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# 2011 CSO SUSTAINABILITY INDEX

## FOR AFGHANISTAN



Cover Photo: Workshop on fighting corruption conducted by civil society group in Nangarhar province, Afghanistan, with support of the Assistance for Afghanistan's Anti-Corruption Authority (A4) project sponsored by the U.S. Agency for International Development.

# **The 2011 CSO Sustainability Index for Afghanistan**

**Developed by:  
United States Agency for International Development**

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## INTRODUCTION

The 2011 CSO Sustainability Index for Afghanistan reports on the sustainability of the civil society sector in Afghanistan based on the assessment of local civil society representatives and experts. The CSO Sustainability Index is an important and unique tool for local civil society organizations (CSOs), governments, donors, academics, and others to understand and measure the sustainability of the CSO sector. This publication complements other editions of the Sustainability Index which cover sixty countries in Central and Eastern Europe and Eurasia, Sub-Saharan Africa, and the Middle East and North Africa, and Pakistan.

This Index uses the same methodology as that of other editions of the Sustainability Index, with the addition of regional panels of experts to reflect the diversity of this large country. In Afghanistan, the regional expert panels assessed the CSO sector in terms of seven interrelated dimensions: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. The dimension scores were averaged to produce a preliminary CSO sustainability score for the region. The national level panel then followed the same methodology to arrive at a national score. The regional level scores were not averaged to create a national level score, but served as data that the national panel considered in its deliberations. Based on the expert panels' discussions as well as its' own knowledge of the sector, the implementing partner then drafted a narrative report that describes CSO sector sustainability, both overall and for each dimension. An Editorial Committee of technical and regional experts reviewed the country report and scores. More detail about the methodology used to determine scores is provided in the Annex, and at [http://transition.usaid.gov/our\\_work/democracy\\_and\\_governance/technical\\_areas/civil\\_society/angosi/](http://transition.usaid.gov/our_work/democracy_and_governance/technical_areas/civil_society/angosi/).

The scores and narrative report provided in this inaugural edition of the CSO Sustainability Index for Afghanistan can serve as a baseline for future studies, providing context and a basis to track advances and setbacks in the CSO sector's development.

This publication would not have been possible without the valuable contributions of many individuals and organizations. In particular, this publication was made possible by the financial support provided by the Aga Khan Foundation. In addition, the knowledge, observations, and contributions of the many civil society experts, practitioners, and donors who participated in the panels are the foundation upon which this CSO Sustainability Index is based. Specific acknowledgements appear on the following page.

# ACKNOWLEDGEMENTS

## Local Partner

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### **Afghan Civil Society Forum Organization**

Aziz Rafiee  
Hanifullah Wais  
Sharif Sharafat  
Sohrab Zadran

## Project Managers

---

### **Management Systems International, Inc.**

Gwendolyn G. Bevis  
Maria Osorio

### **The International Center for Not-for-Profit Law**

Catherine Shea  
Jennifer Stuart  
Aparna Ravi

## Editorial Committee

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**USAID:** Julie Browning, Claire Ehmann, Edward Gonzalez, Eric Picard

