2013 CSO SUSTAINABILITY INDEX

FOR AFGHANISTAN

The 2013 CSO Sustainability Index
for Afghanistan

Developed by:
United States Agency for International Development

TABLE OF CONTENTS

INTRODUCTION

The third edition of the 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-two countries in Central and Eastern Europe and Eurasia, Sub-Saharan Africa, the Middle East and North Africa, and Afghanistan.

This Index uses the same methodology as that of other editions of the Sustainability Index. A panel of local experts met to discuss progress and setbacks in seven interrelated dimensions of CSO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. As part of their discussion, the panel assigned scores to the seven dimensions, which were then averaged to produce an overall CSO sustainability score.

Based on the expert panel's 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 the scores and draft the report is provided in the Annex.

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

AFGHANISTAN

2013 Scores for Afghanistan

| Category	Score
CSO Sustainability	5
Legal Environment	4.7
Organizational Capacity	4.9
Financial Viability	5.5
Advocacy	4.6
Service Provision	5.1
Infrastructure	5
Public Image	4.9

Capital: Kabul
Government Type: Islamic Republic
Population: 31,822,848 (2014 estimate)
GDP per capita (PPP): $2,000
Human Development Index: 175

CSO SUSTAINABILITY: 5.0

The Islamic Republic of Afghanistan has undergone decades of war and civil unrest. In 2013, the country continued to endure protracted internal armed conflict, insurgency, and political instability.

Although still volatile, Afghanistan made important strides in the social, economic, and political spheres in 2013. During the Tokyo Conference in July 2012, the Government of the Islamic Republic of Afghanistan presented a roadmap to achieve economic self-reliance by 2024 through twenty-two National Priority Programs (NPPs). In addition, the Afghan government and the international community established commitments under the Tokyo Mutual Accountability Framework (TMAF).

CSO Sustainability in Afghanistan

2011	2012	2013
5.1	5.0	5.0
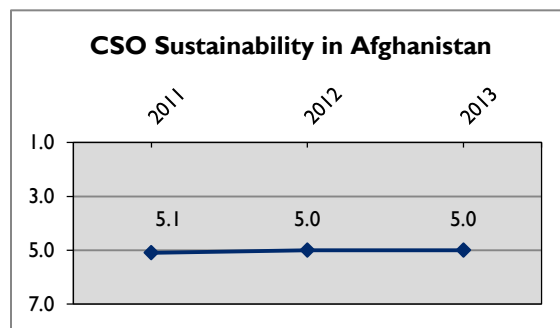
The 2013 Senior Officials' Meeting (SOM), the mechanism to monitor progress and review the TMAF structure, acknowledged the government's progress in realizing its commitments, including developing action plans and timelines, enacting laws needed to hold credible elections in 2014, promoting human rights and gender equality, tackling corruption, and improving financial transparency. At the same time, there was some international concern regarding the government's level of progress that led some donors to cut or withhold funding.

It remains unclear how aid from the TMAF affects Afghan civil society. Organizations such as British and Irish Agencies Afghanistan (BAAG)[1] have noted that the TMAF does not officially acknowledge the role

---

[1] See "Support to Afghan Civil Society in the Decade of Transformation," available at:
http://www.baag.org.uk/sites/www.baag.org.uk/files/resources/attachments/Support%20to%20Afghan%20Civil%20Society%20in%20Decade%20of%20Transformation.pdf

played by civil society in monitoring progress on the TMAF and presenting reports to the Afghan government and international community, thereby undermining local civil society ownership of the development process.

National legislation provides for two main categories of registered CSOs: non-governmental organizations (NGOs) and associations. In 2013, 1,911 domestic and 287 foreign NGOs were registered with the Ministry of Economy (MoE), and over 4,000 associations were registered with the Ministry of Justice (MoJ). As of 2013, more than two-thirds of CSOs were registered in Kabul. There are also thousands of unregistered CSOs working in Afghanistan, including more than 20,000 community development councils established under the National Solidarity Program (NSP). The importance of traditional civil society cannot be overlooked in Afghanistan. There are over 150,000 villages throughout Afghanistan, most of which have shuras (community-based councils) and jirgas (tribal assemblies of elders). Imams (the person who leads prayers in a mosque) are key change agents and well informed of the needs of communities and individuals, and the government and registered CSOs often work through them to reach communities. Other informal CSOs include village councils and Ashars (interim gatherings to settle local disputes). There are also many unregistered youth movements and citizens advocating in urban areas for democratic causes. These movements are increasingly prominent in Afghanistan.

