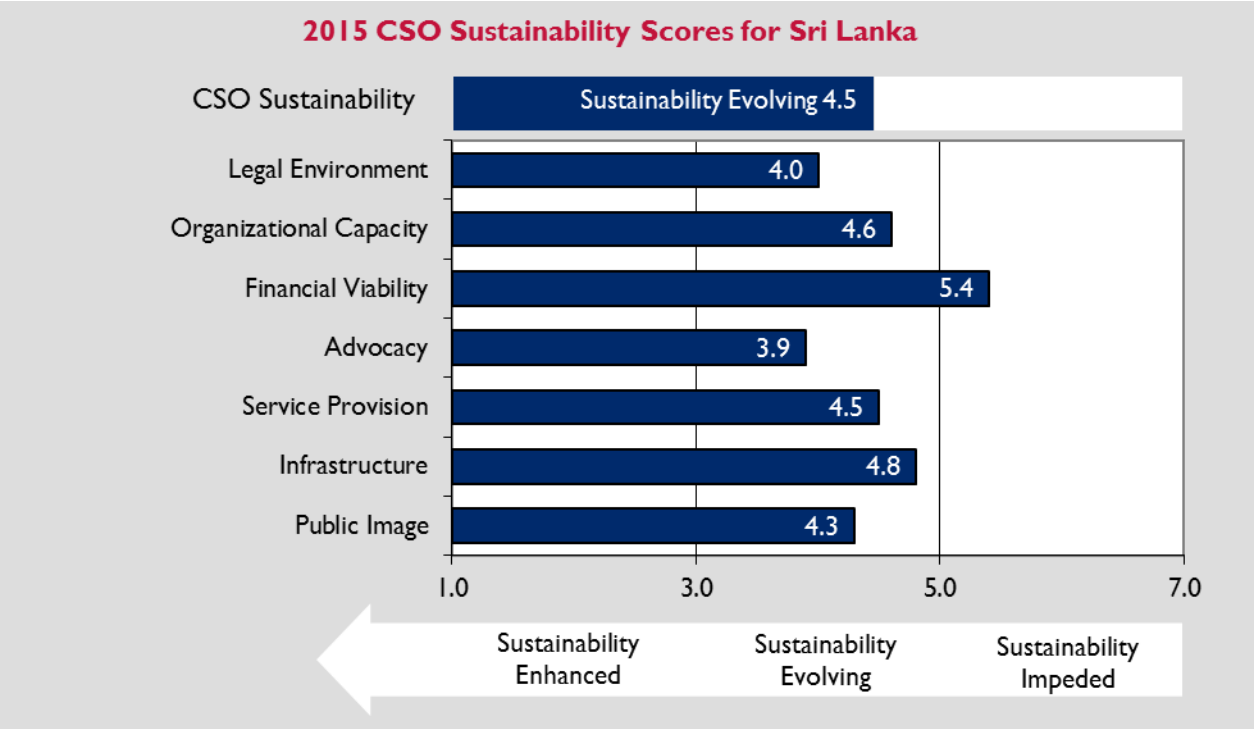
in the country, both with the trust of just 9 percent of respondents. Government has a slightly better level of trust (11 percent). The Church remains the most trusted institution (79 percent), especially after the Pope's visit in 2015. Academia (41 percent) and media (28 percent) followed. These trust levels have generally remained consistent since 2012.

Despite the PDAF scandal and the public's demand that CSOs that receive government resources be vetted more closely, the executive branch of the government generally has a positive perception of CSOs, especially those with whom they have worked in the past, viewing them as partners in development and good governance efforts. The business sector also has a positive perception of CSOs, especially those that belong to credible networks or are certified by PCNC. CSOs provide CSR programs with credible information and facilitate their entry into communities that benefit from these programs. Corporate foundations usually have very few staff members and often rely on CSOs to assume project management roles.

Generally only corporate foundations can afford to publicize their activities and promote their public image. However, advocacy groups and social movements have been able to develop relationships with journalists and are covered by media because of the information and perspectives they contribute to hot-button issues of the day. Service-providing CSOs do not prioritize promotion of their public image. However, CSOs have started using social media, such as Facebook, as an inexpensive means of promoting their activities or causes.

Members of various networks and associations adhere to codes of conduct. PCNC was established in 1988 to certify NGOs that meet established criteria of governance, financial management, and accountability. Leading NGOs adhere to these mechanisms and publish annual reports. Some NGOs post annual reports on their respective websites to demonstrate transparency. However, such mechanisms have not yet spread to the broader sector.

SRI LANKA



CSO SUSTAINABILITY: 4.5

Country Facts

Capital: Colombo

Government Type: Republic

Population: 22,053,488

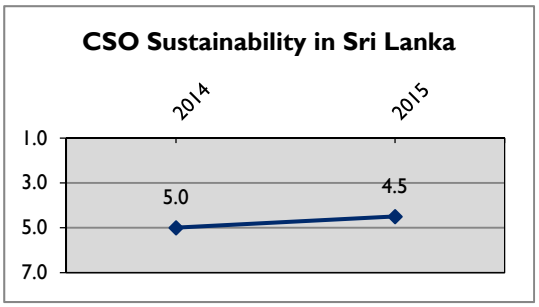
GDP per capita (PPP): $10,600

Human Development Index: 73

After nearly ten years of increasingly authoritarian and centralized rule, former President Mahinda Rajapaksa lost the presidential election to Maithripala Sirisena in January 2015. Sirisena's presidential campaign centered on restoring good governance, abolishing the executive presidency, and fostering social integration between the majority and minority ethnic groups in Sri Lanka. The presidential election had the highest voter turnout (81.5 percent) in Sri Lanka's history. CSO-led advocacy platforms such as Puravasi Balaya (People's Power), the Platform for Freedom, and Aluth Parapura (New Generation) played an important role in generating public support for Sirisena's platform. The election of Sirisena ushered in a dramatic opening of space for civil society and media and significant democratic reform efforts.

Parliamentary elections in August 2015 led to the establishment of a new coalition government between the United Front for Good Governance (UNFGG) and the United People's Freedom Alliance (UPFA). The UNFGG secured the highest number of seats in the parliamentary election, and Ranil Wickremesinghe was subsequently appointed prime minister. President Sirisena currently leads the UPFA. However, a faction of the UPFA has remained loyal to former president Mahinda Rajapaksa and has come to function as the de facto political opposition in the parliament. Meanwhile, the Tamil National Alliance (TNA), which endorsed Sirisena's presidency, remains the largest undivided political party that is not formally part of the UNFGG-

UNFPA coalition government.



In 2015, Sri Lanka's media enjoyed increased freedom, and self-censorship in mainstream print media declined during the year. For example, a number of news stories in print media were critical of the governor of the Central Bank of Sri Lanka, accusing him of manipulating government-issued treasury bonds. Moreover, the government lifted blocks placed by the previous administration on news websites such as The Colombo Telegraph. Amid this increasing media freedom, CSOs widely used social media platforms such as Facebook and Twitter for advocacy. The government also became a member of the Open Government Partnership in 2015, reinforcing its commitment to transparency and accountability.

There were limited economic developments in 2015. Sri Lanka had single digit inflation throughout 2015, suggesting that the government managed local price levels. The agricultural sector recorded positive growth. According to the Central Bank of Sri Lanka, the country's per capita income increased from $3,853 in 2014 to $3,924 in 2015.

In 2015, CSO oversight was shifted from the Ministry of Defense to the Ministry of National Co-Existence, Dialogue, and Official Languages. This shift from military to civilian oversight resulted in a significant reduction in state-sponsored harassment and intimidation of CSOs. Consequently, CSO-led advocacy campaigns improved markedly in 2015, both in quantity and effectiveness. These campaigns centered on constitutional reform and representation, transitional justice, and the transformation of public accountability systems. With the change in government, prominent CSO activists also took up government posts, reinforcing new linkages between government and CSOs. As a result, there were increased consultations between CSOs and the government in the process of formulating policies. For example, the drafting committee for the new Right to Information Bill included civil society actors, ensuring that CSOs' recommendations were considered. CSO consultations were also heavily influential in drafting the nineteenth amendment to the Constitution, which aimed to considerably decrease long-held executive powers. The public image of CSOs also improved significantly in 2015—in contrast to 2014, the media did not portray advocacy-oriented CSOs in a negative light and gave broad coverage to CSO initiatives.

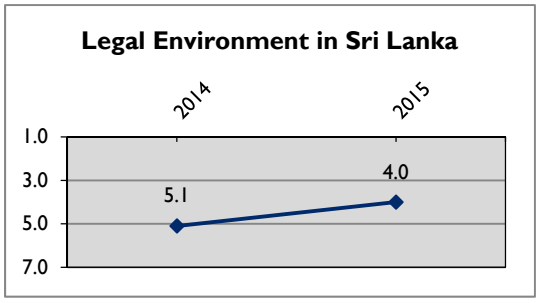
Less progress was made in other areas of CSO sustainability. The organizational capacity of CSOs remained weak due to inadequate succession planning and poor local constituency building. The financial viability of CSOs continued to be stifled by an over-reliance on donor funding.

It is difficult to assess the magnitude of the CSO sector. According to the National Secretariat for Non-Governmental Organizations, in 2015 there were 1,496 NGOs registered under the Voluntary Social Service Organizations (Registration and Supervision) Act of 1980 (VSSO Act), a slight increase from 1,439 in 2014. This Act covers a range of other organizations besides NGOs, but there are no updated statistics available on these other registered organizations. There is also no reliable data on the number of unregistered CSOs in Sri Lanka.

LEGAL ENVIRONMENT: 4.0

The operating environment for CSOs dramatically improved in 2015. With the arrival of the new administration in 2015, CSOs could work openly on issues such as minority rights and transitional justice for the first time since the end of Sri Lanka's civil war, and CSOs experienced significantly less state harassment and censorship. Moreover, CSOs no longer needed prior approval from the Ministry of Defense or any other security-related institution to operate in the North and East of the country. As a result, the scope and coverage of CSO activity

in Sri Lanka increased. However, the laws governing CSOs have not yet been reformed to reflect this new space for CSOs to operate.



CSOs in Sri Lanka can register through one of five legal instruments: the Societies Ordinance of 1891; the Companies Act of 2007; the Co-operative Societies Act of 1992; the VSSO Act; and an Act of Parliament sponsored by a Member of Parliament through a Private Member's Bill. The VSSO Act defines a voluntary social service organization (VSSO) as "any organization formed by a group of persons on a voluntary basis" that is either (a) of non-governmental nature, (b) dependent on public contributions or donations (local or foreign), or (c) set up with the objective of providing relief services to the mentally and physically disabled, the poor, the sick, orphans, and post-disaster relief." Therefore, regardless of the selected mechanism for registration, all organizations that fall into one of the VSSO categories listed above must also register under the VSSO Act, and in practice most organizations do so. The registration process under the VSSO Act takes approximately three months to complete. VSSO registration is free, while CSOs that register as limited guarantee companies or trusts are subject to fees. Organizations that operate within a single administrative division do not have to register under the VSSO; rather they receive registration permits from local authorities.

CSOs are subject to the oversight functions and reporting requirements of the NGO Secretariat established under the VSSO Act. In January 2015 the government shifted the NGO Secretariat from the purview of the Ministry of Defense to the Ministry of National Co-Existence, Dialogue, and Official Languages. This shift from military to civilian oversight resulted in a more favorable climate for CSO registration and operation in Sri Lanka. Notwithstanding this shift, certain local CSOs engaging in issues such as human rights and transitional justice noted a lack of cooperation from authorities when applying for local registration permits. In particular, CSOs operating in the North and East of the country encountered excessive delays when applying for registration permits.

The internal management, scope of permissible activities, financial reporting, and dissolution of CSOs are not well defined in current legislation. There are no clear legal provisions to preclude unwanted state control over CSOs. An amendment to the VSSO Act in 1998 gave the Registrar of the NGO Secretariat the power of interim management of a registered CSO if it is suspected of fraud or misappropriation. There were no reports of the government dissolving CSOs for arbitrary or political reasons in 2015, but the law still permits the state to seize control over CSOs.

In 2015, CSOs faced markedly less state harassment and intimidation compared to previous years. The climate of fear in which CSOs operated under the previous government was transformed to one of openness and operational space for CSOs. The freedom of expression was largely restored in 2015, and CSOs openly demanded greater protection of vulnerable groups and criticized government policies, such as a new hate speech bill, without fear of reprisal. CSOs also were able to organize protests in 2015 without seeking prior permission from the government, and were not court-ordered to abandon protests. For example, in January, civil society activists, lawyers, and trade union representatives organized a protest demanding the resignation of Chief Justice Mohan Peiris, who was ultimately replaced. Furthermore, the state attempted to address certain instances of alleged abuse of civil society actors by state officials. For example, after police used tear gas, batons, and water cannons to disperse a student protest in October, the prime minister called for an investigation into the incident. The independent Human Rights Commission also launched its own investigation into the attack. These investigations were ongoing at the end of the year.

Despite this progress, the government still treated CSOs operating in the North and East of the country with a degree of suspicion due to the perception that CSOs in these areas are aligned with the interests of foreign

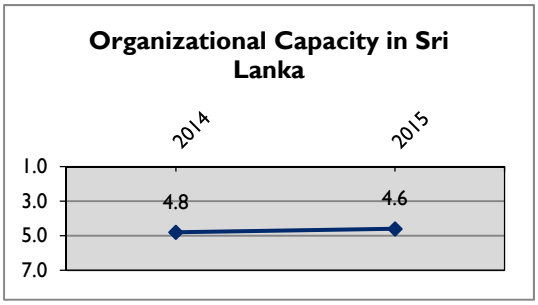
governments. For instance, organizations such as the Mannar Women's Development Federation continued to face surveillance and questioning by military intelligence. However, in contrast to 2014, there were no reported arrests of CSO activists in 2015.

The tax structure applicable to CSOs is complex and at times inconsistent. Under the Inland Revenue Act of 2006, CSOs are required to pay an income tax of 0.3 percent on all income received from grants, donations, and contributions. This requirement often places a financial burden on smaller CSOs.