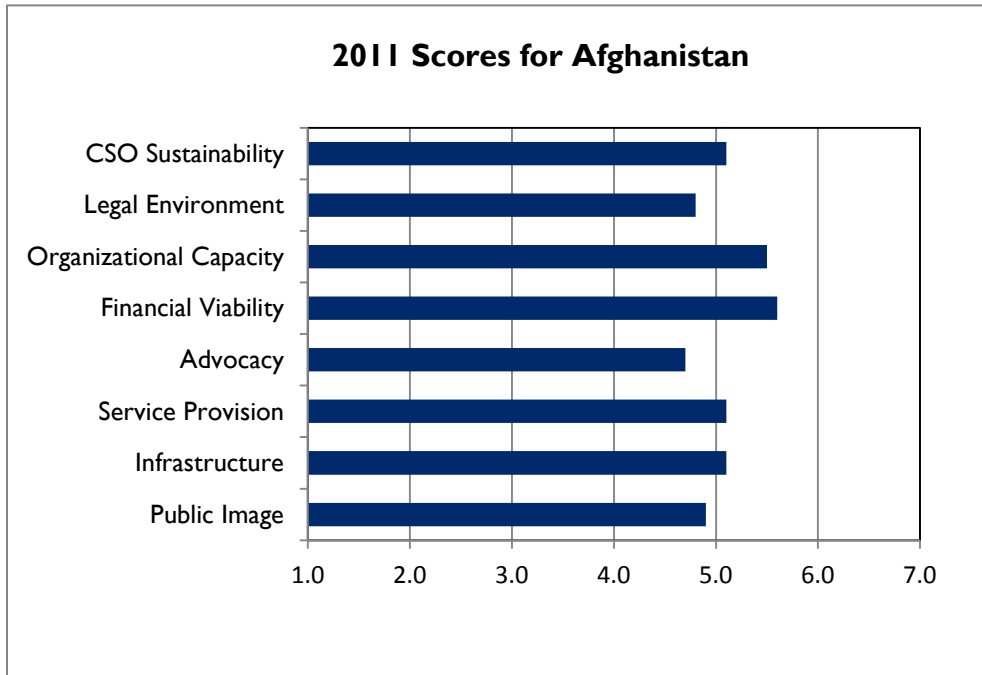
**Aga Khan Foundation:** Natalie Ross

**ICNL:** David Moore, Catherine Shea

**MSI:** Gwendolyn G. Bevis

**Country Expert:** Baryalai Hakimi

# AFGHANISTAN



**Capital:** Kabul

**Government Type:** Islamic republic

**Population:** 30,419,928

**GDP per capita (PPP):** \$1,000

**Human Development Index:** 172\*

## CSO SUSTAINABILITY: 5.1

CSOs in Afghanistan operate in a difficult environment. The Afghan government has little control over significant parts of the country; much of the South and East in particular continues to suffer from armed conflicts, and other areas of the country are isolated geographically.

Civil society plays a nascent role in the democratic process in Afghanistan. Still active and important, unregistered community-based shuras (councils) and jirgas (tribal assemblies of elders) form the historical base of modern civil society in Afghanistan. Public understanding of the role of civil society is low, and people often confuse the work of CSOs, the government, the private sector, and donors. The Afghan government still does not view CSOs as reliable sources of information and expertise, and does not fully accept the role of civil society as a watchdog. In addition, CSOs are still developing the relevant expertise to perform this role. Nonetheless, CSOs regularly establish coalitions that engage in joint lobbying efforts on major issues and laws. CSOs are largely dependent on foreign funding, and local sources of support for the sector are underdeveloped.

Afghanistan's legal system has undergone numerous changes since 2002, with profound consequences for civil society. In November 2002, the transitional government adopted the Law on Social Organizations (SOs). In January 2004, a new constitution was adopted that ensured greater rights and more freedom. In June 2005, President Karzai signed a new Law on Non-Governmental Organizations (NGO Law). The Law replaced the Regulation for the Activities of National and Foreign NGOs in Afghanistan (NGO Regulation), enacted in

\* Capital, government type, population (July 2012 est.), and GDP per capita (2011 est.) drawn from the Central Intelligence Agency, The World Factbook, available online at <https://www.cia.gov/library/publications/the-world-factbook/>. 2011 Human Development Index ranking from <http://hdr.undp.org/en/statistics/>.

2000 by the Taliban regime. Since the new laws have come into effect, the number of registered CSOs has increased significantly. According to official figures, there are now 1,707 NGOs and 3,022 SOs registered with the government.

## **LEGAL ENVIRONMENT: 4.8**

CSOs in Afghanistan are governed by the NGO Law and the SO Law. NGOs register with the Ministry of Economy, while SOs register with the Ministry of Justice, and the Ministry of Information and Culture or Ministry of Women's Affairs provides organizations with approval to work within specific sectors. Registration for both NGOs and SOs is centralized and must be completed in Kabul. As a result, CSOs based in the provinces must travel to the capital to register, which is both time-consuming and costly.

The NGO Law (Article 17.2) stipulates that the Commission reviews CSOs' applications within 15 days of submission, but the number of ministries involved complicates and prolongs the registration process because it is difficult to get all parties to attend the meeting to finalize and approve registration documents. While the participation of multiple ministries may help to guard against bias in the process, the complexity and slowness may also offer a temptation to engage in corruption to speed the process. Moreover, the name of an NGO must end with the word "organization," and there is relatively little understanding about NGOs within the ministries. In contrast, the registration process for SOs has fewer administrative requirements, although registration requires ten founding members. Traditional shuras and jirgas are not governed by any specific written laws.

The NGO Law provides a clear process and conditions for the dissolution of an NGO, including as a consequence for not providing timely reports and other failures to comply with the Law. The Ministry of Economy regularly announces the dissolution of NGOs that have failed to submit activity reports for two consecutive years, following the approval of the High Evaluation Commission, National Security Administration and civil society coordinating bodies, based on the NGO Law (Article 35). Since late 2001, according to the Ministry of Economy, 1,715 Afghan and 301 foreign NGOs have been liquidated for not complying with the Law, including 108 NGOs in 2011. Some CSOs have expressed concern that some organizations may be dissolved for political reasons. However, the Agency Coordinating Body for Afghan Relief (ACBAR), which works with aid agencies and international donors to coordinate humanitarian assistance in Afghanistan, welcomed the decisions and claimed the closed NGOs were ineffective and their closures would have no adverse effects in Afghanistan.