CSOs in Afghanistan operate in nearly all sectors, providing basic services such as housing, education, and health, as well as more complicated interventions related to economic development, women's empowerment, and the environment. CSOs are becoming more professional and more engaged in designing programs that address community needs and priorities. They have also established a number of intermediary support organizations (ISOs), local and regional networks, coalitions, coordinating bodies, and umbrella organizations, which help develop and consolidate the sector. Although CSO relations with the government have improved, CSO efforts are hindered by several persistent issues, such as improper implementation and enforcement of laws, allegations of corruption, and weak government recognition of the value of CSO programs.

Afghan CSOs struggle to survive as donor contributions continue to wane. At times, local organizations shift their activities and focus in order to meet changing donor interests. In addition, Afghan organizations generally only receive short-term support, with projects lasting on average three to six months, and only occasionally up to one year, which undermines their sustainability. As international forces withdraw and funding decreases in the coming years, the government is expected to seek greater control over humanitarian assistance and thus pressure CSOs to align their activities with government plans.

LEGAL ENVIRONMENT: 4.7

The legal environment in Afghanistan improved slightly in 2013. The Law on Associations, passed in September 2013, replaces the 2002 Law on Social Organizations and allows associations to access foreign funding and conduct advocacy. The 2005 Law on Non-Governmental Organizations regulates both domestic and foreign NGOs, which are established to pursue specific objectives.

The NGO registration process is well-designed, but there are still some issues with its implementation. Domestic and foreign NGOs must undergo a two-tiered registration process involving the MoE Technical Commission and the High Evaluation Commission. For foreign NGOs, the Ministry of Foreign Affairs is involved as well. Foreign citizens are prohibited from serving as founders, which in some instances has prevented registration. Local NGOs must pay a registration fee of AFN 10,000 (approximately $175) to the MoE, while foreign NGOs must pay an initial fee of $1,000, which can be prohibitive for very small organizations. Registration can generally be completed in one to two months. There are reports of corruption at the ministerial level. Officials do not always understand the entire registration process and thus may impose additional bureaucratic impediments upon NGOs.

Legal Environment in Afghanistan

	2011	2012	2013
1.0			
3.0	4.8	4.8	4.7
5.0			
7.0			
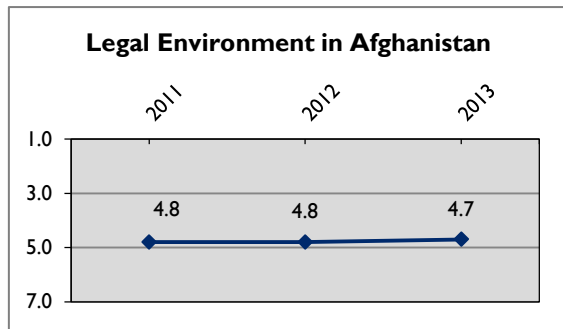
Associations register with the MoJ. The 2013 Law on Associations defines associations as "communities, unions, councils, assemblies and organizations which are voluntarily established by a group of real or legal persons as non-profit, non-political entities in accordance with the [2013 Law on Associations]." The law prohibits foreign citizens, stateless persons, and youth under the age of 18 from serving as founders of associations. Under Article 14, "An association initiates its work after receiving a registration certificate," implying that associations cannot operate without being registered first. Applicants must pay a registration fee of AFN 10,000 (about $175) for a three-year registration certificate, which must be renewed for the same fee.

According to the 2013 Law on Associations, the MoJ should establish departments in provincial centers to register associations or authorize its provincial departments to do so. This had not happened by the end of 2013, so associations based in the provinces continued to travel to Kabul to register. Although the registration process for associations is generally less complex and considerably quicker than registration for NGOs, associations also report that some MoJ officials ask for bribes to complete the registration process.