CSOs can legally earn income through the provision of goods and services but do not receive any tax exemptions on earned income. While there are no legal barriers preventing CSOs from competing for government contracts, in practice CSOs do not have the organizational capacity to provide the requested goods and services in public procurement contracts.

Sri Lanka lacks lawyers specialized in CSO law. This gap in legal expertise makes it difficult for CSOs to select appropriate registration mechanisms, ensure compliance with the VSSO Act, and apply for operational permits.

ORGANIZATIONAL CAPACITY: 4.6



In 2015, the freer operating environment for CSOs led to improvements in the sector's organizational capacity.

CSOs that engage in service provision, environmental protection, micro-lending, and trade union activities regularly build informal constituencies comprising a wide range of actors, including government officials, media personnel, and donors. In 2015, increased press freedom enhanced the capacity of advocacy-oriented CSOs to build constituencies around many issues—anti-corruption, transitional justice, and missing persons from the 1983-2009 civil war, among others—through the use of traditional and social media.

At the same time, CSOs, especially those operating in urban areas, are not successful in engaging local beneficiaries in the design of their programs, primarily because donor priorities drive programmatic focus. Additionally, Colombo-based CSOs often have limited access to communities outside Colombo due to a lack of branch offices and partner organizations in rural areas. By contrast, rural CSOs operating at the grassroots level have relatively high levels of community participation, both because of their proximity to beneficiaries and their efforts to build local trust.

CSOs in Sri Lanka generally have clearly defined vision and mission statements in their founding documents. However, only larger CSOs carry out strategic planning for the short, medium, and long terms. These plans are often developed to meet donor requirements, resulting in ad hoc implementation and evaluation. Further, the indicators that CSOs use to conduct impact assessments of projects are often poorly designed and rarely subject to review.

In 2015, the increased operational space for CSO activity resulted in a number of organizations revisiting their strategic focus in light of the changing country context. For example, advocacy CSOs—across the country in general, and in the North and East in particular—refocused their services towards reconciliation, human rights, and social integration. According to CSOs in Jaffna and Kilinochchi, these priorities were not possible under the previous government.

Many CSOs lack clear governance structures, leading to weak distinctions between the roles and responsibilities of the organization's management and its board of directors. Many CSOs are personality-driven and heavily reliant on the strategic vision of their founding members. Hence, frequently, an organization's founding

members make key decisions. Moreover, there is poor succession planning, making it challenging for CSOs to sustain their operations upon the departure of their founding members.

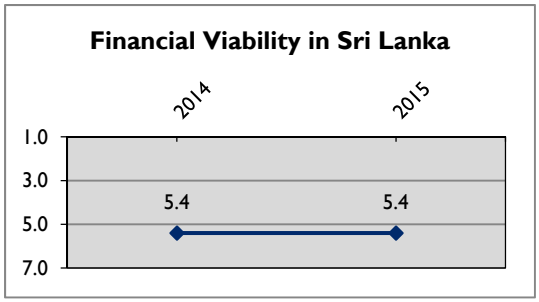
CSOs with long-term donor funding have the capacity to employ permanent paid staff. Smaller CSOs tend to rely on part-time staff and volunteers, who often lack technical knowledge and experience. However, CSOs continue to find it challenging to retain competent staff due to their inability to provide adequate compensation and benefits. In 2015, CSOs frequently lost competent staff members to donor organizations and international CSOs that were scaling up their operations in the wake of the political transition. Consequently, staff turnover remained high both in urban and rural organizations. At the same time, advocacy-oriented CSOs were able to recruit more interns and volunteers due to the public enthusiasm for President Sirisena's good governance mandate and to the reduced risk of state harassment for engaging in CSO activity. According to the 2015 World Giving Index, 48 percent of respondents in Sri Lanka—the second highest of all countries studied—reported that they participated in voluntary action in 2014, compared to 50 percent in 2013.

In 2015, both CSOs and the private sector experienced difficulty with importing advanced technology due to complex customs clearance procedures. For instance, the Environmental Foundation Ltd. imported GPS Wildlife Tracking Collars that were held in customs for over seven months. Other CSOs were unable to import braille printers as costs became prohibitive.

There was an increase in youth engagement on social media platforms in 2015. According to data from Facebook, there are now between 3 and 3.5 million active Facebook users in Sri Lanka. However, almost 2.8 million of these Facebook users are located in the Western Province, while much of the rest of the country still does not use social media. The overall increase in social media activity has led CSOs increasingly to utilize platforms such as Twitter and Facebook to advocate for change.

Internet access is widely available in urban areas, as well as some rural areas. Most CSOs have access to information and communications technology (ICT), including computers, printers, and scanners. However, the available equipment is often outdated or in need of repair. Moreover, there is significant disparity between organizations based in urban and rural areas regarding access to ICT.

FINANCIAL VIABILITY: 5.4



According to the United Nations in Sri Lanka, donor funding to service-providing CSOs continued to decrease in 2015, mainly due to Sri Lanka's transition to lower middle-income status in 2010 after the civil war ended. For example, the United Nations Population Fund (UNFPA) in Sri Lanka was unable to renew funding that ended in 2015 for a local CSO focused on female victims of domestic abuse due to a strategic shift in priorities. In contrast, donor funding for advocacy-oriented CSOs increased due to the strengthening of Sri Lanka's relations with the international community (primarily India, the US, and the EU) and the government's willingness to engage with international and domestic CSOs on rights-based issues. The new government gave donors increased access to travel to and interact with vulnerable populations in the North and East, particularly to address transitional justice issues. This increased access made donors more willing to fund rights and governance programs in the North and East. While no official data is available on the scale of foreign assistance, leading foreign donors to Sri Lanka in 2015 included the EU, USAID, and the Norwegian Agency for Development Cooperation.

Local sources of funding remain limited. Sri Lankan CSOs do not attempt to cultivate a loyal core of local financial supporters, due to the time and financial commitment needed to implement local fundraising strategies. Furthermore, CSOs do not receive any significant funding from the government. However, due to

President Sirisena's public endorsement of CSOs' role in nation building, the private sector and the public were less apprehensive about funding CSO-driven projects in 2015. Some corporations such as Dialog PLC, MAS Holdings, and John Keells Holdings made grants and donations to CSOs as part of their corporate social responsibility (CSR) programs. According to the 2015 World Giving Index, the percentage of Sri Lankans who made donations to CSOs was 59 percent in 2014, up from 56 percent in 2013.

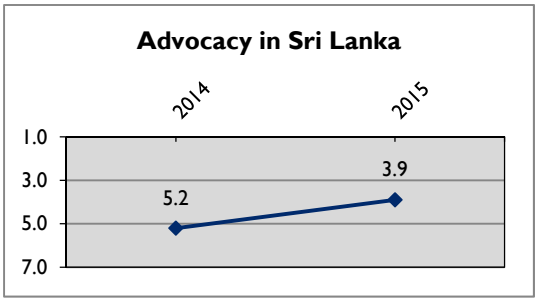
CSOs typically do not have diverse sources of funding. In previous years, CSOs saw an acute need to diversify funding sources due to government suspicion of CSOs that received international assistance. The new administration's more open attitude towards international assistance led CSOs to view diversification as less critical. CSOs therefore made little effort to diversify their funding in 2015. Furthermore, rural CSOs in particular do not possess the technical knowledge or capacity to effectively diversify funding streams. Thus, most rural-based CSOs did not have adequate resources to remain viable even for the short-term future.

Though many CSOs are membership-based, only a few receive significant contributions from their members. These are mainly faith-based organizations, trade unions, and provincial and district-level clubs and associations.

Although CSOs are legally allowed to earn revenue from providing services and goods, few organizations engage in income-generating activity. Much of the public believes that CSOs have significant financial resources, which makes beneficiaries reluctant to pay for goods and services provided by CSOs.

A large number of CSOs lack transparent and consistent financial management systems, including procedure manuals, accounting systems, and operational plans. Although larger, urban-based CSOs conduct independent financial audits, annual reports with financial statements are rarely published.

ADVOCACY: 3.9



The more favorable operating environment in 2015 significantly improved CSOs' capacity to advocate for change. In 2015, CSOs were able to play a central role on issues such as accountability, transparency, and good governance—a marked contrast with 2014, when state-sponsored harassment and reprisal curtailed the capacity of CSOs to advocate on these issues.

CSOs had better cooperation with the government in 2015, including greater access to politicians, local authorities, and the central government. Access was partly granted through the development of new mechanisms. For example, the new National Executive Council aimed to formalize engagement between civil society and government. However, the Council failed to convene after April 2015, and the initiative was discontinued following the August 2015 general election. Thereafter, CSOs accessed the government and influenced policy-making largely through informal channels.

In 2015, the prime minister and the president formed new parallel mechanisms to address transitional justice. In December, the Prime Ministerial Action Group (PMAG) was established to make high-level decisions on this issue. The PMAG is composed of the Secretariat for Coordinating Reconciliation Mechanisms and a Consultation Task Force on Reconciliation Mechanisms, an independent group of civil society representatives. It was informally constituted in late 2015, with formal appointments scheduled to take place in 2016. The President's Office of National Unity and Reconciliation was also established in 2015 to coordinate and implement reconciliation and social integration programs, such as interfaith dialogues. Despite these new mechanisms, sections of civil society voiced concerns over the meaningfulness of the government's efforts for national reconciliation. In November 2015, a Joint Submission of Tamil Civil Society Organizations on the

Victim Consultation Process to the Government of Sri Lanka noted its apprehension regarding the government's "mixed and confusing signals about its obligations under the UNHRC Resolution [to create transitional justice mechanisms] and how it intends to honour them."

Rural-based CSOs still have limited influence in national policy-making spheres because they have less advocacy capacity than Colombo-based CSOs.

In May 2015, women's groups, such as Women and Media Collective, launched a lobbying campaign that secured cabinet approval of a 25 percent nomination quota for women in local government elections. A number of prominent human rights activists now hold positions in government or independent commissions, which has strengthened linkages between CSOs and government. For example, the former executive director of Transparency International – Sri Lanka, was appointed the Chairperson of the Special Presidential Task Force for the Recovery of Illegally Acquired State Assets.

In January 2015, President Sirisena unveiled his 100-day plan, which aimed to re-institute *yahapalanaya* (good governance). The plan contemplated measures promoted by civil society, such as passing a Right to Information Act, introducing an Ethical Code for Parliamentarians, and reforming the executive presidency. The Right to Information Bill was published in December and is expected to be debated in the parliament in 2016. However, while the government expressed its willingness to consult with CSO stakeholders on good governance issues, CSOs' input was not effectively integrated into policy making due to weak coordination among administrative bodies.

In September 2015, the government co-sponsored a US-initiated Human Rights Council resolution to promote reconciliation and accountability in Sri Lanka. CSOs successfully advocated for transitional justice processes, security sector reform, and victim protection to be included in this resolution. The government's co-sponsorship of this resolution marked a significant departure from the previous government's human rights record.

In April 2015, the government passed the nineteenth amendment to the constitution, which attempts to reduce the powers of the presidency and restore the independence of commissions, including the Elections Commission, Public Service Commission, and National Audit Commission. Prominent CSO groups and coalitions such as Purawesi Balaya and constitutional scholars such as Dr. Jayampathy Wickramaratne, who was elected to parliament in August 2015, were involved in the initiation and drafting of this amendment.

Later in the year, CSOs initiated a lobbying effort for broader constitutional reform. In part because of this effort, the prime minister proposed a resolution that would enable the parliament to function as a constitutional assembly in 2016. In conjunction with this resolution, the Cabinet of Ministers appointed the Public Representations Committee on Constitutional Reforms, consisting of representatives from political parties and CSOs. The Committee was tasked with seeking public opinion on constitutional reforms. To this end, a number of CSOs such as Vilithu and the Center for Policy Alternatives facilitated public consultations in local communities and on media platforms.

CSO-led advocacy resulted in some notable successes in 2015. For instance, CSOs launched a campaign that successfully blocked the government's attempts to introduce a new offense on hate speech into the Sri Lankan Penal Code and Criminal Procedure Code. The campaigners argued that the new laws would be used to target critics of government rather than hate speech offenders because it replicated a contentious provision in the Prevention of Terrorism Act on prohibited speech.

CSOs were extensively involved in monitoring the presidential and general elections in 2015. In the run-up to the presidential election in January 2015, the People's Action for Free and Fair Elections (PAFFREL) and the Campaign for Free and Fair Elections (CaFFE) monitored the election process and election-related violence. CaFFE found that the violence was well organized and "almost always directed against the opposition's

(Sirisena's) campaign." For the August 2015 general election, the Center for Monitoring Election Violence mapped pre-election and Election Day violence.

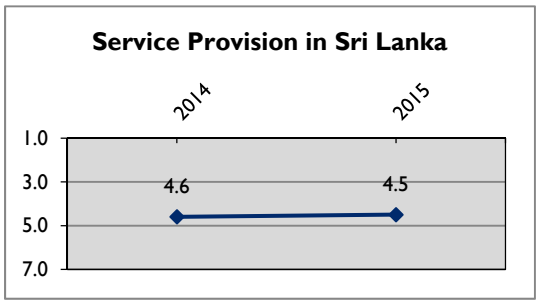
CSOs also actively engaged in advocacy on anti-corruption issues during the year. For instance, a CSO coalition initiated the March 12 Movement, which focused on ensuring that only uncorrupt politicians were nominated in the August 2015 general election. The March 12 Declaration was signed by all political party leaders, including the president. In addition, the CSO coalition Purawesi Balaya launched a campaign against the government's failure to take action against the Minister of Law and Order. The campaigners argued that the minister's involvement as the legal counsel for an allegedly illegal armory made him unfit to hold a ministerial post. The minister resigned shortly after the campaign commenced.

Trade union activism increased in 2015. For example, during the parliamentary debates surrounding the 2016 budget, trade unions for teachers, doctors, and farmers, among others, protested against proposed budget cuts that would adversely affect their interests. For instance, a proposal to convert fertilizer subsidies into a cash allowance prompted island-wide protests by farmers. In response, the government removed this proposal from the budget.