A 2005 decision by the Cabinet of Ministers prohibits SOs from receiving foreign funding. Because of this restriction, those organizations that wish to receive large foreign grants generally register as NGOs, which are permitted to receive foreign funds, and many organizations have changed their registrations from SO to NGO or maintain dual registrations. Many SOs continue to receive foreign funds in spite of the prohibition. NGOs and SOs are both prohibited from engaging in political activities, and have limited authority to undertake some financial activities, including import, export, and the provision of loans. The NGO Law expressly allows NGOs to engage in economic activities, while the Law on Social Organizations remains silent on this issue. According to the NGO Law, NGOs are permitted to compete for government funded projects. The NGO Law stipulates that NGOs shall not participate in construction projects and contracts; however, in exceptional cases, the Ministry of Economy may issue special permission at the request of the Chief of the Diplomatic Agency of the donor country (Article 8.8).

Afghanistan's Income Tax Law defines a category of tax-exempt organizations that are organized and operated exclusively for educational, cultural, literary, scientific, or charitable purposes. Both SOs and NGOs can apply for exemption with the Ministry of Finance. Tax-exempt organizations do not pay taxes on the contributions or income they receive. Individual and corporate donors do not receive any tax incentives for making cash or in-kind contributions to CSOs in Afghanistan. CSOs do not pay customs duties on the importation of goods "provided for government projects funded by loans or imported into the country by or



for public and private foreign and international relief and development agencies approved by the government.”

CSOs report feeling harassed by the government in different ways. Sometimes this is due to government employees’ ignorance of legal provisions, but corruption is also a significant problem. For example, government officials sometimes seek payment of taxes from CSOs that they are not obligated to pay, as was reported by Herat CSOs. In some cases, Ministry of Economy staff threaten CSOs if they refuse to pay these taxes, for instance, by rejecting visas for foreign employees. In addition, there were reports that the National Security Department exceeded its legal authority by asking CSOs in Balkh province in the north of the country for information and reports; similar incidents were reported in Samangan province.

The Agency Coordinating Body for Afghan Relief (ACBAR) provides limited legal services, advice, and guidance to CSOs, but there is a lack of widely available legal services aimed at CSOs in Afghanistan.

## **ORGANIZATIONAL CAPACITY: 5.5**

Organizational capacity tends to be stronger in Kabul and other main cities than in smaller cities and rural areas as a result of the concentration of donor funding and qualified individuals with university degrees. A limited number of CSOs have been exposed to organizational development and strategic planning efforts over the past few years, but organizational capacity is still insufficient to allow CSOs to have meaningful impact. Donors have not fully implemented measures to strengthen civil society at the grassroots level; thus most employees of community-based organizations do not fully understand the process or importance of strategic planning. Most CSOs have missions, but only present them clearly when applying for grants.

The capacity of unregistered organizations and informal groups is weak. Most of these operate in remote areas with limited access to facilities and resources. In addition, because they are unregistered, they are often over-looked by service providers.

Few CSOs undertake surveys and needs assessments when implementing projects because donors often fund projects that they have already designed. CSOs are capable of identifying their constituents’ needs, but do not have funds to do so and are not always effective at delivering results. CSOs have tried to build local constituencies, but these efforts are not always successful. One of the obstacles to building local constituencies is that many CSOs’ project locations are determined by their donors. This funding is often short-term and inconsistent, preventing CSOs from focusing their efforts and building long term relationships with local constituencies over time. For some CSOs, these challenges are linked to a lack of strategic planning and resource mobilization skills.

Many CSOs have defined administrative structures on paper in order to attract donors, but lack active and strategic leadership and supervision. At the local level, few organizations have clear internal management systems. Boards of directors frequently fail to exercise appropriate oversight over organizational finances, a practice that is exacerbated by the fact that many board members live in other countries.

Most CSOs hire employees on a project basis; only a few organizations retain permanent staff members. Most organizations do not have human resource policies. CSOs have few resources available to invest in and educate their staff. CSOs generally lack professional staff, such as accountants, lawyers, and information technology specialists, although the situation is somewhat better in Kabul. While CSOs, donors, and the government all focus on gender issues, CSOs sometimes find it difficult to achieve appropriate gender balance within their staff. There are few qualified female staff available and women are generally unable to work outside of cities without being accompanied by male family members. In some areas, particularly in villages, traditional culture does not allow women to work outside the home.

The sense of voluntarism in Afghan society is eroding, and many people only work with CSOs because they are paid. In part, voluntarism is weak because of the abundance of assistance, which makes remuneration

readily available for any kind of work. For example, while villagers previously volunteered to construct canals and irrigation systems, CSOs now pay them to do this work.

Only the limited number of CSOs that receive donor support have modern technical equipment and software.

## **FINANCIAL VIABILITY: 5.6**

Afghan CSOs have weak financial viability. CSOs have been unable to garner local sources of financial support and many CSOs would stop functioning if the international community discontinued its support. Foreign donors concentrate their efforts in Kabul and other big cities and make few resources available at the local level and in remote areas. Donors prefer to award grants directly, and generally specify the nature and geographic focus of projects they will support, thereby limiting CSOs' flexibility to respond to community needs.