NGOs must submit semi-annual reports to the MoE. This can be a huge burden for smaller organizations. Associations only have to report to the MoJ on an annual basis. Many CSOs, particularly in rural areas, lack sufficient information about legal regulations regarding internal management, scope of permissible activities, financial reporting, and dissolution.

CSOs are generally protected from arbitrary dissolution. According to the 2005 NGO Law, NGOs can only be dissolved by the MoE in five situations: when the fixed period of establishment has expired and is not renewed; on a voluntary basis according to the relevant statute; if the NGO fails to submit an annual report to the MoE on a timely basis; if an organization that received a certificate prior to the enactment of the 2005 NGO Law does not re-re-register within six months of the laws' enactment; or where the High Evaluation Commission establishes that activities of the organization are contrary to the public interest. In contrast, the 2013 Law on Associations provides that an association may either be voluntarily dissolved or dissolved in response to a demand from any of its members or at the suggestion of the MoJ after a court decision due to either a violation of legal provisions, non-performance of commitments stipulated in its statute, or the performance of any activity that is not provided in its statute.

In urban areas, CSOs enjoy a high level of freedom of expression and are able to openly criticize the government and partake in demonstrations without fear of retribution. However, the environment is more constrained in provincial areas, where freedom of expression may depend on the provincial governor and women may have less freedom. Additionally, CSOs collaborate more with provincial governments, possibly leading to self-censorship. Participants in workshops or events in the provinces are more careful about what they say, and event planning takes more time and bureaucracy than in the capital.

The 2005 Income Tax Law in Afghanistan creates a category of tax-exempt organizations, which are "organized and operated exclusively for educational, cultural, literary, scientific, or charitable purposes." NGOs must apply for tax-exempt status with the Ministry of Finance. An association, on the other hand, just needs to submit a letter from the MoJ to the Ministry of Finance to be recorded as a tax-exempt entity. CSOs, however, often lack information or are misinformed about the tax exemptions to which they are entitled. Even government ministries provide conflicting information on tax treatment of CSOs.

The 2005 Law on NGOs allows NGOs to earn income from the provision of goods and services, but only to further the interests of the organization, and not to make a profit. However, NGOs experience difficulty when trying to justify such income to the MoE. NGOs can also bid for government contracts. The Law on

Associations neither specifically allows nor prohibits the carrying out of economic activities. The Civil Code, however, specifies that an association "may not carry on any financial business," which could be interpreted to restrict economic activity for associations. In practice, however, associations perform economic activities without government interference.

With the help of larger and international NGOs, the sector has developed stronger local legal capacity for CSO issues. However, the availability of local lawyers trained in and familiar with CSO law varies by location. CSOs based in Kabul and other main cities have little difficulty finding qualified lawyers, whereas organizations in the provinces, especially in the south and east, lack this access. There are almost no female lawyers in some regions outside of Kabul.

ORGANIZATIONAL CAPACITY: 4.9

Although it varies by region, organizational capacity of CSOs improved overall in 2013.

CSOs actively implement a wide range of development activities aimed at improving the quality of life of poor and disadvantaged communities. While activities are largely donor-driven, CSOs still make a real effort to work with the country's most vulnerable communities. At the insistence of donors, many CSOs engage with communities and conduct needs assessments before starting projects. Geographic access and security concerns hinder constituency building in some cases. There are, however, CSOs working in remote areas of Afghanistan that are successful because they have built strong relationships with community members based on trust and neutrality. Membership organizations, which are becoming more common, usually build strong relations with their beneficiaries by regularly delivering services, such as training, career services, or Internet access. Funding uncertainties create difficulties in sustaining relations. Informal, traditional, and loosely structured CSOs have strong connections with their constituencies, although a lack of funding limits their organizational capacities.