Despite the above successes, CSOs faced several challenges in their advocacy efforts. In particular, CSOs have difficulty building broad-based support for their causes, and mobilization on national issues often does not reach the local level. For example, according to the Center for Policy Alternatives, in 2015 52.8 percent of the population stated that they were not aware of the concept of "right to information."

CSOs did not engage in any initiatives to improve the legal and operating environment for CSOs in 2015 because they did not see such initiatives as necessary for maintaining the new operating space for civil society.

SERVICE PROVISION: 4.5



In 2015, CSOs in Sri Lanka offered a wide range of services, including in the fields of health, environmental protection, education, livelihood development, and food security.

Due to Sri Lanka's lower middle-income status, donor funding decreased for projects focused exclusively on service delivery, such as the UN-Habitat housing program. At the same time, certain service-providing CSOs working in the North and East of the country were able to increase the scope of their operations due to a reduction in state-sponsored harassment. For example, CSOs were able to provide psycho-social support to civilians in the North without the threat of state reprisals. Nevertheless, some service-providing CSOs operating in these regions reported challenges in implementing their mandates as donor priorities were shifting towards transitional justice.

In 2015, insufficient funding prevented projects from meeting community needs. This failure resulted in a number of one-size-fits-all projects that did not properly prioritize community needs and resulted in significant overlap in CSO activity. For example, CSO programs did not adequately address the immediate needs of women-led households, such as the need for permanent employment and vocational training.

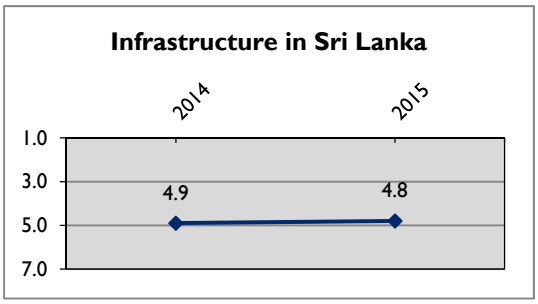
The costs associated with issuing publications, disseminating research, and organizing workshops often prevent CSOs from expanding their reach beyond local constituencies. However, in 2015, CSOs began to use social media to disseminate findings and generate public discussion. For example, the Center for Policy Alternatives conducted a survey across the Western Province on consumption and perceptions of mainstream and social media. This survey resulted in a discussion calling for government ministers to increase their use of social media to engage with the public.

CSOs are typically unable to recover the costs of their services by charging fees. Moreover, constituents, particularly in the North, are often reluctant to pay for CSO services such as healthcare and livelihood support due to a perception that CSOs receive a lot of international funding.

The new government displayed increased recognition of CSO service provision compared to the previous administration. However, the government continues to expect service-providing CSOs to deliver assistance without its support. In 2015, the government provided non-financial support to CSOs that championed causes complementing state policy. For example, the government provided security and logistical support to CSOs that monitored elections.

INFRASTRUCTURE: 4.8

The infrastructure supporting the CSO sector saw marginal improvement in 2015 due to increased coalition building and growth in intersectoral partnerships.



There are no permanent resource centers in Sri Lanka that provide access to relevant information, technology, training, and technical assistance, although such services are provided through donor-funded programs delivered by individual CSOs or external contractors. A limited number of local community foundations, such as the Foundation for Goodness, provide funds to address locally identified needs and projects. Such funds include both locally generated and re-granted foreign funding.

CSOs significantly increased their coalition-building efforts in 2015. In early 2015, an informal CSO-led platform for good governance successfully supported Sirisena's presidential campaign and partially achieved its aim of limiting the powers of the executive presidency through the passage of the nineteenth amendment. Enabled by the newly favorable operating environment, CSOs established informal issue-based coalitions on transitional justice, environmental governance, human rights, and President Sirisena's good governance agenda throughout the rest of 2015. Through such informal coalitions, CSO activists collaborated to devise advocacy and lobbying strategies to advance issues of public interest. For example, CSOs such as Transparency International and PAFFREL formed a coalition to strengthen citizen's access to information under the Right to Information Bill. CSOs even increased their coordination despite divisions along ethnic, linguistic, and regional lines. For example, in September, the International Movement Against All Forms of Discrimination organized an event called "Civil Society Responses to the OHCHR Report on Sri Lanka," which aimed to unite a diverse range of CSOs in their response to the government's reconciliation and transitional justice efforts.

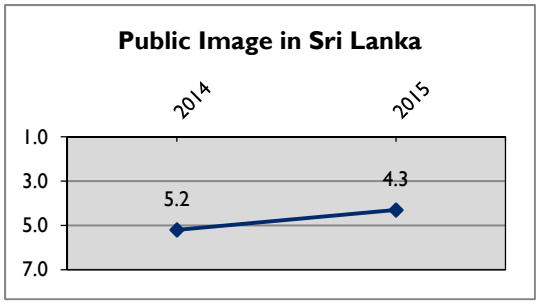
At the same time, there are very few established CSO networks in Sri Lanka. Official networks include the Federation of Environmental Organizations (a nationwide network) and the Women's Action Network (based in the North and the East). At the district level, networks such as the Consortium of Humanitarian Agencies (CHA) provide free legal advice and assistance to clients. For example, CHA provides these services in Urelu, Jaffna. Moreover, the Council of NGOs of Jaffna District engages on issues such as peace education, youth, reconciliation, and women.

CSO management training is inadequate in Sri Lanka. Training, such as advocacy training and capacity development workshops, is provided to CSO staff on a short-term basis. However, such training is often implemented to meet donor requirements rather than to build organizational capacity to fulfill CSOs' missions. Furthermore, few trainers specialize in CSO management issues like strategic and financial management, accounting, fundraising, and volunteer management.

Intersectoral partnerships increased in 2015. For example, the campaign on the Right to Information Bill

involved a collaborative effort between CSOs, government actors, and key media personnel. CSOs and the government also collaborated within the Public Representations Committee on Constitutional Reforms. This committee gathered key CSO activists and political actors to consider public proposals on constitutional reform. Partnerships between CSOs and businesses are infrequent because incentives for businesses to partner with CSOs are minimal.

PUBLIC IMAGE: 4.3



The public image of CSOs improved markedly in 2015 due to the increased media freedom brought by the change in government. In contrast to previous years, the media did not portray CSOs negatively, and the press widely covered CSO initiatives, such as the March 12 Movement. The media promoted various CSO-led campaigns, including the campaigns to prompt an investigation into an alleged illegal armory, compel the withdrawal of new hate speech legislation, and force the discontinuation of military deployment to exercise police powers. Moreover, the mainstream press gave coverage to certain CSOs that were critical of government policies, particularly with regard to financial reporting and accountability.

As a result, linkages between CSOs and the media improved in 2015. CSOs fostered relationships with journalists and conducted workshops for the press to develop investigative journalism skills and promote media ethics. Additionally, in the wake of the political transition, prominent CSO activists began to take up senior positions in the press. For example, media activist Lakshman Gunesekera was appointed as editor of the state-owned Sunday Observer paper in February.

In 2015, CSOs' use of social media for public outreach increased. For example, a week prior to the January presidential election, the Center for Monitoring Election Violence initiated a trilingual social media campaign, #IVotedSL, to encourage citizens to vote. According to Groundviews, a citizen journalism website, the campaign had extensive reach on Facebook and Twitter. The hashtag #IVotedSL was used in 40,623 tweets in the week before the election. Social media specialist Nalaka Gunawardena called the presidential election "Sri Lanka's first cyber election."

Despite the expanded media coverage and decrease in negative reporting, the public continued to be suspicious of CSOs. This continued suspicion was partly fueled by opposition parliamentarians and nationalist movements frequently condemning CSOs as being corrupt and supporting "separatist agendas." CSOs were viewed more positively by people in the North and East than they were in the South. This perception was due to the number of CSOs championing issues that aligned with minority interests in the North and East, including transitional justice, devolution, and minority rights protection. In contrast, CSOs were still viewed with skepticism in the South, largely due to the prevalent Sinhala nationalist sentiment and the perception that CSOs are foreign-backed.

Service-providing CSOs continue to be viewed positively by the local communities they serve. However, due to decreased donor funding, certain communities began to experience frustration, and even disillusionment, with service-providing CSOs.

The government's perception of CSOs, particularly those that supported government policies, improved in 2015. A number of CSOs engaged in legislative and policy-making processes, and the government even sought research from CSOs to support policy initiatives. For example, in 2015 the government reached out to environmental CSOs to obtain data on hazardous areas for mini-hydropower developments. It also engaged CSO actors in the design of transitional justice mechanisms that would be launched in 2016.

Collaboration between the business and civil society sectors is limited. While businesses do not harbor the same suspicions of CSOs as sections of the public and the government, they often perceive CSOs as being managed inefficiently and generally do not see CSO-led advocacy as useful in their lobbying efforts. Businesses also view some CSOs, especially environmental groups, as hindrances to their activity. Nevertheless, in 2015 the Chamber of Commerce demonstrated willingness to partner with CSO activists to champion governance reforms, such as the Right to Information Bill and the nineteenth amendment.

CSOs do not have a formal code of ethics. As such, there are no rules against sexual harassment and bribery within the CSO sector. Only larger and more visible CSOs publish annual reports, which enhance their credibility with the public.

THAILAND

CSO SUSTAINABILITY: 4.7

Country Facts

Capital: Bangkok

Government Type: Constitutional Monarchy

Population: 67,976,405

GDP per capita (PPP): $16,100

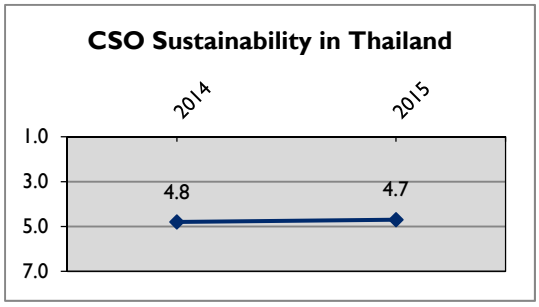
Human Development Index: 93

Thailand was in a state of political stagnation in 2015. After the coup in May 2014, the military government—the National Council for Peace and Order (NCPO) led by General Prayuth Chanocha—promised to restore democracy. However, many initiatives, such as the development of a new constitution and the holding of a general election, were delayed. Martial law was officially lifted in April 2015.[4] In its place, the NCPO invoked Article 44 of the interim constitution, which allows the NCPO to issue executive orders to "disrupt or suppress" threats to national security and the monarchy, thereby increasing the severity of restrictions on assembly and expression. For example, Article 44 bans public gatherings of more than five people. Violators, except those with permission from the NCPO, can be imprisoned for up to six months and/or required to pay a fine of up to 10,000 baht (approximately $290).

A new draft constitution that was developed by the Constitution Drafting Committee (CDC) after the coup in 2014 included measures that would create obstacles to the dominant political parties' return to power. The military-appointed National Reform Council rejected the draft constitution in September 2015. The

[4] While the martial law imposed nationwide in relation to the 2014 military coup has since been lifted, martial law related to the ongoing insurgency in the country's southern border provinces had been in place since before the coup and remained in effect throughout 2015.

government promised to hold a general election within fifteen months of the coup, but the election has since been delayed to 2017 with the rejection of the draft constitution.



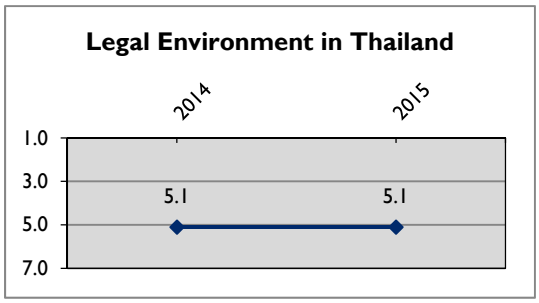
Despite such political uncertainty, the overall sustainability of CSOs in Thailand improved slightly. CSOs demonstrated better capacity to engage in advocacy in 2015, achieving notable successes, including the adoption of surrogacy legislation and a government subsidy for newborns. During the government's second year in power, CSOs were better able to navigate its laws and regulations. CSOs also increased their networking and use of social media in 2015, which enhanced their public image. While the number of CSOs working on sensitive issues, such as minorities and violence in the south of the country, remains limited, they have learned to manage their activities. For example, Deep South Watch (DSW), which aims to create a common space to promote peace in the deep southern provinces of Thailand, maintained its operations by involving military representatives in its events and using an academic approach to address community needs regarding conflict resolution.

Violence in the south declined in 2015. Data from the Deep South Incident Database (DSID) indicates that there were 674 Deep South Insurgency incidents in 2015, a decrease from 806 in 2014 and the lowest number in twelve years. According to DSW, the main factor contributing to this decline was the initiation of peace talks in February 2015, which continued throughout the year.

Corruption remains a significant issue in Thailand. According to Transparency International's 2015 Corruption Perception Index, Thailand is considered corrupt, with an unfavorable score of thirty-eight out of 100, placing it at seventy-sixth out of 168 countries. In 2015, the Office of the Auditor General found that a major Thai foundation misappropriated funds. As a result, the government subjected CSO activities to stricter monitoring and evaluation during the year.

Experts estimated that there were approximately 14,000 registered CSOs in Thailand as of 2014. However, as there is no single agency keeping records of registered CSOs, the number of registered CSOs is difficult to determine.

LEGAL ENVIRONMENT: 5.1



CSOs can register as one of three legal forms in Thailand: foundations, associations, or NGOs. Associations and foundations register at the provincial or central level with the Department of Provincial Administration of the Ministry of Interior. The Office of National Culture Commission must issue a license before an association can be registered. Foundations are the most common forms of CSO in Thailand, and they must renew their registration every two years. All three forms are eligible to receive foreign funding.

The legal environment for CSOs in Thailand experienced both progress and setbacks in 2015. CSOs were more adept at navigating the laws and regulations of the NCPO, which allowed them to have some advocacy successes in 2015. On the other hand, the NCPO's implementation of Article 44 of the interim constitution, which allows it to suppress the exercise of the right to the freedoms of expression, assembly, and association, had a negative effect on the legal environment. Specifically, Article 44 empowers military personnel to search, arrest, detain, summon, and investigate individuals in cases of threats to national security or the monarchy, as well as promulgate any order deemed necessary to maintain public order. The NCPO has used Article 44 against

activists on several occasions. For example, the NCPO summoned a prominent activist campaigning against a waste-to-energy plant in Chiang Rak Yai, ordering him to soften his protest and delete his Facebook post regarding the summons.