Donor support is generally project-based and most CSOs have been unable to cultivate donors that will support them over the long-term. Communities do not always provide CSOs with sufficient support or volunteers. Zakat and other forms of faith-based support are still undeveloped in Afghanistan. The private sector is generally uninterested in providing humanitarian support to needy people or to CSOs that could deliver such services.

CSOs have weak capacities to earn income. Because of the availability of foreign funds, most CSOs do not even think about initiatives that would allow them to finance themselves. In addition, the vast majority of CSOs lack the knowledge and skills necessary to initiate such activities. Only a few organizations generate revenue through the provision of educational services. Umbrella organizations do not have proper systems in place to collect dues from their members effectively. In addition, many CSOs find it difficult to pay membership fees to umbrella organizations regularly.

Only big CSOs that receive significant foreign funding have proper financial management systems in place and operate somewhat transparently. Other CSOs find it difficult to update their financial management systems or conduct audits due to a lack of resources. Transparency is a serious problem in the sector. Organizations registered with the Ministry of Economy submit required financial reports to some extent. In addition, some CSOs have been known to present fake bills to donors for expenses they have not incurred.

## **ADVOCACY: 4.7**

Afghanistan has a centralized system of government; therefore CSO advocacy efforts focus at the national level, but impact the local level as well. CSOs do not have a direct line of communication with the government and have not yet developed many strong partnerships or strategic relationships with the government. The government does not regularly and systematically work with CSOs and lacks a clear mechanism to engage CSOs in the policy making process. One positive example of growing engagement between CSOs and central government institutions is the increasing role civil society is playing in oversight by parliament, particularly with respect to budget matters. Shuras, ulemas (Muslim legal scholars who are the arbiters of sharia law), and tribal elders often help create linkages between the government, community, and CSOs. In some cases, CSOs themselves do not properly understand their roles and responsibilities in terms of advocacy. Additionally, neither civil society nor the government has the capacity needed to engage in joint activities.

Although CSOs do not generally cooperate or coordinate with the national government, some organizations effectively coordinate their work with the local government. For example, a children's rights organization works with the local government in Jalalabad on educational rights and on violence against children, and with

the Education department in Nangrahar province on the issue of violence against children. CSOs in Herat have worked alongside the Herat Peace Council and loya jirga to end conflicts.

Despite these obstacles, in 2011 CSOs successfully joined together to draft and advocate for the law for elimination of violence against women, the family law, and the law on access to information. In the past, CSOs have also campaigned for the law for persons with disabilities, the Shi'ah (Shiite) personal status law, the NGO Law, and the Media Law. CSO coalitions also worked on major local and national issues in 2011, including transitional justice, anti-corruption efforts, the peace and reconciliation process, and the second Bonn conference, an international conference held in December 2011 to discuss the conclusion to the Afghan War and develop a strategy to transition security responsibilities to the Afghan Government.

Some CSOs work with the government to develop a sound legal framework to govern the sector. However, in general, civil society has a weak understanding of its duties and responsibilities, which undermines efforts to advocate for the legal changes needed to strengthen the sector.

## **SERVICE PROVISION: 5.1**

CSOs across the country provide services in the fields of agriculture, health, education, and some small-scale construction services. In urban areas, CSOs also work in the areas of capacity building, good governance, empowerment, and civic education. Jirgas and shuras provide decision-making and conflict resolution services in the community. They also help CSOs and the government to address community priorities and sometimes facilitate the implementation of projects. CSOs are not significantly involved in economic development. CSOs are not yet involved in issues related to natural resources, including mining.

CSO services are not very well-coordinated. CSOs lack proper mechanisms to coordinate their activities in order to avoid duplication of efforts and increase the effectiveness of their work. Due to security concerns and the remoteness of some target groups, services are not provided equally to all constituents.

CSOs lack funds to identify community priorities properly. Instead, CSO services are based on donor demand and most CSOs will implement any project for which they can receive funding. Despite this, CSO efforts generally improve peoples' lives, even if they do not address communities' top priorities.

Some CSOs distributed various printed materials, such as training manuals, on topics including advocacy methods, conflict transformation, peace building, gender, women's rights, children's rights, citizen rights, human rights, rule of law, CEDAW and EVAW, to government entities and the public for free. In addition, some CSOs have shared their expertise related to the peace process, drafting laws, and democratic processes with the government and others. Examples include training workshops on community policing, management and leadership, human rights, and other capacity building topics.

Few CSOs earn income from the services that they provide, and the majority of CSOs lack a clear understanding of cost recovery principles, including beneficiaries' demand for services and their ability to pay for services.