Organizational Capacity in Afghanistan

2011	2012	2013
5.5	5.0	4.9
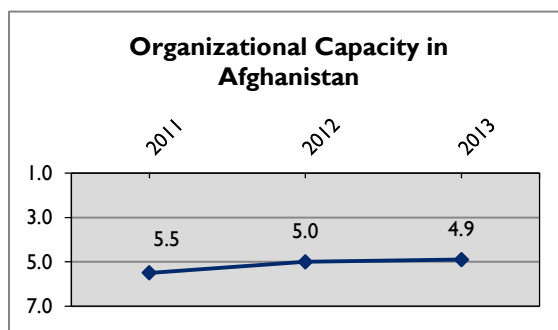
Most large CSOs in Afghanistan have strategic plans, as this is a standard requirement of international donors. However, many CSOs do not really consider their strategic plans when implementing programs.

Larger CSOs generally have clear organizational structures. All formal CSOs are legally required to have boards of directors. In NGOs, the boards of directors play a key role and have a high level of decision-making authority. However, in some NGOs, boards of directors are largely symbolic and do not function well, and members are not selected on a professional basis. In associations, the general assembly—not the board—plays the key decision-making role. A significant number of CSOs are centralized around their executive directors. This is especially true of CSOs that have had the same executive director for several years. When new directors are hired, sometimes they begin new initiatives without continuing the efforts of their predecessors. Very few CSOs report regular change in their boards of directors.

Although Afghanistan has a culture of volunteerism, it is not yet a common practice within CSOs, which lack structured efforts to recruit volunteers. Some CSOs, however, do engage volunteers. For example, individuals with a high level of experience or specialized skill set, including directors and CEOs, will do some work on a voluntary basis for other organizations or projects.

Staff turnover is a major issue for both local and international organizations. International staff are regularly employed on short-term contracts or leave after a couple of years. Local staff frequently gain a couple of

years of work experience in a CSO before moving on to better paid positions or advancing their careers in other sectors. Smaller CSOs do not have adequate human resource policies and systems.

Technical advancement is strong in Afghanistan, with many CSOs using updated equipment, including smartphones, computers, and printers. Young professionals working in CSOs now have skills in information technology and online communications. In addition, even the most remote areas in Afghanistan now have Internet access.

FINANCIAL VIABILITY: 5.5

Financial Viability in Afghanistan

	2011	2012	2013
1.0			
3.0			
5.0	5.6	5.6	5.5
7.0			
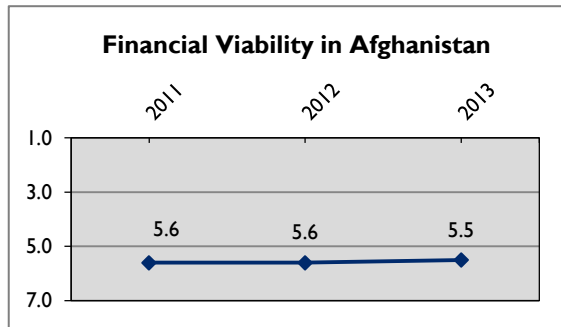
Financial viability improved slightly in Afghanistan in 2013.

International funding has been an important source of funding for CSOs since 2001 and the majority of formally registered CSOs rely on international funding. Despite this, CSOs' long-term financial viability is limited as most CSOs only receive funding for short-term projects. According to the 2013 Afghanistan Civil Society Assessment, produced by the USAID-funded Initiative to Promote Afghan Civil Society (I-PACS II), approximately 56 percent of CSOs have annual budgets less than 1.4 million Afghanis (about $25,000), and just one in eight has a budget of more than $100,000. Organizations not supported by international donors generally have very small budgets.

Some informal CSOs such as village organizations and shuras serve as local aid committees with funding from the World Bank that is channeled through the Ministry of Rural Rehabilitation and Development (MRRD). Community Development Councils (CDCs) and District Development Assemblies (DDAs) advise or oversee the administration of this assistance. There are, however, concerns that this funding impedes the independence of informal civil society.