The NCPO continues to enforce legal restrictions on the freedom of expression, such as the lèse majesté, sedition, and defamation laws, as well as the Computer Crimes Act, in order to control dissenting voices. According to CIVICUS, between the coup and May 2015, at least 116 individuals were arrested for violating legal restrictions on the freedom of expression. In particular, the lèse majesté law under Section 112 of the Criminal Code—which provides for three to fifteen years of imprisonment for each count of defamation, insult, or threat to the Thai royal family—was aggressively enforced in 2015. According to CIVICUS, at least forty-six individuals were arrested under this provision.

In August 2015, the NCPO's Office of the Prime Minister introduced new regulations on CSOs to support the work of CSOs and promote fairness and good governance within the CSO sector as outlined in the Eleventh National Economic and Social Development Plan for 2012-2016. The regulations also support government-organized non-governmental organizations (GONGOs) in operating in accordance with government policies. In accordance with the new regulations the Board of Civil Society Development was formed in 2015. The Board—composed of high-ranking government officials, the Fund Manager of Thai Health Promotion Foundation, and the Director of the Thai Social Enterprise Office (TSEO)—has the authority and responsibility to promote and develop CSOs in support of government initiatives and policies. The Board is also responsible for creating a plan to promote and develop CSOs, support research and development, and provide training and capacity building. In addition, the Board was tasked with developing an informational database for CSOs and creating a CSO code of ethics. To create this code of ethics, in 2015 the Board employed global credit rating agencies to evaluate CSOs' finances in order to address transparency issues in the CSO sector.

Because the regulations favor CSOs whose operations are aligned with government policies, CSO experts fear that they could ultimately transform independent CSOs into government-aligned CSOs or GONGOs. In practice, the regulations also appear to hinder CSOs that address sensitive issues, such as politics and conflict in the south and in the northern hill areas, as the government views these objectives as being against government policies. While not mandated by the regulations, experts mentioned that the government generally requests CSOs working on such issues to submit additional paperwork in order to register. The registration process takes at least two years to complete.

In 2015, the government also subjected CSO activities to stricter monitoring and evaluation. Prompted by findings by the Office of the Auditor General that a prominent foundation, the Thai Health Promotion Foundation (ThaiHealth), misappropriated funds in 2015, the National Assembly was assigned to investigate the work of all CSOs with registered initial capital of more than one million baht (about $28,600) to ensure transparency in spending. Many CSOs have since refused to register in order to avoid the National Assembly's review process, which requires extensive, time-consuming paperwork. Some of the CSOs investigated were shut down for conducting activities that were deemed unrelated to the objectives stated in their registration papers.

According to CSO experts, the NCPO usually requires CSOs working to change policies or improve land and forestry management to provide additional information on activities that the NCPO sees as a threat to national security. CSOs in the south, such as DSW, claim that they must engage academics and military representatives in order to avoid government shutdown of their activities. CSOs working on issues related to women and children can operate more freely in eastern Thailand.

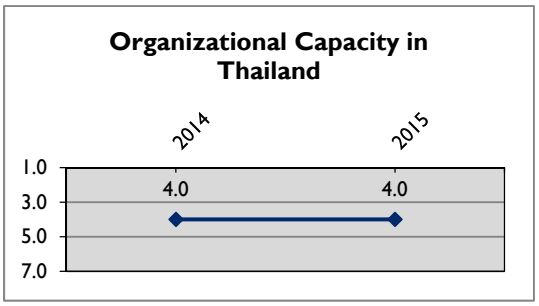
CSOs that are deemed charitable organizations by the Minister of Finance are exempt from income tax on membership fees, monetary and in-kind donations, gifts, and income from private schools established by CSOs. In order to be exempt from income tax, CSOs must meet the criteria under Revenue Law Code 47(7) of the

Ministry of Finance's Declaration of Charitable Organization. Citizens who donate to registered foundations and associations are granted income tax deductions.

CSOs registered as social enterprises with TSEO or registered as consultants with the Ministry of Finance are allowed to earn income from their goods and services. However, CSOs that engage in economic activity are subject to income tax on their income, including rental fees, income from goods and services, and income from capital, such as interest and dividends. CSOs that are allowed to earn income are also eligible to compete for government contracts. Other CSOs, such as foundations, can sell souvenirs at special events, such as charity concerts.

Thailand still lacks an adequate number of trained CSO lawyers. Most lawyers in both major cities and remote areas are not familiar with the laws governing CSO. CSOs working on certain issues, such as children's and women's protection, are better able to access legal services related to their issues in major cities. DSW received funding from Sasakawa Foundation in 2015 to train the Muslim Attorney Center Foundation's (MAC) staff on CSO laws and regulations.

ORGANIZATIONAL CAPACITY: 4.0



The organizational capacity of CSOs in Thailand generally remained unchanged in 2015.

Over the last few years, CSOs based in Bangkok and other cities—rather than local groups—have carried out many activities in the south. However, more local people and groups are now conducting projects in the south. This might be a result of the ongoing Back for Good project, implemented by the Southern Happiness Action Network, which aims to develop community leaders. Increasingly, this project has gained acceptance by local communities, resulting in a sustained platform for local people to mobilize peace efforts. At the same time, many CSOs in eastern Thailand are government-sponsored organizations that implement activities that do not reflect the needs of the community. For example, a CSO may actively promote peace, while the target community is more concerned with child protection.

Overall, most large CSOs have clearly defined missions, which they tend to follow strictly. Small- to medium-sized CSOs are more likely to focus on short-term goals and planning. CSOs focused more on strategic planning in 2015, in part due to donor pressures. For instance, ThaiHealth required all projects to focus on long-term results and to be aligned with organization's long term goals and strategies. As a result, many CSOs now have better long-term strategies.

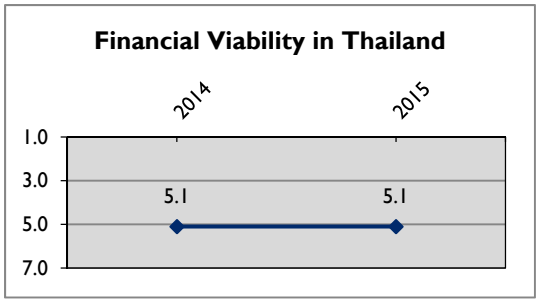
CSOs continued to struggle with internal management structures in 2015. Disputes between boards of directors and staff members are common. Many CSO boards, particularly in small- to medium-sized CSOs, suddenly change programmatic priorities in response to emerging issues in society, which might not be related to the organization's original purpose, thereby leading to dissent from staff. However, the gap between board and staff perspectives appeared to narrow in 2015, reducing internal disputes. In response to the NCPO's stricter monitoring and evaluation process, many CSOs have tried to improve their internal management, especially their financial systems.

Most CSO staff members in Thailand have low job security due to uncertain funding. Most CSOs recruit employees on a project basis. Because donor funding provides limited staff compensation, staff members are often overworked. In order to reduce costs, some CSOs, particularly foundations, recruit volunteers for their activities, though it is difficult to find well-qualified volunteers. According to the 2015 World Giving Index, 14

percent of respondents in Thailand reported that they participated in voluntary action in 2014, compared to 18 percent in 2013.

The technological capacity of Thai CSOs is generally high. Most CSOs have basic IT equipment. CSOs' use of technology, such as Whatsapp and LINE messaging applications, social media channels such as Facebook, and other websites, improved greatly in 2015. DSW research found that LINE is the most used medium for CSOs nationwide to communicate with their constituents, while CSOs use websites as a home base for information on their activities.

FINANCIAL VIABILITY: 5.1



The financial viability of CSOs in Thailand did not change significantly in 2015. The majority of Thai associations rely on international funding. According to members of the Chonburi NGO network in the east, more than 80 percent of registered CSOs in the east of the country raised their funds from international sources in 2015. While the military coup led to a decline in international funding in 2014, international donors, notably the World Bank and UNDP, returned in 2015. However, they focused their support on peace building projects in the south, while in previous years they funded projects in an array of fields.

Foundations receive most of their funding from individuals and corporate social responsibility (CSR) programs. As a result of the government's 2015 campaign to raise awareness about the tax benefits of donating to CSOs, individual contributions to CSOs are believed to have increased in 2015. Foundations working on child development, in particular, seemed to benefit from more local support in 2015. For example, Slum Child Care Foundation received substantially more monetary and in-kind support during the year. Moreover, communities showed more interest in its work as evidenced by the increased number of people visiting the Foundation. Foundations working with children often receive in-kind support such as diapers, milk powder, food, and clothing from individuals and corporations. Well-known international CSOs such as World Vision and UNICEF also receive local donations on a monthly or yearly basis from Thai citizens with middle to high incomes. However, many CSOs still do not proactively seek such support or market the value of their work to attract donors.

Most CSOs depend on a single source of funding from international donors, local government, or companies. As a result, when a donor reduces funding, CSOs are forced to scale back activities and sometimes shut down. After years of declining international donor funding and fear of continued funding uncertainty caused by the political unrest, in 2015 CSOs started to pursue other sources of funding and fundraising, such as sponsorship programs and charity events, in order to diversify their funding portfolios and reduce risk should funding suddenly decrease again in the future.

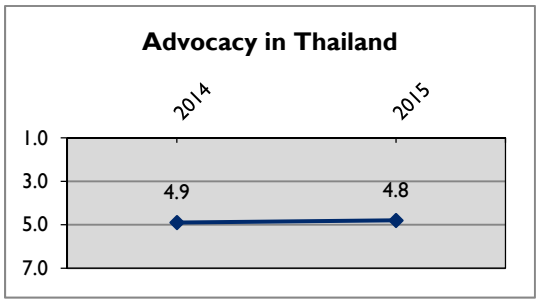
The NCPO is using more public funding to restore peace and order in the country. For example, the NCPO allocated funding for the establishment of the Peace Center in the south, as well as for GONGOs. A levy on tobacco and alcohol (the so-called "sin" tax) provides funding to ThaiHealth. In 2015, in response to ThaiHealth's transparency issues, the NCPO considered amending the new draft constitution to prohibit the government from using the "sin" tax to subsidize CSOs directly. This amendment, however, was opposed strongly nationwide and was never adopted. However, experts believe that the ThaiHealth scandal may have impacted the government's decision to delay the creation of the Lottery Social Fund, which was supposed to begin operating in 2015 as a funding source for CSOs.

CSOs registered with the Ministry of Finance as consultants or with the TSEO as social enterprises are allowed to bid for government projects and obtain business contracts with local companies, mainly through consulting projects. Many eligible CSOs enter into such public and private contracts to provide services, such as consulting or organizing seminars. For example, in 2015, the Thai consular contracted the Child Protection and Anti-Human Trafficking Association of Northern Thailand to organize a public seminar on precautions for traveling abroad. Other CSOs, such as foundations, can sell souvenirs at special events, such as charity concerts, but are otherwise not allowed to earn income.

International donors that provide substantial grants typically require their grantees to operate in a transparent manner, including undergoing independent financial audits and submitting detailed financial reports. On the other hand, small- and medium-sized CSOs with lower levels of funding often lack the capacity to develop sound financial management systems and fail to submit annual reports or financial statements. Small- to medium-sized CSOs are often unfamiliar with the terms of their agreements with donors and struggle to adhere to the agreed-upon budgets. Many CSOs focus on ensuring that their projects help their beneficiaries at the expense of developing sound budget plans and financial strategies.

Nevertheless, many CSOs improved or established financial management systems in 2015 in response to the NCPO's stricter monitoring and evaluation process. In particular, the government partnered with global credit rating agencies to evaluate CSOs' finances. As a result, highly-rated CSOs, such as Human Help Network Foundation (HHN), received more donations from prominent corporations in 2015.

ADVOCACY: 4.8



Advocacy improved in 2015, as CSO-government engagement became more common. Over the past decade, CSOs were generally only able to communicate with the government through protests, but with the new government in place, meetings between CSO leaders and government authorities became more common in 2015. Under the new regulations on CSOs, the government organizes meetings at least once per year with CSO representatives working on a range of issues, such as women and children, culture, and education, to discuss social development. However, when CSOs organize activities related to contentious issues—such as political issues, the military, or land or community rights—the government often bans or censors the activities.

At the same time, given the lèse majesté law—which criminalizes insults of members of the Thai royal family—and the implementation of Article 44 of the constitution in 2015, CSOs continue to exercise caution in their advocacy activities. Military officers regularly visit CSOs in the south and southeast to monitor their activities. As a precaution, CSOs, especially in the south, tend to invite military officers to participate in activities in order to avoid having events canceled by the military.

In the far south, the Civil Society Council of the Southernmost Thailand was formed in 2011 to engage in policy discussions with the government, which focus on advocating for the People's Peace Roadmap. The roadmap, which was proposed by CSOs in the south, seeks to expedite the peace process by involving all relevant parties, including government officials, spokespersons of the National Front Revolution (BRN) movement, citizens, and media representatives. In January 2015, the Council introduced the Decree on Southern Development, which aims to form a strong autonomous governance system to create prosperity for people in the south, but the government had not acted on this proposal by the end of 2015.

CSOs had some advocacy successes in 2015, in particular the adoption of a surrogacy law and a government subsidy for newborns. As a result of CSO campaigns, the country's first surrogacy law was enacted in February

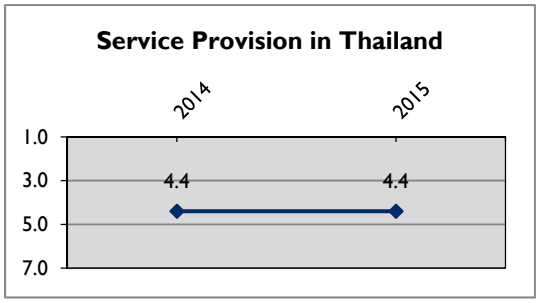
2015, and came into force in July. However, the law imposes serious limits to surrogacy – only infertile couples who have been married for at least three years can seek a surrogate, and such surrogacy is limited to a spouse's siblings only. A government subsidy for newborns, which aims to ease costs for new parents and reduce the rate of abandoned children, became effective in March. Children born between October 1, 2015 and September 31, 2016 that live in poverty are eligible to receive 400 baht (about $11) per month for twelve months and then 600 baht per month (about $17) for three years. CSOs actively promoted the benefits of the surrogacy law and the subsidy legislation by spreading information through their networks, as well as during consultation sessions with their beneficiaries. These CSOs also helped their beneficiaries fill out registration paperwork for surrogacy.