The national government often does not recognize the importance of civil society in social service delivery and only provides financial support for CSOs in rare cases, despite donor pressure to do so. At times, the government views CSOs as competitors for donor funds and pressures donors to allocate the majority of their support to the government. On the other hand, local governments are more likely to recognize the role and importance of civil society, and some national ministries have worked with CSOs to deliver national programs, including in health, education, and through the National Solidarity Program (NSP).

## **INFRASTRUCTURE: 5.1**

In some provinces, organizations such as Counterpart International have supported a network of 19 Afghan NGO resource centers under the Initiative to Promote Afghan Civil Society (IPACS), and ACBAR founded the Resource and Information Center (ARIC), now The Afghanistan Centre at Kabul University (ACKU). The resource centers provide limited training in financial management, proposal and report writing, and gender issues. CSOs also have access to training in program administration and IT. The Aga Khan Foundation has been working to develop the capacities of twenty-five local organizations through comprehensive capacity building plans. However, these initiatives do not generate income and are unable to provide adequate capacity building services to local CSOs.

There are no university-based training programs for CSOs. Some CSOs have training facilities and foreign trainers that allow them to offer training programs to individuals, government entities, and other CSOs in issues such as good governance, democracy, women's and children's rights, proposal and report writing, management, and civic education. However, these training interventions also tend to be very short in duration.

No local organizations provide grants to CSOs with local funding, although some are involved in limited re-granting activities with international donor funds.

Some CSOs have developed coalitions and coordinating bodies, including ACBAR, the Afghan NGOs Coordination Bureau (ANCB), the Southern and Western Afghanistan and Balochistan Association for Coordination (SWABAC), the Afghan Civil Society Forum-organization (ACSFo), the Civil Society and Human Rights Network (CSHRN), and the Afghan Women's Network (AWN). Most well-known CSOs are registered with these coordination bodies, which cover all provinces of Afghanistan. However, coordination is inadequate, and CSOs sometimes implement duplicative projects. There is no single sector-wide coalition through which the CSO sector promotes its joint interests.

Only a few CSOs are involved in inter-sectoral partnerships with the government and other sectors. For example, AWN works closely with the Ministry of Women's Affairs.

## **PUBLIC IMAGE: 4.9**

The media is primarily concerned with political issues, only paying marginal attention to CSO programs. Positive media coverage in some areas, including Herat, is only provided in return for payment.

Civil society has been unable to create a strong public image to date. CSOs produce and print brochures and magazines but are unable to disseminate them widely due to a lack of funding. A limited number of CSOs advertise their programs through TV, radio, and websites because there is very little difference in cost between a commercial advertisement and a public service announcement (PSA).

In general, the public does not have a clear understanding of CSOs, and often has trouble distinguishing civil society from local businesses. Despite this, public perception of the sector is somewhat positive, mainly because of CSOs' role in drafting and advocating for laws and civic education around the elections.

The government rarely relies on CSOs as a source of information or expertise, and it has been publicly critical of CSOs use of donor funding and its achievements to date. This criticism, in part motivated by competition over international assistance funds, has continued to fuel a negative image of CSOs. The private sector and most local governments do not sufficiently trust civil society, although CSOs in Nangarhar report that the private sector has a positive image of civil society, as a result of CSOs' efforts to involve people in project design and implementation.

Most foreign-funded NGOs prepare annual reports. In addition, all registered NGOs and SOs have to provide semi-annual and annual reports to the Ministry of Economy, or else they will be dissolved. CSOs have developed a code of conduct. ACBAR published “The Code of Conduct for NGOs in Afghanistan”<sup>†</sup> in 2007 and efforts are being made to expand its application throughout the sector, as well as to increase transparency in their daily work.

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<sup>†</sup> <https://www.acbar.org/publi.aspx>

# ANNEX: CSO SUSTAINABILITY INDEX METHODOLOGY FOR AFGHANISTAN

## I. OVERVIEW

The 2011 CSO Sustainability Index for Afghanistan was developed in close cooperation with local CSOs. A local implementing partner convened expert panels in regional centers and in the national capital, each consisting of at least eight representatives of a diverse group of CSOs and related experts, to assess the sector in each of seven dimensions. As developed by the U.S. Agency for International Development (USAID), the Index is built up from indicators for each dimension. The regional level panels discussed and scored each indicator of a dimension, averaging these together for a preliminary regional dimension score. Dimension scores were averaged together for a preliminary regional score for CSO sustainability. The implementing partner then convened a national level panel to arrive at national level scores, following the same methodology. The regional level scores were not averaged to create a national level score, but served as important data – along with other data the national level panel had access to – that assisted the national panel in arriving at sound national scores. The implementing partner drafted a country report based on the expert panels’ discussions, as well as its own knowledge of the sector.