Funds from local sources are very limited. Few CSOs engage in fundraising activities, and donations to CSOs remain uncommon. Some communities within the NSP contribute to development activities, but such practices are mostly limited to government programs. Private donors prefer to channel funds, food, or goods directly to poor communities, often without consulting local authorities. Local support initiatives usually rely on personal connections to local business executives or elders. Few Afghan companies are actively involved in philanthropic activities. As international funding declines, several CSOs are initiating partnerships with private companies and developing other plans to expand their financial resources. The Civil Society Coordination Center (CSCC) is the only umbrella organization that regularly appeals to private companies to finance events.

The government contracts NGOs to a limited extent. For example, the Ministry of Public Health contracts NGOs to deliver health services under the Basic Package of Health Services and Essential Package of Hospital Services.

Many NGOs and many more associations (especially women-led CSOs) engage in income-generating activities. Few NGOs collect membership fees, although many associations and some networks and umbrella organizations do charge membership fees.

Financial management capacities differ from province to province, based on the size and type of CSO. NGOs generally have financial management systems and dedicated finance staff in order to meet requirements from donors and the government, while associations are less likely to have such systems. Most

CSOs do not recognize the added value of external audits in comparison to internal audits by their boards of directors or other controlling bodies. In addition, there are few auditors in the country, and most are based in Kabul. For small CSOs, the cost of a proper audit is sometimes more expensive than the project being audited. Moreover, CSOs do not always understand principles of transparency and accountability. NGOs are required to file financial reports with the MoE every six months, while associations are required to report annually to the MoJ.

ADVOCACY: 4.6

There was an improvement in CSO advocacy in 2013, mainly due to assistance from the international community, in particular USAID and the Tawanmandi trust fund. Advocacy continues to be weaker in regions and rural areas.

In May 2012, a coalition of thirty-five CSOs signed a memorandum of understanding (MoU) with the Afghan parliament allowing CSOs to partner with lawmakers through parliament's secretariat; facilitating CSOs'

Advocacy in Afghanistan

	2011	2012	2013
1.0			
3.0	4.7	4.7	4.6
5.0			
7.0			

participation in legislative committee meetings and their access to draft legislation; and offering CSOs the opportunity to provide research and policy input for consideration during legislative deliberations. Policy advocacy initiatives therefore increased in 2013, which strengthened lines of communication between civil society and policy makers, as well as outreach to Afghan citizens.
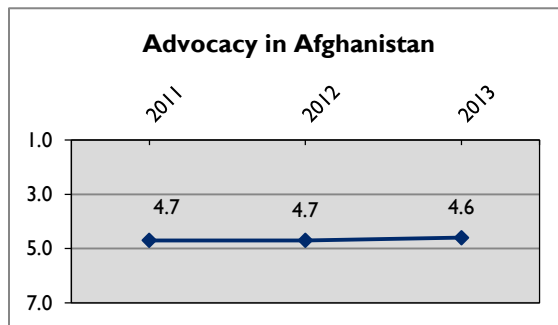
The parliament was more cooperative with CSOs in 2013. For instance, CSOs advocated directly with several parliamentary committees, government officials, lawyers, and judges during the review of the Law on Elimination of Violence Against Women. Members of the Advocacy Group on the Law on Associations commented on the draft Law on Associations and met with parliamentary groups to advocate for positive changes. Of the thirty-three amendments they proposed, twenty-nine were incorporated into the final draft of the Law on Associations and formally adopted by the parliament.

Established in 2010, the Civil Society Joint Working Group (CSJWG) is a national platform that consists of around thirty civil society thematic networks covering over 1,000 CSOs in Afghanistan. CSJWG is involved in discussions with the government, the parliament, and other key actors, including the international community. However, the rotational secretariat and the lack of dedicated resources impact the CSJWG's effectiveness.

Effective advocacy in Afghanistan continues to depend on national and local dynamics. While cooperation between CSOs and the local and provincial governments increased in 2013, the environment for advocacy remained uncertain due to the expected political transition in 2014.

The concept of lobbying is not well understood in Afghanistan, and is therefore not common. Afghanistan's strong executive branch and relatively weak legislature are also serious constraints on lobbying due to the resulting top-down approach to decision making. Lobbying generally revolves around personal connections, often based on relatives or ethnic networks. However, some CSOs such as the Afghan Women's Network (AWN) lobby the government for better women's rights and participation.