In 2015, CSOs working on children's issues, including HHN, proposed an amendment to the Adoption Law and submitted it to the Ministry of Social Development and Human Security. The proposed amendment was adopted. The most significant change is that a new Department of Children and Youth will be created under the Ministry of Social Development and Human Security to make policy on these issues.

Large CSOs, such as the Education for Development Foundation (EDF), typically try to include government agencies in their initiatives. For example, in 2015 EDF signed a memorandum of understanding with a local Office of Education to ensure government cooperation on its projects.

CSOs are somewhat aware of the need to advocate for a favorable legal framework for the sector. However, such advocacy is rare; CSOs are more concerned with legal reforms that would impact local communities. In 2015, the Hill Area Development Foundation (HADF) managed to express its disagreement regarding the controversial ban on public gatherings of more than five people as outlined in Article 44 of the interim constitution. Furthermore, since 2012, CSOs have continued to make efforts to advocate for legislation on the Lottery Social Fund.

SERVICE PROVISION: 4.4



ThaiHealth had been a major local funder for Thai CSOs promoting health, but the scandal in 2015 renders the future of ThaiHealth funding uncertain. As a result, to attract new donors, CSOs in every region are providing a more diverse range of services, such as community mobilization, research and education, awareness-raising, and promotion of good governance. Moreover, a wider range of organizations are responding to the needs of communities in hard-to-reach areas of Thailand. For instance, the Karen hill tribe in Morwakhi village of Chiang Mai province opened a learning center to offer alternative education programs in their native language to cater to their community. Other minority communities provide similar services.

In order to provide services that truly meet the needs of communities, most CSOs conduct need assessments through both primary and secondary research. For well-funded projects, CSOs will send a field coordinator to gather community input prior to project design.

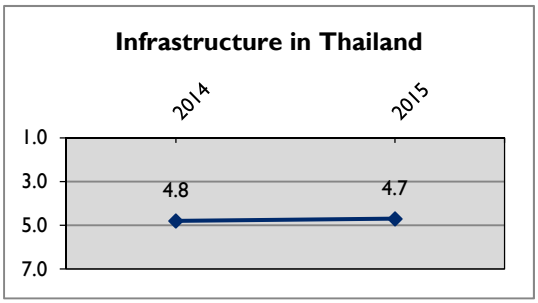
Products from large-scale CSO activities, such as research papers or publications, typically are accessible to the public. Large CSOs sometimes provide these products to university libraries and other CSOs, as well as post them on websites.

Large CSOs that are allowed to earn income typically have better knowledge of market demand and have the financial management and strategic planning skills to recover the costs of their services. The costs of most CSO services are covered by donor funding, though CSOs sometimes charge participation fees to recover costs for expenses not covered by donors.

The government occasionally recognizes the capacity of CSOs to respond to community needs, consulting CSOs and inviting CSO representatives to participate in meetings regarding social issues. However, the government provides limited financial support for CSO service provision. Only CSOs registered with the Ministry of Finance or TSEO are allowed to compete for government grants and contracts.

INFRASTRUCTURE: 4.7

The infrastructure supporting CSOs in Thailand improved slightly in 2015.



Thaingo.org is the main platform that CSOs use to share information and news regarding job vacancies, policy updates, grant opportunities, and other areas that affect CSOs. However, the website was blocked several times in 2015 because some of the content mentioned political issues, which the government viewed as a threat to national security. DSW sends lists of funding opportunities to members of the Civil Society Council of the Southernmost Thailand. CSOs can also find information on funding opportunities directly on donor websites.

Despite the transparency scandal, ThaiHealth is still a key intermediary support organization (ISO) in Bangkok, and is the only agency that provides training to its CSO grantees. ThaiHealth works closely with its CSO partners and seeks to identify and remedy weaknesses in their organizational capacities. It provides courses on basic project management, finance, and strategic planning. In 2015, ThaiHealth added a course on media training. ThaiHealth also serves as a major local grant-making organization, re-granting proceeds from "sin" taxes. In 2014, ThaiHealth's budget was 4.064 billion baht (approximately $116 million).

In the south, the main ISO is the Peace Resource Center (PRC) developed by DSW, which provides consultations and trainings for CSO partners on topics such as project management and proposal writing. The Local Development Institute (LDI) also serves as an ISO in the south. LDI provides capacity building to community leaders, youth, and volunteers, and supervises and coordinates with CSOs to support local activities.

The Center for Civil Society and Nonprofit Management (CSNM) offers in-house training courses on project management for CSO leaders and executives, but they were not open to the public in 2015. CSNM's donors fund the courses and select the participants. CSNM also seeks to incorporate CSO topics into university curricula; however, this will not happen until 2016.

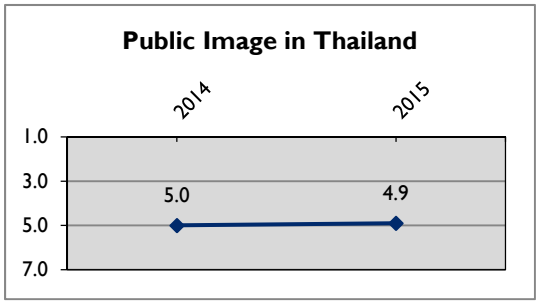
CSOs are forming more local networks, such as the Mae Klong Network and Tha Chin River Network. These networks are primarily focused on developing better living conditions for people in their communities. Most CSO networks meet once a month to discuss their work and emerging issues.

With the increased involvement of international donors in peace-building projects, Thai CSOs were given more opportunities to re-grant foreign funds in 2015. For example, LDI received a grant from the World Bank to implement a project called Peace Building and Facility Partnership, which provides sub-grants to local organizations in southern Thailand that promote peace, women's rights, children's rights, and media freedom.

Opportunities for intersectoral partnerships appear to have increased since the new regulation on CSOs encourages cooperation among CSOs, businesses, and the Thai Chamber of Commerce. In 2015, HADF worked with GE's corporate foundation to provide professional training to young women from hill tribe networks in Chiang Rai. PLAN worked with Microsoft to provide computer training in Chiang Mai. Also in 2015, the government established the Peace Center in the south to help regional peace building efforts. The Peace Center created a public space for all parties, including government, CSOs, and local citizens, to come

together and exchange information and viewpoints. It focuses on building peace awareness among state authorities, CSO networks, and citizens, as well as encouraging local CSOs to play a larger role in peace talks.

PUBLIC IMAGE: 4.9



The public image of CSOs improved in 2015, mainly because CSOs increasingly used social media to promote their activities and share news with the public. According to The Statistics Portal, 73 percent of Internet users in Thailand accessed social media in 2015, an increase from 70 percent in 2014, and 56 percent of the population was active on a social network. The most popular network was Facebook, utilized by 32 percent of the Thai population, followed by LINE (29 percent), and Facebook Messenger (28 percent).

Prior to the emergence of social media in Thailand, traditional media rarely covered CSO activities. Thai PBS, Bangkok Business Newspaper, Voice TV, Prachatai, Nation TV, and other non-mainstream television channels were exceptions; they have long had a positive perception of CSOs, and therefore work closely with CSOs and provide coverage of CSOs' impact on society. In 2015, the government remained in control of the media, claiming it was necessary for national security. Prosecutors used the lèse majesté law and the 2007 Computer Crimes Act—which criminalizes the online publication of forged or false content that endangers individuals, the public, or national security, as well as the use of proxy servers to access restricted material—to impose up to five years of imprisonment. The government continued to prosecute press and media outlets that present information that it considers divisive or misleading. During 2014, at least fourteen cable and satellite channels and over 7,000 community TV outlets were shut down. While most of them were allowed to resume operations in 2015, they had to tone down their political content. Starting at the end of 2014, the government revived its "Cyber Scout" initiative, which aims to create a volunteer network to report online behavior that threatens national security or insults the royal family. Since the initiative began, more than 200 websites have been blocked.

As social media has gained popularity across the nation and among CSOs, mainstream media can no longer avoid topics that interest the public. Over the past two years, the mainstream media has begun approaching CSOs to comment on prominent social issues, and CSOs have more influence over mainstream media due to their ability to quickly spread information online. Despite new media opportunities, CSOs continued to exercise self-censorship on topics involving politics and the monarchy to avoid shutdown of their activities. Even with the increased coverage, mainstream media still tends to provide unfavorable coverage of CSOs. For example, they often cover protests without explaining the context. Without this information, the public could view CSOs as simply creating a nuisance by organizing protests.

In practice, there is a divide between older and younger generations in terms of public perception of CSOs. The older generation is skeptical of CSOs, and views them as anti-government due to the mainstream media's generally negative coverage of the sector. By using social media and other new media platforms, younger generations receive more positive coverage of CSOs and thus have a more favorable view of them.

The government is making more effort to engage CSOs on social issues, as evident in the new regulations on CSOs that went into effect in August 2015. The government believes CSOs are well-equipped to address social issues and is willing to consult CSOs on such issues. At the same time, the government still perceives CSOs as threats to the economic development of the country. For example, CSOs and a network of marginalized rural communities protested against the development of a Special Economic Zone (SEZ) designed to attract domestic and foreign investors and increase prosperity due to concerns that it would harm the environment and the community's quality of life. The business sector has become more open to CSOs. Businesses believe that CSOs' activities are more effective than government policies at serving the needs of communities. The

business community is interested in education and environmental issues in particular. Most large corporations support the work of CSOs through CSR programs.

Most CSO public outreach efforts are concentrated on a select few media outlets and platforms, such as Thai PBS, Facebook, and, most importantly, LINE. CSOs widely use LINE as a communications tool, and use of this application continues to grow. LINE Thailand data showed that that 83 percent of mobile Internet users used the application in 2015, the second highest percentage after Japan.

Over the past few years, CSOs have begun operating in a more transparent manner at the request of their donors. To receive funding, CSOs must utilize sound financial and accounting systems. In addition, more CSOs are adopting codes of ethics due to the ThaiHealth scandal and the new regulations on CSOs, which aims to promote good governance within CSOs and implement the CSO Code of Ethics. Religious organizations seldom apply codes of ethics in their work or submit the requisite paperwork to the government, however. These groups claim that their work is built on trust, but many have been forced to shut down due to transparency issues.

Only medium- and large-sized CSOs tend to publish their annual and financial reports in order to demonstrate transparency and attract donations. Smaller CSOs rarely have the human resources, knowledge, or funds to produce sound annual and financial reports. In 2015, the National Municipal League of Thailand, a government entity, organized a campaign and workshop in Chiang Rai to encourage registered CSOs to submit annual and financial reports.

ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

I. INTRODUCTION

The CSO Sustainability Index for Asia is a tool created by USAID to study the strength and overall viability of CSO sectors in each country. The Index is a valuable resource for USAID, other international donors, local CSO advocates, development partners, researchers, and academics. By using a standard set of indicators and collecting data each year, the CSO Sustainability Index tracks changes in the strength of the CSO sector over time and allows for cross-country comparison.

While the Index was initially developed as an internal USAID management and monitoring tool, its uses have broadened significantly over the past decade. In particular, we are pleased that local CSO leaders and activists have found the Index process and final product to be a useful opportunity to look at the larger picture and reflect on sectorial advancements and remaining challenges. Other offices and bureaus within USAID also view the CSO Sustainability Index as a unique model when developing their own monitoring tools.

The CSO Sustainability Index for Asia complements the long-standing CSO Sustainability Index for Central and Eastern Europe and Eurasia and sub-Saharan Africa. Given the increasing prominence of civil society and its role in development, the Index expanded into two new regions in 2011. The first editions of the CSO Sustainability Index for the Middle East and North Africa and the CSO Sustainability Indexes for Afghanistan and Pakistan were published in July 2012, the first edition of CSO Sustainability Index for Asia was published in 2015 bringing the total number of countries covered by CSOSI reports to seventy-five.

The 2015 Index will be the second edition of this publication. In order to ensure consistency and simplicity, no major changes in either the methodology or the questions were made this year.

Also, once again this year we emphasize one core step in the process: check your proposed scores with the corresponding description in "Ratings: A Closer Look" in order to ensure that the score accurately reflects the present state of CSO sector development in the country.

As in the past years, the contract for the 2015 Index has been awarded to Management Systems International (MSI) and the International Center for Not-for-Profit Law (ICNL). MSI and ICNL will manage coordination and editing of the Index. A senior staff member from each MSI and ICNL will serve on the Editorial Committee as will one or more senior USAID/Washington officials.

II. METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed 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 2015 CSO (Civil Society Organization) Sustainability Index for Asia. The reporting year will cover the period of January 1, 2015, through December 31, 2015.

1. **Carefully select a group of not less than 8-10 representatives of civil society organizations to serve as panel experts.** Implementers are free to select panel members based on the following guidelines. If desired, the panel may include one representative from the USAID Mission, who would observe the process but not cast a vote on the scores. The panel members should include representatives of a diverse range of civil society organizations including the following types:

- local CSO support centers, resource centers or intermediary support organizations (ISOs);
- local CSOs, community-based organizations (CBOs), and faith-based organizations (FBOs) involved in a range of service delivery and/or 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;
- international donors who support civil society and CSOs; and
- other local partners familiar with civil society.

MSI recommends that the Expert Panel be primarily nationals. CSOs represented on the panel can be those whose work is heavily focused on either advocacy or social service delivery. To the extent possible, panelists should represent both rural and urban parts of the country. They should also represent women's groups, minority populations, and 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 include an equal representation of men and women. If the implementer believes that this will not be possible please explain why in a note submitted to Allison Poyac-Clarkin (apoyacclarkin@msi-inc.com) at MSI for consideration prior to undertaking the panel.