An Editorial Committee, made up of specialists on civil society in the region and the Index methodology from the Aga Khan Foundation (AKF), USAID, Management Systems International (MSI), and the International Center for Not-for-Profit Law (ICNL), and a regional expert, reviewed the narrative and scores to ensure that scores were adequately supported by the narrative’s information and that they accurately reflected the state of CSO sector development. The Editorial Committee further considered the country’s proposed scores in relation to the scores of other countries, to ensure comparability of scores within and across regions. In some cases, the Editorial Committee recommended adjustments to the proposed scores. The Editorial Committee also raised points for clarification and requested additional information necessary to complete the report. The project editor edited the report and sent it, along with the score recommendations and requests, to the implementing partner for comment and revision.

Where the implementing partner disagreed with the Editorial Committee’s score recommendations and/or narrative, it had a chance to revise its narrative to better justify the proposed scores. The Editorial Committee made final decisions on the scores and narrative.

The instructions provided to the implementing partners and a description of the methodology can be found below. Details on the standard CSOSI methodology, ratings and questionnaire used by the expert panels can be found at

[http://transition.usaid.gov/our\\_work/democracy\\_and\\_governance/technical\\_areas/civil\\_society/angosi/](http://transition.usaid.gov/our_work/democracy_and_governance/technical_areas/civil_society/angosi/).

## II. DIMENSIONS OF CSO SUSTAINABILITY AND RATINGS: A CLOSER LOOK

The CSO Sustainability Index measures the strength and overall viability of civil society sectors. The Index is not intended to gauge the sustainability of individual CSOs, but to fairly evaluate the overall level of development of the CSO sector as a whole. The CSO Sustainability Index defines civil society broadly, as follows:

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.

The Index measures CSO sustainability based on seven dimensions: legal environment; organizational capacity; financial viability; advocacy; service provision; infrastructure and public image. Each of the seven dimensions is rated along a seven-point scale. The following section goes 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.

## **LEGAL ENVIRONMENT**

For a CSO sector to be sustainable, the legal and regulatory environment should support the needs of CSOs. It should facilitate new entrants, help prevent governmental interference, and give CSOs the necessary legal basis to engage in appropriate fundraising activities and legitimate income-producing ventures. Factors shaping the legal environment include the ease of registration; legal rights and conditions regulating CSOs; and the degree to which laws and regulations regarding taxation, procurement, and other issues benefit or deter CSOs' effectiveness and viability. The extent to which government officials, CSO representatives, and private lawyers have the legal knowledge and experience to work within and improve the legal and regulatory environment for CSOs is also examined.

## **ORGANIZATIONAL CAPACITY**

A sustainable CSO sector will contain a critical mass of CSOs that are transparently governed and publicly accountable, capably managed, and that exhibit essential organizational skills. The organizational capacity dimension of the Index addresses the sector's ability to engage in constituency building and strategic planning, as well as internal management and staffing practices within CSOs. Finally, this dimension looks at the technical resources CSOs have available for their work.

## **FINANCIAL VIABILITY**

A critical mass of CSOs must be financially viable, and the economy must be robust enough to support CSO self-financing efforts and generate philanthropic donations from local sources. For many CSOs, financial viability may be equally dependent upon the availability of and their ability to compete for international donor support funds. Factors influencing the financial viability of the CSO sector include the state of the economy, the extent to which philanthropy and volunteerism are being nurtured in the local culture, as well as the extent to which government procurement and commercial revenue raising opportunities are being developed. The sophistication and prevalence of fundraising and strong financial management skills are also considered.

## **ADVOCACY**

The political and advocacy environment must support the formation of coalitions and networks, and offer CSOs the means to communicate their messages through the media to the broader public, articulate their demands to government officials, and monitor government actions to ensure accountability. The advocacy dimension looks at CSOs' record in influencing public policy. The prevalence of advocacy in different sectors, at different levels of government, as well as with the private sector is analyzed. The extent to which coalitions of CSOs have been formed around issues is considered, as well as whether CSOs monitor party platforms and government performance.



## SERVICE PROVISION

Sectoral sustainability will require a critical mass of CSOs that can efficiently provide services that consistently meet the needs, priorities, and expectations of their constituents. The service provision dimension examines the range of goods and services CSOs provide and how responsive these services are to community needs and priorities. The extent to which CSOs recover costs and receive recognition and support from the government for these services is also considered.

## INFRASTRUCTURE

A strong sectoral infrastructure is necessary that can provide CSOs with broad access to local CSO support services. Intermediary support organizations (ISOs) providing these services must be able to inform, train, and advise other CSOs; and provide access to CSO networks and coalitions that share information and pursue issues of common interest. The prevalence and effectiveness of CSO partnerships with local business, government, and the media are also examined.

## PUBLIC IMAGE

For the sector to be sustainable, government, the business sector, and communities should have a positive public image of CSOs, including a broad understanding and appreciation of the role that CSOs play in society. Public awareness and credibility directly affect CSOs' ability to recruit members and volunteers, and encourage indigenous donors. The public image dimension looks at the extent and nature of the media's coverage of CSOs, the awareness and willingness of government officials to engage CSOs, as well as the public's knowledge and perception of the sector as a whole. CSOs' public relations and self-regulation efforts are also considered.