SERVICE PROVISION: 5.1

Afghan CSOs provide a wide variety of goods and services. CSOs provide basic social services—health, education, and relief, including assistance in nutrition, shelter, water, sanitation and hygiene—as well as more

Service Provision in Afghanistan

complex activities, like women's empowerment, governance, environmental projects, vocational trainings, and legal aid.
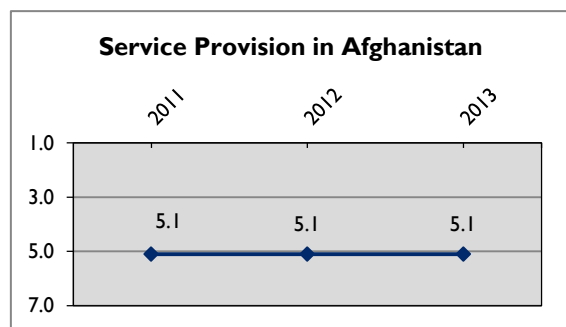
The services provided by CSOs are slowly becoming aligned with genuine community needs; however, donor priorities remain a driving force. As much as 95 percent of CSOs work in multiple fields in order to respond to a variety of donor proposals and ensure financial viability. Accurate data in the country is scarce, which makes it difficult for donors to design highly relevant programs.

CSOs in Afghanistan generally market their services beyond their own constituencies. For instance, Zardozi, an NGO that began as an income-generating project, now provides skills training to several organizations. The scope of beneficiaries is often a key criterion for donor funding.

Few CSOs have cost recovery mechanisms or charge fees for services. Many CSOs do not understand the regulations with regard to charging for services, or believe that their beneficiaries cannot pay for services. Counseling organizations charge some fees for the services they provide.

The government does not provide adequate financial support to CSOs for service provision. Furthermore, lack of transparency and corrupt practices in the selection of NGOs to fund remain problems.

INFRASTRUCTURE: 5.0

Although gaps remain in the sector's infrastructure, there were considerable achievements over the past few years that continued in 2013. This progress was due mainly to the work of organizations like Tawanmandi, which provides CSOs with grants, tailored capacity development support, and assistance with building effective CSO partnerships, networks, and coalitions.

Infrastructure in Afghanistan

A few intermediary support organizations (ISOs) offer practical training to CSOs, mostly on human resources, funding, and project management and implementation. Most trainings are provided free of charge. For example, the Agency Coordinating Body for Afghan Relief and Development (ACBAR) provides information and training, and supports CSOs with their publications and advocacy initiatives. Almost all ISOs are still based in Kabul, which significantly limits their accessibility to CSOs in remote areas. Some resource centers have emerged in the provinces, including Paktika and Logar.
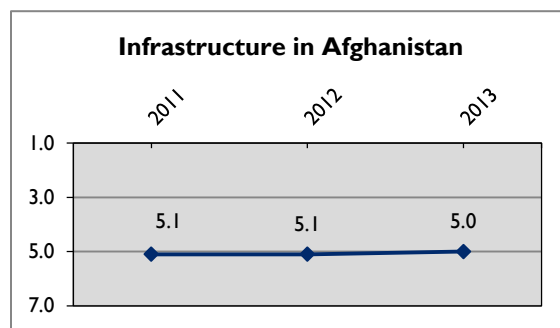
In 2013, the I-PACS program provided advanced training and technical assistance to about 400 CSOs across the country through seven partner ISOs and twelve Civil Society Support Centers (CSSCs). These ISOs and CSSCs provide technical assistance for organizations and individuals in the development of core skills, including by providing access to information on international development and free, public Internet access.

Local grantmaking organizations were more active in 2013. For example, Tawanmandi has a grants program that aims to build the capacity of Afghan civil society in the areas of human rights, access to justice, anti-corruption, peace building and conflict resolution, and media.