In some instances, it may be appropriate to select a larger group in order to reflect the diversity and breadth of the civil society sector in the country. Please keep in mind, however, that a significantly larger group may make building consensus within the panel more difficult – and more expensive if it entails arranging transportation for panelists who are based far from the capital. Alternatively, if regional differences within a country are significant, implementers may want to consider holding regional panels. Should the implementer wish to pursue this additional task, the methodology should be outlined and submitted to Allison Poyac-Clarkin (apoyacclarkin@msi-inc.com) at MSI for consideration and discussion **prior to undertaking the regional panels.**

2. **Ensure that panel members understand the objectives of the exercise.** The objective of the panel is to develop a consensus-based rating for each of the seven dimensions of civil society sustainability covered by the Report and to articulate a justification or explanation for each rating consistent with the methodology described below. The overall goal of the Report is to track and compare progress in the sector over time, increasing the ability of local entities to undertake self-assessment and analysis. It also aims to develop an increased understanding of the civil society sector among donors, governments, and CSOs for the purposes of better support and programming.

The instructions and previous years country report should be submitted to the members of the Expert Panel a minimum of three (3) days before convening the panel so that they may develop their initial scores for each indicator before meeting with the other panel members. If possible, it is useful to hold a brief orientation session for the panelists prior to the panel discussion. Some partners choose to hold a formal training session with panel members, reviewing the methodology document and instructions, other partners provide more of a general discussion about the objectives of the exercise and process to the panelists.

3. **Convene a meeting of the Expert Panel.** MSI requests that implementers plan to complete this meeting no later than March 4, 2016, for the 2015 exercise.

4. At the Expert Panel meeting, please **remind panelists that each indicator and dimension of the Asia CSO Sustainability Report should be scored according to relevant examples of recent or historical conditions, policies, and events in the country. They should review the previous year's score prior to reviewing the indicators for the current year.** The rating process should take place alongside or directly following a review of the rating process and categories provided in "Ratings: A Closer Look."

For each indicator of each dimension, allow each panel member to share his or her initial score and justification with the rest of the group. At the end of the discussion of each indicator, allow panel members to adjust their scores, if desired. Then, **eliminate the highest score and the lowest score,** and average the remaining scores

together to come up with one score for each indicator. Once a final score has been reached for each indicator within a given dimension, calculate the average or arithmetic mean of these scores for a preliminary score for the dimension. Be sure to take careful notes during the discussion of each indicator, detailing the justifications for all scores, as this should serve as the basis of the written report. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members (see sample below, Figure 1). Ultimately, every score should be supported by evidence in the country report (see #8 below), and should reflect consensus among group members.

Figure 1: Score Sheet for Panel Meeting

Panel Member	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Infrastructure	Public Image
1	2	4	5	2	2	6	3
2	4	3	4	3	3	4	3
3	3	2	4	1	3	6	2

5. After the panel has come to a 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. For example, if an improved score is proposed, this should be based on concrete positive developments during the year. On the other hand, if the situation worsened during the year, this should be reflected in a lower score.

Note that the Sustainability Index methodology recognizes that change tends to be incremental and that most dimensions of the Index will not change radically from year to year. As a result, the Editorial Committee generally only recommends a change of .1 for modest changes in a dimension. A change of .2 is considered very significant and is recommended only for major changes in a dimension. Larger differences are generally only warranted if there are radical changes in a country's political environment that impacted CSOs.

6. Once scores for each dimension are determined, as a final step, **review the description of that dimension in "Ratings: A Closer Look."** Discuss with the group whether the score for a country matches that rating description. For example, a score of 2.3 in organizational capacity would mean that the civil society sector is in the "Sustainability Enhanced" phase. Please read the "Sustainability Enhanced" section for Organizational Capacity in "Ratings: A Closer Look" to ensure that this accurately describes the civil society environment. If not, discuss as a group to determine a more accurate score that fits the description for that dimension.

7. **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 final country Index score. Be sure to include a synopsis of this discussion in the draft country report.

8. **Please remind the group at this stage that reports will be reviewed by an Editorial Committee (EC) in Washington, D.C. that will provide feedback on recommended scores and possibly request adjustments in scores pending additional justification of scores.**

9. **Prepare a draft country report.** The report should cover the calendar year 2015 (January 1, 2015, through December 31, 2015). The draft report should include an overview statement and a brief discussion of the current state of sustainability of the civil society sector with regard to each dimension. The section on each dimension should include a discussion of both accomplishments and strengths in that dimension, as well as obstacles to sustainability and weaknesses.

In the overview statement, please include an estimated number of registered and active CSOs, as well as an overview of the primary fields and geographic areas in which CSOs operate.

Please limit the submissions to a maximum of five pages in English. Please keep in mind that MSI is relying on implementers to ensure that reports are an appropriate length and are well written, as it does not have the capacity to do extensive editing.

Please include a list of the experts who served on the panel with the report. This will be for MSI's reference only and will not be made public.

Before finalizing your report, please ensure that it meets the following criteria:
(1) The score for each dimension must be within 0.3 of the score on the previous year's report. Please refer to the instructions for an explanation of what each 0.1 score change means.
(2) All indicators for which there were changes from the previous year are addressed in the narrative section for each dimension. (If there was no change in a specific indicator, please state "there was no change in" that indicator.)
(3) The narrative description of each dimension includes sufficient specific examples from the year covered by the report
(4) If there are no changes in a dimension, the report must state "no events or changes in this dimension." Do not simply copy sections from the previous year's report
(5) Reports must include a 1 – 2 paragraph overview of key trends in the country context that affect CSOs and their constituencies.
Deliver the draft country reports with rankings via email to Alex Nejadian (anejadian@msi-inc.com) at MSI **no later than February 19, 2016** unless MSI approved a later delivery date in your work plan.

The project editor will be in contact with you following receipt of the report to discuss any outstanding questions and clarifications regarding the scoring and the report's content.

10. **Revise the report.** Within 2 weeks of receiving your draft report, MSI and its partner, ICNL, will send you an edited version of your report that has been copy edited for grammar, style and content. As necessary, the editors will request that you revise the reports on the 5 criteria laid out in step 9. Please request any clarification needed as soon as possible, then submit your revised report within 2 weeks of receiving feedback from the editors.

11. In Washington, **an Editorial Committee (EC) will review the scores, ratings, and draft country reports**, and it will discuss any issues or concerns with the implementer. The EC consists of representatives from USAID, MSI, ICNL and at least one regional expert well versed in the issues and dynamics affecting civil society in Asia. Further description of the EC is included in the following section, "The Role of the Editorial Committee" (see below). **If the EC determines that the panel's scores or ratings are not adequately supported by the description provided in the country report, particularly in comparison to the scores and reports of other countries in the region, the EC may request that the description be strengthened and the score be adjusted, thereby ensuring cross-country comparability.** The implementer 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. A USAID representative chairs the EC.

12. Once the 2015 Asia report is approved by USAID for distribution, MSI will send you both electronic and hard copies of the final report so you can conduct outreach activities to promote its distribution in your country. Examples of such outreach activities are: a reception, a presentation of the findings of the report, electronic distribution (e.g., listserves or websites) posting on websites. The final public reports will be made available in English and French. Please note that it is very important that outreach activities and distribution of the final report do not begin before you receive the final report confirmation.

13. MSI is very interested in using the preparation of this year's Report to track **lessons learned** for use in improving the monitoring process in upcoming years. MSI would appreciate if implementers would record and submit observations that may increase the usefulness of this important tool to Allison Poyac-Clarkin (apoyacclarkin@msi-inc.com). To the extent feasible, please submit observations that cover your experiences with each step outlined above.

The Role of the Editorial Committee

All country reports are reviewed and discussed by the Editorial Committee (EC) composed of regional and sector experts in Washington, D.C. This committee is chaired by a USAID representative and it includes additional USAID representatives with regional expertise. The committee also includes civil society experts representing MSI and ICNL.

The Editorial Committee has three main roles. It reviews all reports, scores, and ratings to ensure that country report narratives are well written and compelling, and that they support the scores and ratings. A compelling narrative demonstrates that a score and rating is based on sufficient evidence (i.e., systematic and widespread cases or situations) and is not based on one or two individual or random cases or situations. For example, if a country has a large number of CSOs with strong financial management systems that can raise funds locally from diverse sources, there would be a compelling justification for a favorable financial viability score and rating. On the other hand, if a country has only one or two CSOs with the ability to raise funds from diverse sources, a favorable financial viability score would be less justified. The EC also ensures that the rating for each dimension meets the criteria described in "Ratings: A Closer Look," so that scores and narratives accurately reflect the sustainability of civil society in each country. Finally, and most importantly, the EC considers a country's scores and ratings in relation to the scores for other countries, providing a regional perspective that ensures comparability of scores across Asia and across other regions covered by the CSO Sustainability Index Report, including the Middle East- North Africa, sub-Saharan Africa and Europe and Eurasia.

The USAID Chair of the EC has the final say on all scores and may contact an implementer directly to discuss a panel's scores and to clarify items in the country report prior to finalizing the scores and country reports.

1. Implementers are encouraged to remind panels from the outset that the EC may ask for further clarification of scores and ratings, and may modify scores and ratings where appropriate. However, by adding the step for each panel to compare its scores with "Ratings: A Closer Look" (which is essentially what the EC does), there will be less of a need for the EC to adjust scores. Ensuring that the country report narrative for each dimension adequately justifies the corresponding score will also reduce the need for the EC to make adjustments or to request clarification.

III. INSTRUCTION FOR EXPERT PANEL MEMBERS

I. DEFINITIONS:

Throughout the process of developing a country report for the CSO Sustainability Index (CSOSI), please use the following definitions:

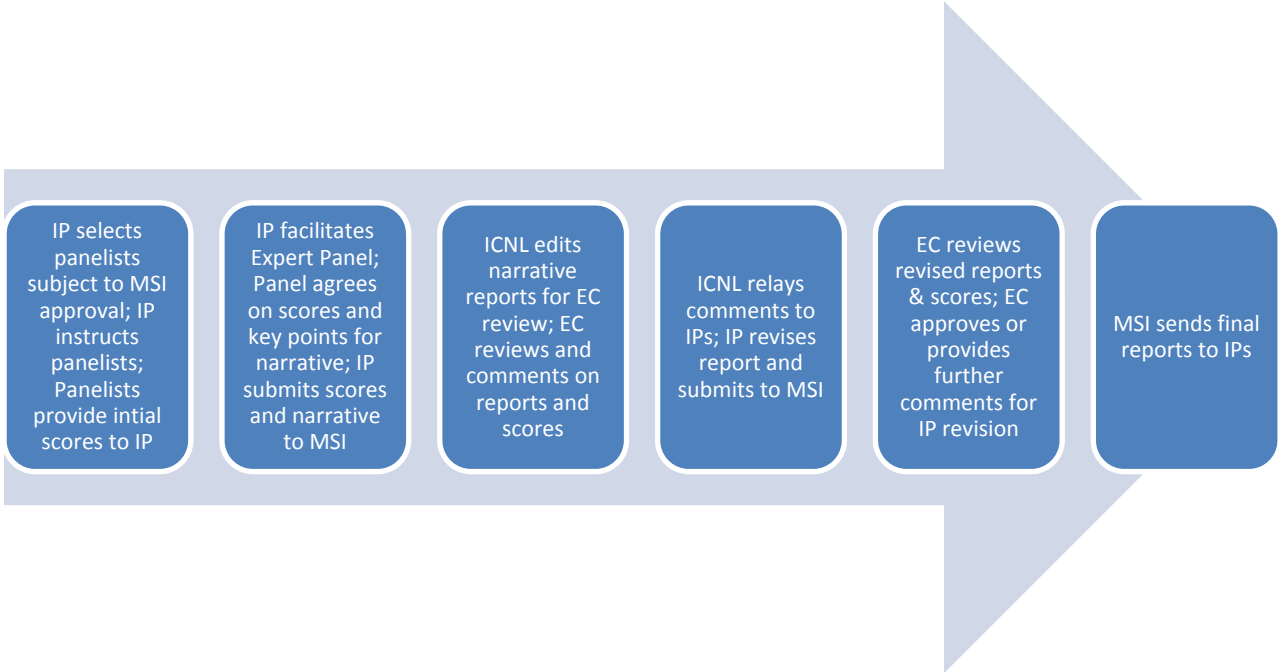
Civil Society Organization (CSO): Civil society organizations are defined "broadly as any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is 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."[5]

CSO Independence: In many countries, government, political parties, and private companies establish and support CSOs. However, the CSOSI includes only organizations and groups that are self-governing, with a distinct legal and/or functional identity. CSOs typically include informal non-registered groups, but to be included in the CSOSI they must possess the structure and continuity to be distinguished from a single gathering of individuals and from personal or family relationships.

II. PROCESS:

The following steps should be followed to assemble a country report for the CSOSI.



Step 1: After the CSOI Implementing Partner (IP) selects panel members, which much be approved by MSI, the IP should meet with selected panelists to explain the process, review the scoring methodology, and provide the previous years' country report. Selected panelists should then use the following steps to guide them through the individual rating process. This should occur in advance of the Expert Panel Meeting. The steps that follow will then be repeated during the CSO Expert Panel meeting, where panel members will discuss their initial scores, and the evidence for these scores, and determine by consensus the final scores for each of the indicators and dimensions.

Step 2: Selected panelists review the prior years' country report, taking note of each dimension score and the narrative supporting it. For the current edition of the country report, ***every dimension score must be within 0.3 above or below*** the dimension scores in the previous year's report, and the narrative must explain how the situation has changed to justify the change in dimension score. For example, if the dimension score was 4.3 the

[5] 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.

previous year, the current dimension score must not be above 4.6, or below 4.0. In all cases the shift in score, regardless of the increment, must be fully supported by the accompanying report narrative.