## III. METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed to assemble the expert panels that will meet in person to discuss the status of civil society over the reporting year, determine scores, and provide qualitative data for the country report for the 2011 CSO Sustainability Index. This is the first year of conducting the CSO Sustainability Index for Afghanistan, and it will cover the period of January 1, 2011 to December 31, 2011.

Panels will be assembled at both the national and regional levels to enable the report to cover both the country as a whole and regional variations in the sustainability of CSOs. The boundaries of regions will be determined by the partner in consultation with MSI. They should be based on widely accepted usage; how the CSOSI funders (the Aga Khan Foundation and, in other regions, the U.S. Agency for International Development) define regions in your country; major geographical divides; and major socio-political differences. One region will be the capital and environs. The partner will submit an explanation for its designation of regions and the representation of the regions on the panels to MSI as part of the workplan. The partner should also assemble a national panel of up to 8 experts to review the regional scores and their aggregation, and determine final national level scores.

The basic methodology is as follows:

**1. Carefully select a group of 6-8 representatives of civil society for each region, including the capital region, and for the national level.** Each panel should include a diverse range of civil society organizations including the following types:

- Local CSO support centers, resource centers or intermediary civil society 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.

We recommend that at least 70% of the Expert Panels be nationals. CSOs represented on the panel can be focused on advocacy or social service delivery. To the extent possible, CSOs should represent both rural and urban parts of the country. They could include: women’s groups, minority populations, and marginalized groups and sub-sectors such as women’s rights, community-based development, civic education, micro-finance, environment, human rights, youth, etc. The panel should include equal representation of men and women. If the implementer believes that this will not be possible please explain why in a note submitted to MSI. In some instances, it may be appropriate to select a larger group in order to reflect the diversity and breadth of the sector. 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 representatives who are based far from the meeting place.

The Aga Khan Foundation, as the funder of this exercise, should be invited to attend all of the panel meetings. AKF may ask that you also invite a representative of USAID.

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

We recommend distributing the instructions and rating description documents to the members of the Expert Panels a *minimum* of *three days* before convening the panels so that they may develop their initial scores for each indicator before meeting with the other panel members.

**3. Convene the meetings of the CSO Expert Panels, concluding all regional level meetings before the national level meeting.**

**4. At the Expert Panel meetings, please remind participants that each indicator and dimension of CSOSI should be scored according to evidence-based, country (or region) -relevant examples of recent or historical conditions, policies, events, etc.** 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* with the dimension. Once a final score has been reached for each indicator within a given dimension, average these scores together for a preliminary score for the *dimension*.

**5. Once scores for each dimension are determined, as a final step, review the descriptions of the dimensions in “Ratings: A Closer Look.”** Discuss with your groups whether each of the scores matches the rating description for that score. For example, a score of 2.3 in organizational capacity would mean that the CSO 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 environment. If not, discuss with your groups to determine a more accurate score that fits the description for that dimension. Review each of the seven dimensions of the Index in a similar manner.

6. When done scoring all seven dimensions, **average the final dimension scores together** to get the final Index score for the region.

7. Be sure to **take careful notes** throughout the discussions, including during the discussion of each indicator. These detailed justifications for all scores will serve as a the basis for the written report. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Ultimately, every rating awarded should be substantially supported by evidence, and should reflect consensus among group members.

8. **Convene the expert panel of up to 8 members at the national level** determine the national level scores. The national level panel should follow steps (4) through (6) above to arrive at a national level, country score; in other words, each step – scoring each indicator of each dimension, dropping the outlying scores for each indicator, averaging indicator scores to arrive at dimension scores, reviewing dimension scores against the instructions, averaging all dimension scores to arrive at a final single score, and recording all discussions – should be applied to the country as a whole. (The regional level scores are not to be averaged to create a national level score, but will serve as data – along with other data the national panel will have access to – that assists the national panel in arriving at a sound national score.) The national level panel should also review the regional results for consistency in applying the methodology.

Please remind the panel that report will be reviewed by an Editorial Committee (EC) in Washington, DC which may provide feedback on recommended scores and possible request adjustments in scores pending additional justification of scores.

8. **Prepare a Draft Country Report.** The report should cover events during the calendar (as opposed to fiscal) year. The draft should include an overview statement, and a brief discussion of the current state of sustainability of the CSO sector with regard to each dimension at the national level. 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. While the report should address the country as a whole, it should also note any significant regional variations in the sustainability of CSOs.

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 your submission to a maximum of ten pages, in English. Please keep in mind that we rely on your organization to ensure that reports are an appropriate length and well-written. We do not have the capacity to do extensive editing.