There are many coordination initiatives, both registered (like ACBAR) and unregistered (like the Afghanistan Anti-Corruption Network (AACN)). There are also specialized coordination bodies, like AWN. Coordination bodies can also be regional, like the Southern and Western Afghanistan and Balochistan Association for Coordination (SWABAC), or international, like BAAG and the European Network of NGOs in Afghanistan (ENNA). Some national networks have offices in the main regions, and some regional networks have formed to empower local CSOs, even in complex environments like Kandahar.

Intersectoral partnerships have promoted CSO coordination with other groups, primarily the government and media. For example, in 2013, CSOs consulted with the Afghanistan National Disaster Management Authority (ANDMA), UN Office for the Coordination of Humanitarian Affairs, and International Organization for Migration on Afghanistan's new intersectoral rapid assessment form (RAF). The RAF aims to serve as the primary assessment tool for coordination of humanitarian assistance in natural disasters in Afghanistan. Collaboration between the private sector and the CSO community is uncommon, although some contacts do exist.

PUBLIC IMAGE: 4.9

Public Image in Afghanistan

	2011	2012	2013
1.0			
3.0	4.9	4.9	4.9
5.0			
7.0			
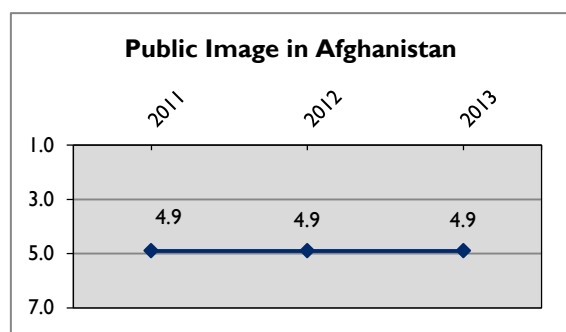
Local and national media cover CSO activities, but not regularly. Afghan media outlets are more interested in conflict-related news and incidents. In 2013, there was a slight improvement in reporting—the media was more inclined to disseminate information from CSOs, such as on the launch of programs and strategies, and CSOs were more involved in press conferences and even had some radio and TV appearances.

Afghan citizens, particularly young people, still have limited understanding of the concept of CSOs or their mandates and activities, though communities that benefit from CSO projects demonstrate a positive perception of CSOs. ACBAR, as well as other umbrella organizations and networks, has implemented awareness raising campaigns involving local authorities, elders, and religious figures to heighten public understanding of CSOs. According to the 2013 Survey on the Afghan People by The Asia Foundation, 51 percent of respondents had "a lot" to "some" confidence in national and international NGOs, while 65 percent had "a lot" to "some" confidence in their community shuras and jirgas.

Government perceptions of CSOs improved during the Karzai era, but uncertainties remained in 2013. Some mechanisms, like the Joint Coordination and Monitoring Board,[2] recognize the role of CSOs and offer space for CSO-government cooperation. Government perceptions vary among provinces and districts, depending on the attitudes of officials. Some government officials view CSOs as corrupt or inactive. The private sector and CSOs rarely interact. A few large companies, like the telecommunications company Roshan, are developing initiatives with CSOs, but collaboration was still at an early stage in 2013.

---

[2] The Joint Coordination and Monitoring Board (JCMB) is a joint meeting of development experts working in Afghanistan, Afghan officials, Ambassadors working in Afghanistan, and other key actors in the international community, including donors and UN agencies. JCMB monitors the overall strategic coordination and implementation of the Afghanistan Compact and the interim Afghanistan National Development Strategy.

Few CSOs actively promote their public image or develop relations with media. Most CSOs do not develop or maintain systematic relationships with journalists or media, and instead use monthly newsletters or brochures as their only means of promotion and communication. Additional obstacles to self-promotion include the fact that much of the Afghan population remains illiterate and some parts of the country have serious security issues. CSOs, especially those based in the east and the south, prefer to be discreet to avoid being targeted by insurgent groups or criminal networks.

Most Afghan CSOs lack specific codes of conduct, but there are a few initiatives to increase transparency. For instance, ACBAR, in collaboration with other networks and partners, developed a code of conduct, but few CSOs have adopted it. Some CSOs publish annual financial and programmatic reports. Self-regulation is improving gradually as donors and ISOs continue to support the adoption of codes of ethics and the publication of annual reports.