Step 3: Please rate each of the seven dimensions and each of the indicators within each dimension on the following scale from 1 to 7, with a score of 1 indicating a very advanced civil society sector with a high level of sustainability, and a score of 7 indicating a fragile, unsustainable sector with a low level of development (see Annex 1, CSOSI Dimensions and Indicators Score Sheet). Fractional scores to one decimal place are encouraged.

Step 4: When rating each indicator, please remember to consider each one 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. Please remember you are only focusing on the year that is being assessed in the report.

Step 5: When you have rated all of the indicators within one of the seven dimensions, calculate the average of these scores to arrive at an overall score for that dimension. Record the indicator scores and overall score in the space provided on the CSOSI Dimensions and Indicators Score Sheet (Annex 1).

Step 6: Review the country report from the previous year and compare the dimension score against the score you derived for the dimension. Make sure that the ***change from the previous year is within 0.3*** and is justified by changes in the situation of CSOs within that dimension. Review the information in Section III about score changes and adjust dimension scores as necessary.

Step 7: Once the overall score for a dimension has been determined, as a final step, review the description of that dimension in "Ratings: A Closer Look" to ensure that this accurately describes the environment (Annex 2). For example, a score of 2.3 in Organizational Capacity would mean that the civil society sector is in the "Sustainability Enhanced" phase. In the Expert Panel Meeting, if after reviewing "Ratings: A Closer Look" it is determined that the score does not accurately depict the description, work together to determine a more accurate score that better fits the description for that dimension. This is a very important step of the process which, if not done correctly, often leads to the adjustment of scores by the Expert Panel as well as the Editorial Committee.

Step 8: Once you have scores for each dimension, average these seven scores together to arrive at an overall country rating and document all scores and supporting information.

Step 9: Once the panelists have gone through this process individually, the process will be repeated by the entire Expert Panel. The CSOSI IP will convene and facilitate this Expert Panel Meeting. The CSOSI IP will record all scores as well as discussion. NOTE: The IP will eliminate the highest score and the lowest score, and average the remaining scores together to come up with one score for each indicator. Once a final score has been reached for each indicator within a given dimension, the average of these scores will be taken as the score for the dimension.

It is extremely important that the discussion includes specific examples and information that can be used to justify the Expert Panel scores. Please note that the Editorial Committee will request additional information if the scores are not supported by the report narrative. If adequate information is not provided, the Editorial Committee has the right to adjust the scores accordingly.

III. SCORING

Scoring Scale

The CSOSI uses a seven-point scale, with 1 representing the highest and 7 the lowest level of sustainability. These levels are clustered into three general stages: Sustainability Enhanced (1 to 3), Sustainability Evolving (3.1 to 5), and Sustainability Impeded (5.1 to 7). The following broad guidelines can be used in determining scores for individual indicators and dimensions:

1 The civil society sector's sustainability is enhanced significantly by practices/policies in this area. While the reforms or developments that are needed may not yet be achieved, the local CSO community recognizes the need for them and has a plan and the ability to pursue them itself.

2 The civil society sector's sustainability is enhanced by practices/policies in this area. The local CSO community demonstrates a commitment to pursuing reforms and developing its professionalism in this area.

3 The civil society sector's sustainability somewhat enhanced by practices/policies in this area, or its commitment to developing the aspect in question is significant.

4 The civil society sector's sustainability minimally affected by practices/policies in this area. Progress may be hampered by a stagnant economy, a passive government, a disinterested media, or a community of good-willed but inexperienced activists.

5 The civil society sector's sustainability somewhat impeded by practices/policies in this area. Progress may be hampered by a contracting economy, an authoritarian leader and centralized government, a controlled or reactionary media, or a low level of capacity, will, or interest on the part of the CSO community.

6 The civil society sector's sustainability impeded by practices/policies in this area. A hostile environment and low capacity and public support may prevent the growth of the CSO sector.

7 The civil society sector's sustainability significantly impeded by practices/policies in this area, generally as a result of an authoritarian government that aggressively opposes the development of independent CSOs.

For more specific information about the meaning of ratings for individual dimensions, please refer to "Ratings: A Closer Look" (below).

Score Changes from Previous Year

Because most change in the CSO sector is incremental, changes in dimension scores from the previous year must be within a range of 0.1 to 0.3 above or below the dimension score in the previous year. Changes in dimension scores from the previous year have the following significance:

0.1 Moderate change

0.2 Significant change

0.3 Cataclysmic and often unexpected change

Please note that all changes in scores must be supported by a country report narrative that includes examples and information that illuminates the trend being observed (increase or decrease).

IV. DIMENSIONS AND INDICATORS

I. LEGAL ENVIRONMENT _____

___ *REGISTRATION*. Is there a favorable law on CSO registration? In practice, are CSOs easily able to register and operate?

___ *OPERATION*. Is the internal management, scope of permissible activities, financial reporting, and/or dissolution of CSOs well detailed in current legislation? Does clear legal terminology preclude unwanted state control over CSOs? Is the law implemented in accordance with its terms? Are CSOs protected from the possibility of the State dissolving a CSO for political/arbitrary reasons?

___ *ADMINISTRATIVE IMPEDIMENTS AND STATE HARASSMENT*. Are CSOs and their representatives allowed to operate freely within the law? Are they free from harassment by the central government, local governments, and tax police? Can they freely address matters of public debate and express criticism?

___ *LOCAL LEGAL CAPACITY*. Are there local lawyers who are trained in and familiar with CSO law? Is legal advice available to CSOs in the capital city and in secondary cities?

___ *TAXATION*. Do CSOs receive any sort of tax exemption or deduction on income from grants, endowments, fees, or economic activity? Do individual or corporate donors receive tax deductions?

___ *EARNED INCOME*. Does legislation exist that allows CSOs to earn income from the provision of goods and services? Are CSOs allowed legally to compete for government contracts/procurements at the local and central levels?

II. ORGANIZATIONAL CAPACITY _____

___ *CONSTITUENCY BUILDING*[6]. Do CSOs clearly identify and actively seek to build local constituencies for their initiatives? Are they successful in these endeavors?

___ *STRATEGIC PLANNING*. Do CSOs have clearly defined missions to which they adhere? Do CSOs have clearly defined strategic plans and incorporate strategic planning techniques in their decision-making processes?

___ *INTERNAL MANAGEMENT STRUCTURE*. Is there a clearly defined management structure within CSOs, including a recognized division of responsibilities between the Board of Directors and staff members? Does the Board actively engage in the governance of the CSO? Do the Boards of Directors operate in an open and transparent manner, allowing contributors and supporters to verify appropriate use of funds?

___ *CSO STAFFING*. Are CSOs able to maintain permanent, paid staff in CSOs? Do CSOs have adequate human resources practices for staff, including contracts, job descriptions, payroll and personnel policies? Are potential volunteers sufficiently recruited and engaged? Do CSOs utilize professional services such as accountants, IT managers or lawyers?

___ *TECHNICAL ADVANCEMENT*. Do CSOs' resources generally allow for modernized basic office equipment (relatively new computers and software, cell phones, functional fax machines/scanners, Internet access, etc.)?

III. FINANCIAL VIABILITY _____

___ *LOCAL SUPPORT*. Do CSOs raise a significant percentage of their funding from local sources? Are CSOs able to draw upon a core of volunteer and non-monetary support from their communities and constituencies? Are there local sources of philanthropy?

---

[6] Constituency building: Attempts by CSOs to get individual citizens or groups of citizens personally involved in their activities, and to ensure that their activities represent the needs and interests of these citizens.

___ *DIVERSIFICATION*. Do CSOs typically have multiple/diverse sources of funding? Do most CSOs have enough resources to remain viable for the short-term future?

___ *FINANCIAL MANAGEMENT SYSTEMS*. Are there sound financial management systems in place? Do CSOs typically operate in a transparent manner, including independent financial audits and the publication of annual reports with financial statements?

___ *FUNDRAISING*. Have many CSOs cultivated a loyal core of financial supporters? Do CSOs engage in any sort of membership outreach and philanthropy development programs?

___ *EARNED INCOME*. Do revenues from services, products, or rent from assets supplement the income of CSOs? Do government and/or local businesses contract with CSOs for services? Do membership-based organizations collect dues?

IV. ADVOCACY _____

___ *COOPERATION WITH LOCAL AND FEDERAL GOVERNMENT*. Are there direct lines of communication between CSOs and policy makers? Do CSOs and government representatives work on any projects together?

___ *POLICY ADVOCACY INITIATIVES*. Have CSOs formed issue-based coalitions and conducted broad-based advocacy[7] campaigns? Have these campaigns been effective at the local level and/or national level at increasing awareness or support for various causes? *(Please provide examples, if relevant.)*

___ *LOBBYING[8] EFFORTS*. Are there mechanisms and relationships for CSOs to participate in the various levels of government decision-making processes? Are CSOs comfortable with the concept of lobbying? Have there been any lobbying successes at the local or national level that led to the enactment or amendment of legislation? *(Please provide examples, if relevant.)*

___ *LOCAL ADVOCACY FOR LEGAL REFORM*. Is there awareness in the wider CSO community of how a favorable legal and regulatory framework can enhance CSO effectiveness and sustainability? Is there a local CSO advocacy effort to promote legal reforms that will benefit CSOs, local philanthropy, etc.?

V. SERVICE PROVISION _____

___ *RANGE OF GOODS AND SERVICES*. Do CSOs provide services in a variety of fields, including basic social services (such as health, education, relief, housing, water or energy) and other areas (such as economic development, environmental protection, or governance and empowerment)? Overall, do the services being provided by the sector represent a high-level of diversification?

___ *COMMUNITY RESPONSIVENESS*. Do the goods and services that CSOs provide reflect the needs and priorities of their constituents and communities?

___ *CONSTITUENCIES AND CLIENTELE*. Are those goods and services that go beyond basic social needs provided to a constituency broader than CSOs' own memberships? Are some products, such as publications, workshops or expert analysis, marketed to other CSOs, academia, churches or government?

___ *COST RECOVERY*. When CSOs provide goods and services, do they recover any of their costs by charging fees, etc.? Do they have knowledge of the market demand -- and the ability of distinct constituencies to pay -- for those products?

___ *GOVERNMENT RECOGNITION AND SUPPORT*. Does the government, at the national and/or local level, recognize the value that CSOs can add in the provision and monitoring of basic social services? Do they provide grants or contracts to CSOs to enable them to provide such services?

---

[7] Advocacy: Attempts by CSOs to shape the public agenda, public opinion and/or legislation.
[8] Lobbying: Attempts by CSOs to directly influence the legislative process.

VI. INFRASTRUCTURE _____

___ *INTERMEDIARY SUPPORT ORGANIZATIONS (ISOS) AND CSO RESOURCE CENTERS*[9]. Are there ISOs, CSO resource centers, or other means for CSOs to access relevant information, technology, training and technical assistance throughout the country? Do ISOs and CSO resource centers meet the needs of local CSOs? Do ISOs and resource centers earn some of their operating revenue from earned income (such as fees for service) and other locally generated sources? *(Please describe the kinds of services provided by these organizations in your country report.)*

___ *LOCAL GRANT MAKING ORGANIZATIONS*. Do local community foundations and/or ISOs provide grants, from either locally raised funds or by re-granting international donor funds, to address locally identified needs and projects?

__ *CSO COALITIONS*. Do CSOs share information with each other? Is there a network in place that facilitates such information sharing? Is there an organization or committee through which the sector promotes its interests?

___ *TRAINING*. Are there capable local CSO management trainers? Is basic CSO management training available in the capital city and in secondary cities? Is more advanced specialized training available in areas such as strategic management, accounting, financial management, fundraising, volunteer management, and board development? Do trainings meet the needs of local CSOs? Are training materials available in local languages?

___ *INTERSECTORAL PARTNERSHIPS*. Are there examples of CSOs working in partnership, either formally or informally, with local business, government, and the media to achieve common objectives? Is there awareness among the various sectors of the possibilities for and advantages of such partnerships?

VII. PUBLIC IMAGE _____

___ *MEDIA COVERAGE*. Do CSOs enjoy positive media coverage at the local and national levels? Is a distinction made between public service announcements and corporate advertising? Do the media provide positive analysis of the role CSOs play in civil society?

___ *PUBLIC PERCEPTION OF CSOS*. Does the general public have a positive perception of CSOs? Does the public understand the concept of a CSO? Is the public supportive of CSO activity overall?

___ *GOVERNMENT/BUSINESS PERCEPTION OF CSOS*. Do the business sector and local and central government officials have a positive perception of CSOs? Do they rely on CSOs as a community resource, or as a source of expertise and credible information?

___ *PUBLIC RELATIONS*. Do CSOs publicize their activities or promote their public image? Have CSOs developed relationships with journalists to encourage positive coverage?

___ *SELF-REGULATION*. Have CSOs adopted a code of ethics or tried to demonstrate transparency in their operations? Do leading CSOs publish annual reports?

V. RATINGS: A CLOSER LOOK

The following sections go into greater depth about the characteristics in each of the seven dimensions of the sector's development. These characteristics and stages are drawn from empirical observations of the sector's development in the region, rather than a causal theory of development. Given the decentralized nature of civil society, many contradictory developments may be taking place simultaneously. Therefore the characteristics of the seven dimensions are not considered as seven distinct steps of development. Instead, these characteristics

[9] Intermediary support organization (ISO): A place where CSOs can access training and technical support. ISOs may also provide grants. CSO resource center: A place where CSOs can access information and communications technology.

are clustered into three basic stages along a seven point scale: Sustainability Enhanced, Sustainability Evolving, and Sustainability Impeded. The Sustainability Enhanced stage, the highest level of sustainability and development, corresponds to a score between 1 and 3 points; the Sustainability Evolving stage corresponds to a score between 3.1 and 5 points; and the lowest level of development, the Sustainability Impeded stage, corresponds to a score of 5.1 to 7 points.

LEGAL ENVIRONMENT

Sustainability Enhanced (1-3): The legislative and regulatory framework makes special provisions for the needs of NGOs or gives not-for-profit organizations special advantages such as: significant tax deductions for business or individual contributions, significant tax exemptions for NGOs, open competition among NGOs to provide government-funded services, etc. Legal reform efforts at this point are primarily a local NGO advocacy effort to reform or fine-tune taxation laws, procurement processes, etc. Local and comparative expertise on the NGO legal framework exists, and legal services and materials are available.