Please include a list of the experts who served on the panels with your report. This will be for our reference only and will not be made public.

While the individual country reports for the CSO Sustainability Index must be brief, implementers may write longer reports for their own use to more fully describe the substance of the panel meetings.

Deliver your draft country reports with rankings via email to MSI. Please cc: AKF and the International Center for Not-for-Profit Law (ICNL) which is assisting in providing training and review and editing of the reports.

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

9. In Washington, **an Editorial Committee will review the scores and draft report**, and will discuss any issues or remaining concerns with the CSO implementer. The EC consists of representatives from AKF, MSI, and ICNL and at least one regional/country expert well versed in current events and circumstances affecting the CSO sector in your country. Further description of the EC is included in the following section, “The Role of the Editorial Committee.” **If the EC does not feel that the scores are adequately supported, they may request a score adjustment.** The CSO implementer will be responsible for responding to all outstanding comments from the EC, communicated by the project editor until the report is approved and accepted by AKF who chairs the EC.

10. In addition, you will arrange for a public launch – including both soft, via electronic means (list serves, websites) and hard, via a public event to promote the release of the report in your country. We will arrange for a public launch, soft and/or hard, in the United States.

11. We are very interested in using the preparation of this year's Index to track lessons learned for use in improving the monitoring process in upcoming years. We would appreciate your recording and submitting any observations you might have that will increase the usefulness of this important tool to MSI and AKF.

## IV. THE ROLE OF THE EDITORIAL COMMITTEE

As a final step in the CSO Sustainability Index process, all country reports are reviewed and discussed by an Editorial Committee composed of regional and sector experts in Washington, DC. This committee will be chaired by AKF, and includes (but is not limited to) civil society experts representing MSI and ICNL.

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

The Editorial Committee has the final say on all scores and may contact CSOs directly to discuss final scores.

CSO implementers are encouraged to remind their panels from the outset that the Editorial Committee may ask for further clarification of scores and may modify scores, where appropriate. However, by adding the step for each panel to compare their scores with “Ratings: A Closer Look” (which is essentially what the Editorial Committee does), it is hoped that there will be fewer differences between proposed scores and final scores. Ensuring that the narrative section for each dimension includes an adequate explanation for a score will also limit the need for the Editorial Committee to ask for further clarification.

## V. INSTRUCTIONS FOR THE EXPERT PANEL MEMBERS

Each member of each panel should use the following steps to guide him or her through the individual rating process. The same process will be then be used the CSO Expert Panel meetings, at both regional and

national levels, where panel members will discuss scores and evidence, and will decide by consensus scores for each of the indicators, dimensions, and ultimately the country score.

At the regional level, panel members should in the first instance answer indicator questions as they apply to the region under consideration. Some questions, however, may pertain to the national level (such as the presence of national level laws). Regional panel members should respond to such questions as they experienced at/ or as seen through the lens of the regional level; panel members should take into account both regional and national level factors affecting the region in question (for example, local laws and policies as well as national laws and policies). Region-specific circumstances should be carefully recorded.

**Step 1:** 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. Fractional scores to one decimal place are encouraged.

**Step 2:** 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.

**Step 3:** 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 this overall score in the space provided.

**Step 4:** 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. If after reviewing “Ratings: A Closer Look” you determine 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.

**Step 5:** Once you have scores for each dimension, average these seven scores together to get an overall rating for the region or country level, depending on the level of the panel.

## VI. DIMENSIONS AND INDICATORS

The following section is the worksheet that members of the Expert Panel use to keep track of the scores they propose for each indicator of each dimension. Each panel member should rate each of the seven dimensions and each of the indicators within each dimension on a scale from 1 to 7, with a score of 1 indicating a very advanced civil society sector with a high level of sustainability, and a score of 7 indicating a fragile, unsustainable sector with a low level of development. Fractional scores to one decimal place are encouraged.

### 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/regions?
- \_\_\_ *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?

## **ORGANIZATIONAL CAPACITY**

- \_\_\_ *CONSTITUENCY BUILDING<sup>3</sup>.* Do CSOs clearly identify and actively seek to build local constituencies for their initiatives? Do CSOs 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.)?

## **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?
- \_\_\_ *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?

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<sup>3</sup> 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.

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

## 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<sup>4</sup> 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<sup>5</sup> EFFORTS.* Are there mechanisms and relationships for CSOs to participate in the various levels of the 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?

## 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, is the sector's "product line" diversified?

— *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?

## INFRASTRUCTURE

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<sup>4</sup> Advocacy: Attempts by CSOs to shape the public agenda, public opinion and/or legislation.

<sup>5</sup> Lobbying: Attempts by CSOs to directly influence the legislative process.

- *INTERMEDIARY SUPPORT ORGANIZATIONS (ISOs) AND CSO RESOURCE CENTERS*<sup>6</sup>. 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?

## **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?

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<sup>6</sup> 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.