ANNEX: CSO SUSTAINABILITY INDEX METHODOLOGY FOR AFGHANISTAN

I. Overview

The 2013 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 a diverse group of CSOs and related experts, to assess the sector in each of seven dimensions: Legal Environment, Organizational Capacity, Financial Viability, Advocacy, Service Provision, Infrastructure and Public Image. The U.S. Agency for International Development (USAID) has developed indicators for each dimension. The regional level panels discussed progress and setback in the seven dimensions. The national panel then discussed and scored each indicator, using the regional level information, along with other data the national panel had access to. Indicator scores were averaged to produce dimension scores, and the dimension scores were averaged to produce an overall CSO sustainability score. The partner drafted a country report based on the expert panels' discussions, as well as his 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, he had a chance to revise its narrative to better justify the proposed scores. The Editorial Committee made final decisions on the scores and narrative.

A description of the methodology, the complete instructions provided to the implementing partner, and the questionnaire used by the expert panel can be found below.

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 2013 CSO (Civil Society Organization) Sustainability Index for Afghanistan. The reporting year will cover the period of January 1, 2013 to December 31, 2013.

1. Carefully select a group of 10-12 representatives of civil society to serve as panel experts. Implementers should select panel members based on the following guidelines. 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 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.

CSOs represented on the panel can be focused on advocacy or social service delivery. We recommend that at least 70% of the Expert Panels be nationals.

To the extent possible, CSOs should also represent a variety of key sub-populations, including:

- Rural and urban parts of the country, and all major regions of the country;
- Women's groups,
- Minority populations,
- Marginalized groups,

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 Gwendolyn Bevis (gbevis@msi-inc.com) at 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 panel should also include one representative from the USAID Mission and one representative from the Aga Khan Foundation (AKF), but they will not have the ability to cast their vote in terms of scores. They are welcome to provide some words of introduction to open the event, it is funded by AKF and the methodology was developed by USAID, and they are welcome to observe and participate in the discussion.

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 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. If possible, it may be useful to hold a brief orientation session for the panelists prior to the panel discussion. Some partners chose 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 the meeting of the CSO Expert Panel. We request that you plan to complete this meeting, no later than September 5, 2014.

4. At the Expert Panel meeting, please remind participants that each indicator and dimension of CSOSI should be scored according to evidence-based, country-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, 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. Implementers may use the score sheet attached as Annex A to track panel member scores without personal attribution. Ultimately, every rating awarded should be supported by evidence in the country report (see #8 below), and should reflect consensus among group members.

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.

6. 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.

7. 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.

8. Prepare a Draft Country Report. The report should cover events during the calendar (as opposed to fiscal) year January 1, 2013, through December 31, 2013. 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 2013 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 report with rankings via email to Gwendolyn Bevis (gbevis@msi-inc.com) at MSI no later than September 26, 2014. Please cc: Natalie Ross (Natalie.Ross@akdn.org) at AKF, and Catherine Shea (cshea@icnl.org) and Jennifer Stuart (jstuart@icnl.org) at the International Center for Not-for-Profit Law (ICNL) which is assisting in the 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 (EC) will review the scores and draft report, and will discuss any issues or remaining concerns with the implementer. The EC consists of representatives from AKF, MSI, USAID 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 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 Gwendolyn Bevis (gbevis@msi-inc.com) at MSI.

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 meeting, 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.

Region-specific circumstances, or regional exceptions to national level conclusions, 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. For example, a score of 2.3 in Organizational Capacity would mean that the civil society sector is in the "Sustainability Enhanced" phase. 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[3]*. 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

---

3 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.

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?

___ *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[4] 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[5] 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?

---

[4] Advocacy: Attempts by CSOs to shape the public agenda, public opinion and/or legislation.

[5] Lobbying: Attempts by CSOs to directly influence the legislative process.

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

___ *Intermediary Support Organizations (ISOs) and CSO Resource Centers*[6]. 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

---

[6] 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.

___ *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?