Sustainability Evolving (3.1-5): NGOs have little trouble registering and do not suffer from state harassment. They are permitted to engage in a broad range of activities, although taxation provisions, procurement procedures, etc. may inhibit NGO operations and development. Programs seek to reform or clarify existing NGO legislation, to allow NGOs to engage in revenue raising and commercial activities, to allow national or local governments to privatize the provision of selected government services, to address basic tax and fiscal issues for NGOs, etc. The local NGO community understands the need to coalesce and advocate for legal reforms benefiting the NGO sector as a whole. A core of local lawyers begin to specialize in NGO law by providing legal services to local NGOs, advising the NGO community on needed legal reforms, crafting draft legislation, etc.

Sustainability Impeded (5.1-7): The legal environment severely restricts the ability of NGOs to register and/or operate, either through the absence of legal provisions, the confusing or restrictive nature of legal provisions (and/or their implementation), or government hostility towards and harassment of NGOs.

ORGANIZATIONAL CAPACITY

Sustainability Enhanced (1-3): Several transparently governed and capably managed NGOs exist across a variety of sectors. A majority of organizations have clearly defined mission statements, and many NGOs utilize strategic planning techniques. Boards of directors exist, and there is a clear distinction between the responsibilities of board members and staff. NGOs have permanent well-trained staff, and volunteers are widely utilized. Most NGOs have relatively modern equipment that allows them to do their work efficiently. Leading NGOs have successfully developed strong local constituencies.

Sustainability Evolving (3.1-5): Individual NGOs demonstrate enhanced capacity to govern themselves and organize their work. Some individual NGOs maintain full-time staff members and boast an orderly division of labor between board members and staff. NGOs have access to basic office equipment, including computers and fax machines. While these efforts may not have reached fruition yet, leading NGOs understand the need and are making an effort to develop local constituencies.

Sustainability Impeded (5.1-7): NGOs are essentially "one-man shows," completely dependent upon the personality of one or two major figures. They often split apart due to personality clashes. NGOs lack a clearly defined sense of mission. At this stage, NGOs reflect little or no understanding of strategic planning or program formulation. Organizations rarely have a board of directors, by-laws, staff, or more than a handful of active members. NGOs have no understanding of the value or need of developing local constituencies for their work.

FINANCIAL VIABILITY

Sustainability Enhanced (1-3): A critical mass of NGOs have sound financial management systems in place, including independent audits and the publication of annual reports with financial statements, to win potential donors' confidence. NGOs raise a significant percentage of their funding from local sources, including government, corporate and individual philanthropy, and earned income. Most NGOs have multiple sources of

funding, which allow them to remain viable in the short term. A growing economy makes growth in domestic giving possible.

Sustainability Evolving (3.1-5): NGOs pioneer different approaches to financial independence and viability. While still largely dependent on foreign donors, individual NGOs experiment with raising revenues through providing services, winning contracts and grants from municipalities and ministries to provide services, or attempting to attract dues-paying members or domestic donors. However, a depressed local economy may hamper efforts to raise funds from local sources. Training programs address financial management issues and NGOs begin to understand the importance of transparency and accountability from a fundraising perspective, although they may be unable to fully implement transparency measures.

Sustainability Impeded (5.1-7): New NGOs survive from grant to grant and/or depend financially on one foreign sponsor. While many NGOs are created in the hopes of receiving funding, most are largely inactive after attempts to win foreign donor funding fail. Local sources of funding are virtually nonexistent, in part due to a depressed local economy. NGOs have no financial management systems and do not understand the need for financial transparency or accountability.

ADVOCACY

Sustainability Enhanced (1-3): The NGO sector demonstrates the ability and capacity to respond to changing needs, issues and interests of the community and country. As NGOs secure their institutional and political base, they begin to 1) form coalitions to pursue issues of common interest, including NGO legislation; 2) monitor and lobby political parties; and 3) monitor and lobby legislatures and executive bodies. NGOs demonstrate the ability to mobilize citizens and other organizations to respond to changing needs, issues, and interests. NGOs at this stage of development will review their strategies, and possess an ability to adapt and respond to challenges by sector. A prime motivator for cooperation is self-interest: NGOs may form alliances around shared issues confronting them as non-profit, non-governmental organizations.

Sustainability Evolving (3.1-5): Narrowly defined advocacy organizations emerge and become politically active in response to specific issues. Organizations at the evolving level of development may often present their concerns to inappropriate levels of government (local instead of national and vice versa). Weakness of the legislative branch might be revealed or incorrectly assumed, as activists choose to meet with executive branch officials instead ("where the power truly lies"). Beginnings of alternative policy analysis are found at universities and think tanks. Information sharing and networking within the NGO sector to inform and advocate its needs within the government begins to develop.

Sustainability Impeded (5.1-7): Broad umbrella movements, composed of activists concerned with a variety of sectors, and united in their opposition to the Government fall apart or disappear. Some countries at this stage have not even experienced any initial burst of activism. Economic concerns are predominant for most citizens. Passivity, cynicism, or fear exist within the general public. NGO activists are afraid to engage in dialogue with the government, feel inadequate to offer their views and/or do not believe the government will listen to their recommendations. NGOs do not understand the role that they can play in public policy or do not understand the concept of public policy.

SERVICE PROVISION

Sustainability Enhanced (1-3): Many NGOs provide a wide range of goods and services, which reflect community and/or local donor priorities. Many NGOs deliver products beyond basic social services in such sectors as economic development, environmental protection or democratic governance. NGOs in several sectors have developed a sufficiently strong knowledge of the market demand for their services, the ability of government to contract for the delivery of such services or other sources of funding including private donations, grants and fees, where allowed by law. A number of NGOs find it possible to cross-subsidize those goods and services for which full cost recovery is not viable with income earned from more lucrative goods and services, or with funds raised from other sources. Government bodies, primarily at the local level, recognize the abilities of NGOs and provide grants or contracts to enable them to provide various services.

Sustainability Evolving (3.1-5): The contribution of NGOs to covering the gap in social services is recognized by government, although this is only rarely accompanied by funding in the form of grants or contracts. NGOs recognize the need to charge fees for services and other products—such as publications and workshops—but even where legally allowed, such fees seldom cover their costs. While NGO-provided goods and services respond to community needs, needs are generally identified by foreign donors, or by NGOs in an unsystematic manner. The constituency for NGO expertise, reports and documents begins to expand beyond their own members and the poor to include other NGOs, academia, churches, and government.

Sustainability Impeded (5.1-7): A limited number of NGOs are capable of providing basic social services—such as health, education, relief, or housing—although at a low level of sophistication. Those that do provide such services receive few if any government subsidies or contracts. NGOs that produce publications, technical services or research do so only for their own members or donors. There are rarely attempts to charge fees for goods and services.

INFRASTRUCTURE

Sustainability Enhanced (1-3): NGO intermediary support organizations (ISOs) and/or NGO resource centers are active in all areas of the country and provide advanced training, informational services, legal support and advice, and philanthropic development activities. Efforts are underway to establish and endow community foundations, indigenous grant-making institutions, and/or organizations to coordinate local fundraising. A professional cadre of local experts, consultants and trainers in nonprofit management exists. NGOs recognize the value of training, although the lack of financial resources may remain a constraint to accessing locally provided training. Topics of available training cover: legal and tax issues for NGOs, accounting and bookkeeping, communication skills, volunteer management, media and public relations skills, sponsorship and fundraising. NGOs work together and share information through networks and coalitions. NGOs are beginning to develop intersectoral partnerships with business, government, and the media to achieve common objectives.

Sustainability Evolving (3.1-5): ISOs and resource centers are active in major population centers, and provide services such as distributing grants, publishing newsletters, maintaining a membership database, running a library of NGO literature, and providing basic training and consulting services. Other umbrella organizations and networks are beginning to be formed to facilitate networking and coordinate activities of groups of NGOs. Local trainers have the capacity to provide basic organizational training. Donors' fora are formed to coordinate the financial support of international donors, and to develop local corporate philanthropic activities. The value of intersectoral partnerships has not yet been realized.

Sustainability Impeded (5.1-7): There are few, if any, active ISOs or resource centers, networks and umbrella organizations. Those that do operate work primarily in the capital city and provide limited services such as access to computer equipment, faxes, e-mail and meeting space. Local training and NGO development capacity is extremely limited and undeveloped. Primarily programs of international donors provide training and technical assistance. There is no coordinated effort to develop philanthropic traditions, improve fundraising or establish community foundations. NGO efforts to work together are limited by a perception of competition for foreign donor support and mistrust of other organizations.

PUBLIC IMAGE

Sustainability Enhanced (1-3): This stage is characterized by growing public knowledge of and trust in NGOs, and increased rates of volunteerism. NGOs coalesce to mount campaigns to increase public trust. Widespread examples of good working relationships between NGOs and national and local governments exist, and can result in public-private initiatives or NGO advisory committees for city councils and ministries. Media covers the work of NGOs, and NGOs approach media and public relations in a professional manner. Increased accountability, transparency, and self-regulation exist within the NGO sector, including existence of a generally accepted code of ethics or a code of conduct.

Sustainability Evolving (3.1-5): The media does not tend to cover NGOs because it considers them weak and ineffective, or irrelevant. Individual NGOs realize the need to educate the public, to become more

transparent, and to seek out opportunities for media coverage, but do not have the skills to do so. As a result, the general population has little understanding of the role of NGOs in society. Individual local governments demonstrate strong working relationships with their local NGOs, as evidenced by their participation in advisory committees, consultations, public-private initiatives, and the funding of an occasional grant, but this is not yet widespread.

Sustainability Impeded (5.1-7): The public and/or government are uninformed or suspicious of NGOs as institutions. Most of the population does not understand the concept of "non-governmental" or "non-profit," including government officials, business leaders and journalists. Media coverage may be hostile, due to suspicion of a free but uninformed media, or due to the hostility of an authoritarian government-controlled media. Charges of treason may be issued against NGOs. Due to a hostile atmosphere caused by an authoritarian government, if individuals or businesses donate to NGOs at all, they do so anonymously.

ANNEX B: CSOSI 2015 STATISTICAL DATA FOR ASIA

COUNTRY	CSO Sustainability	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Infrastructure	Public Image
Bangladesh	**3.5**	**4.0**	**3.2**	**4.1**	**3.1**	**3.1**	**3.5**	**3.4**
Cambodia	**4.3**	**4.3**	**3.8**	**5.0**	**4.4**	**4.1**	**4.2**	**4.1**
Indonesia	**4.1**	**4.3**	**3.8**	**4.5**	**3.6**	**3.9**	**4.3**	**4.3**
Nepal	**4.4**	**4.1**	**4.5**	**4.7**	**4.0**	**4.2**	**4.6**	**4.6**
Philippines	**3.3**	**3.3**	**3.4**	**4.1**	**3.0**	**3.0**	**2.9**	**3.2**
Sri Lanka	**4.5**	**4.0**	**4.6**	**5.4**	**3.9**	**4.5**	**4.8**	**4.3**
Thailand	**4.7**	**5.1**	**4.0**	**5.1**	**4.8**	**4.4**	**4.7**	**4.9**
Average	**4.1**	**4.2**	**3.9**	**4.7**	**3.8**	**3.9**	**4.1**	**4.1**

COUNTRIES RANKED BY 2015 SCORES

CSO SUSTAINABILITY

SUSTAINABILITY ENHANCED		
SUSTAINABILITY EVOLVING		
	Rank	Score
Philippines	1	3.3
Bangladesh	2	3.5
Indonesia	3	4.1
Cambodia	4	4.3
Nepal	5	4.4
Sri Lanka	6	4.5
Thailand	7	4.7
SUSTAINABILITY IMPEDED		

LEGAL ENVIRONMENT

SUSTAINABILITY ENHANCED	
SUSTAINABILITY EVOLVING	
Philippines	3.3
Bangladesh	4.0
Sri Lanka	4.0
Nepal	4.1
Cambodia	4.3
Indonesia	4.3
SUSTAINABILITY IMPEDED	
Thailand	5.1

ORGANIZATIONAL CAPACITY

SUSTAINABILITY ENHANCED	
SUSTAINABILITY EVOLVING	
Bangladesh	3.2
Philippines	3.4
Cambodia	3.8
Indonesia	3.8
Thailand	4.0
Nepal	4.5
Sri Lanka	4.6
SUSTAINABILITY IMPEDED	

FINANCIAL VIABILITY

SUSTAINABILITY ENHANCED	
SUSTAINABILITY EVOLVING	
Bangladesh	4.1
Philippines	4.1
Indonesia	4.5
Nepal	4.7
Cambodia	5.0
SUSTAINABILITY IMPEDED	
Thailand	5.1
Sri Lanka	5.4

ADVOCACY

SUSTAINABILITY ENHANCED	
Philippines	3.0
SUSTAINABILITY EVOLVING	
Bangladesh	3.1
Indonesia	3.6
Sri Lanka	3.9
Nepal	4.0
Cambodia	4.4
Thailand	4.8
SUSTAINABILITY IMPEDED	

SERVICE PROVISION

SUSTAINABILITY ENHANCED	
Philippines	3.0
SUSTAINABILITY EVOLVING	
Bangladesh	3.1
Indonesia	3.9
Cambodia	4.1
Nepal	4.2
Thailand	4.4
Sri Lanka	4.5
SUSTAINABILITY IMPEDED	

INFRASTRUCTURE

SUSTAINABILITY ENHANCED	
Philippines	2.9
SUSTAINABILITY EVOLVING	
Bangladesh	3.5
Cambodia	4.2
Indonesia	4.3
Nepal	4.6
Thailand	4.7
Sri Lanka	4.8
SUSTAINABILITY IMPEDED	

PUBLIC IMAGE

SUSTAINABILITY ENHANCED	
SUSTAINABILITY EVOLVING	
Philippines	3.2
Bangladesh	3.4
Cambodia	4.1
Indonesia	4.3
Sri Lanka	4.3
Nepal	4.6
Thailand	4.9
SUSTAINABILITY IMPEDED	

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov