

The 2012 Civil Society Organization Sustainability Report for the Middle East and North Africa

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Morocco

West Bank and Gaza

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INTRODUCTION

USAID is pleased to present the second edition of the *Civil Society Organization (CSO) Sustainability Report for the Middle East and North Africa*. This report relies on local capacity and expertise to assess key components of the sustainability of the civil society sectors in Egypt, Iraq, Jordan, Lebanon, Morocco, and Yemen, as well as the West Bank and Gaza during 2012.

This report employs the broad definition of a CSO developed by the Comparative Nonprofit Sector Project (CNP) at Johns Hopkins University's Center for Civil Society Studies. Under this definition CSOs are defined broadly as “any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more.”¹

The *Civil Society Organization Sustainability Report* highlights both advances and setbacks in CSO sector sustainability, and strives to allow for comparisons across countries and sub-regions over time. The report is a useful information source for local CSOs, governments, donors, academics, and others to better understand and monitor key aspects of sustainability of the CSO sector.

The *Civil Society Organization Sustainability Report's* methodology is qualitative and relies on local expertise (CSO practitioners and experts) to apply a standardized instrument in order to assess and rate seven interrelated dimensions of CSO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. An editorial committee comprising technical and regional experts reviews each panel's report with the aim of maintaining standards of quality and promoting cross-country comparability. Each dimension is rated on a three-tier scale: Sustainability Enhanced, Sustainability Evolving, and Sustainability Impeded. More detail about the methodology used to rate each dimension is provided in Annex A (pages 63-76).

A publication of this type would not be possible without the contributions of many individuals. Specific acknowledgements of the CSO implementers responsible for the *Civil Society Organization Sustainability Report* appear on the following page. We would further like to express our deepest gratitude to all of the local CSO representatives and experts, USAID partners, and international donors who participated in the expert group panels in each country. Their knowledge, research, observations, and contributions are the foundation upon which the *Civil Society Organization Sustainability Report* is based.

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

EXECUTIVE SUMMARY

The 2012 CSO Sustainability Report for the Middle East and North Africa evaluates the strength and viability of the CSO sectors in Egypt, Iraq, Jordan, Lebanon, Morocco, the West Bank and Gaza, and Yemen.

Egypt	Impeded
Iraq	Evolving
Jordan	Impeded
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Impeded

Following the Arab Spring of 2011, several countries in the region were in the midst of sweeping political reform efforts in 2012, which affected the sustainability of CSOs during the year. The January 2011 revolution and the fall of the Mubarak regime led to Egypt’s first competitive presidential election, placing Mohammed Morsi in power in June 2012. At the end of the year, Egypt adopted a new constitution, providing significant guarantees for the freedom of association. Nonetheless, the state continued its campaign—started in 2011—against human rights organizations and foreign-funded CSOs and proposed another restrictive draft CSO law, rather than aligning the current law with the

constitution’s new guarantees. At the same time, the wave of citizen activism that arose during the Arab Spring continued in 2012. In Yemen, following the ousting of Ali Abdullah Saleh in 2011, an internationally brokered settlement placed Abd Rabu Mansour Hadi in power in 2012 and initiated a reconciliation process that was expected to lead to a new constitution and democratic elections. CSOs’ participation in the transition process increased the sector’s recognition among both the public and the government. In 2012, Morocco was also adjusting to a new constitution with significant human rights guarantees. While these guarantees were not fully implemented during the year, the constitution’s recognition of civil society’s importance enhanced the visibility of CSOs with government and the public. In Jordan, youth movements against corruption led to forty-two constitutional amendments, new political parties, and a new electoral law.

Difficult economic conditions and a heightened need for services affected CSO service provision, financial viability, and organizational capacity in several countries. The influx of refugees fleeing the Syrian crisis exacerbated the need for services in Jordan and Lebanon. In Jordan, the refugee crisis led to a 2 percent decline in GDP and a decrease in public services for Jordanians, while in Lebanon, donors shifted their funding to meet the immediate relief needs of the refugees at the expense of development projects. A similar shift in funding occurred in Yemen to address humanitarian needs stemming from poverty and insecurity. Economic conditions and lack of public services in the West Bank and Gaza continue to drive CSOs to focus on service delivery, rather than advocacy, even while international funding to local CSOs continues to decline. Funding for CSOs in Morocco deteriorated significantly due to the lingering effects of the global economic and financial crisis.

Although accurate data is not always available, the size of the CSO sectors according to local registration authorities varies considerably. According to the Ministry in Charge of Relations with Civil Society, the number of CSOs registered in Morocco reached 90,000 in 2012. The database of the Ministry of Social Solidarity in Egypt now includes 37,500 CSOs; however, it is unclear how many of these are active. Iraq has the smallest official sector, with only 1,263 registered CSOs. There are approximately 3,000 CSOs registered in both Jordan and West Bank and Gaza, and approximately 9,000 in Yemen. There is no reliable data on the number of CSOs in Lebanon, with estimates ranging between 5,000 and 30,000. Both Yemen and Egypt noted the creation of a number of new youth-oriented CSOs in 2012.

The 2012 CSO Sustainability Report covers seven dimensions of CSO sustainability: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image. Each dimension, as well as overall sustainability, is rated within one of three categories: Sustainability Enhanced, Sustainability Evolving, and Sustainability Impeded. The precise definitions of these categories are provided in Annex A.

All countries covered by this report remain in the same level of CSO sustainability as in 2011 (see Annex B.) Egypt, Jordan, and Yemen fall into Sustainability Impeded, the lowest level of CSO sustainability. Egypt has the most (five) dimensions rated in the Sustainability Impeded category—legal environment, organizational capacity, financial viability, advocacy, and public image. CSOs in Egypt continue to suffer from extensive legal restrictions, government harassment, and a negative media campaign against them, while a lack of stable funding continues to undermine Egyptian CSOs' abilities to develop strategic plans, hire qualified staff, and exercise effective management.

Iraq, Lebanon, Morocco, and the West Bank and Gaza fall into the middle range of CSO sustainability, Sustainability Evolving. Lebanon is the only country with a Sustainability Evolving rating in all dimensions, while all other countries fall into Sustainability Impeded for organizational capacity, financial viability, and at least one other dimension.

In the wake of the Arab Spring, CSOs around the region increasingly engaged in advocacy in 2012, with five countries—Egypt, Morocco, Jordan, Lebanon, and Yemen—reporting improvements in advocacy during the year. While CSO advocacy capacity is still limited and government responsiveness is mixed, CSOs in these countries stepped up their advocacy for human rights, more enabling CSO laws, economic opportunities, and anti-corruption measures. In addition, CSOs in some countries were engaged in discussions surrounding democratic processes, including constitutional reform and elections.

Financial viability and organizational capacity remain the weakest dimensions, with five of the seven countries in Sustainability Impeded in both dimensions. CSOs across the region depend heavily on foreign funding and do not have reliable funding for the long-term. As a result, CSOs often change their missions and plans to align with donor priorities and have difficulties retaining qualified staff or engaging in strategic planning. In turn, the lack of organizational capacity undermines the ability of CSOs to raise funds from diverse sources.

Although financial viability and organizational capacity continue to affect the range and quality of services offered, service provision is the strongest dimension of CSO sustainability, with all countries in the Sustainability Evolving category. CSOs in most countries provide a wide range of services to address basic needs, such as health, education, and housing, as well as the special needs of marginalized and vulnerable populations, such as persons with disabilities. Less frequently, services go beyond basic needs to address issues such as environmental protection and women's empowerment.

Legal Environment

Egypt	Impeded
Iraq	Evolving
Jordan	Evolving
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Evolving

The legal environment governing CSOs did not change significantly in 2012. Ratings in this dimension remained the same as in 2011, with all countries rated as Sustainability Evolving, except for Egypt, which was rated as Sustainability Impeded.

In Egypt, the legal framework provides the Ministry of Social Solidarity broad discretion to refuse to register a CSO, dissolve a CSO, and impede CSO operations based on vague grounds. In 2012, the government continued its campaign against foreign-funded human rights organizations. Towards the end of 2011, authorities raided the

offices of several domestic and international CSOs, and in 2012, the government targeted the CSOs' staff for prosecution. A new constitution was signed into law at the end of 2012 that provides significant guarantees regarding the right to associate; however, the legal framework has not yet been changed to align with the constitution. Furthermore, the Ministry proposed a draft CSO law that would heighten restrictions on CSO operations.

CSOs in Morocco, the West Bank and Gaza, Yemen, Jordan, and Iraq also continue to face significant issues in their legal environments. The registration process can be more difficult depending on an organization’s objectives, with human rights and governance groups confronting greater impediments. In the West Bank and Gaza, registration decisions are often influenced by whether an organization is aligned with the agendas of the Palestinian National Authority or Hamas. Registration authorities therefore conduct security vetting of organization members, and organizations suspected of having ties to Hamas have more difficulty registering in the West Bank. In Jordan, Royal Non-Governmental Organizations² (RINGOs) continue to be subject to fewer restrictions than independent NGOs with regard to permissible missions and activities and have greater access to government and international resources. While Iraq—at both the federal level and in the Iraqi Kurdistan Region (IKR)—has some of the most enabling CSO laws in the region, implementation remains problematic. However, registration processes improved in both Iraq and IKR in 2012. Lebanese CSOs, on the other hand, benefit from a more enabling legal environment, including a simple notification process for registration and few restrictions on operations.

CSOs in Egypt, Iraq, the West Bank and Gaza, and Yemen are often subject to state harassment. For example, police in Iraq frequently prevent CSOs from implementing activities without their permission. Amid the ongoing conflict between Fatah and Hamas, state harassment in the West Bank and Gaza intensified this year, with many private events cancelled, CSOs arbitrarily suspended, and CSO employees physically attacked. CSOs organizing protests in Yemen experienced less government harassment this year, compared to the strong government response experienced in 2012, but only because the government had difficulty enforcing its policies.

Organizational Capacity

Egypt	Impeded
Iraq	Impeded
Jordan	Impeded
Lebanon	Evolving
Morocco	Impeded
West Bank-Gaza	Evolving
Yemen	Impeded

Organizational capacity remains one of the weakest dimensions of CSO sustainability in the region and few changes were noted in this dimension in 2012. Egypt, Iraq, Jordan, Morocco, and Yemen remained in Sustainability Impeded, while Lebanon and the West Bank and Gaza continued to be rated in Sustainability Evolving. Only Lebanon reported deterioration in organizational capacity in 2012 as a result of the influx of Syrian refugees, which prompted donor funding and CSO efforts to shift to emergency relief, to the detriment of development projects. In Yemen, organizational capacity improved slightly as a result of numerous trainings and institution building initiatives.

Throughout the region, CSOs rarely engage in long-term planning due to the lack of secure funding. Therefore, many CSOs shift their activities and priorities to match the requirements of available funding. In Jordan, about 70 percent of CSOs have neither organizational visions nor mission statements, and strategic planning is generally non-existent. Lebanon is an exception: strategic planning has become common, reinforced by capacity building programs over the last two years. In the West Bank and Gaza, larger CSOs produce strategic plans upon donor request.

CSOs in most of the countries have weak internal management systems, with ineffective boards and unclear divisions of responsibility. In Iraq, many CSOs depend on two or three key persons to run the organization. In Yemen, many CSOs lack clear procedures for appointing new leaders, and in 2012, several human rights

² Royal Non-Governmental Organization (RINGOs) are CSOs that operate under separate laws based on royal decrees and parliamentary endorsement.

organizations endured leadership vacuums after senior managers left for government positions. Throughout the region, local CSOs find it difficult to retain skilled staff due to scarce resources and competition with international organizations for employees. CSOs therefore tend to hire on a part-time or project basis. CSOs in most countries face difficulties recruiting volunteers, though in 2012 CSOs in Jordan slightly improved their abilities to recruit volunteers.

A large number of CSOs in several countries, including Egypt, Iraq, Lebanon, and the West Bank and Gaza, are generally able to access the Internet and acquire basic office equipment, including computers. In Morocco and Yemen, on the other hand, many organizations lack advanced technology due to a lack of financial resources and frequent power outages that hinder Internet access. However, domestic efforts in Morocco to equip local CSOs with computers had visible impact in 2012.

Financial Viability

Egypt	Impeded
Iraq	Impeded
Jordan	Impeded
Lebanon	Evolving
Morocco	Impeded
West Bank-Gaza	Evolving
Yemen	Impeded

Financial viability remains weak in the Middle East and North Africa (MENA). Five out of the seven countries—Egypt, Iraq, Jordan, Morocco, and Yemen—remain in Sustainability Impeded in this dimension, while Lebanon and the West Bank and Gaza continue to fall in Sustainability Evolving. Egypt and Morocco both experienced further deterioration in this dimension in 2012, while financial viability improved slightly in Yemen, as foreign and corporate support for the sector increased.

CSOs in the region largely depend on foreign funding, and funding shifts and declines in several countries in 2012 significantly impacted the CSO sectors, including their organizational capacity and service provision. In Egypt, foreign funding to CSOs decreased as the state amplified its campaign against foreign-funded CSOs and increasingly denied CSOs permission to accept foreign funding. Funding in Morocco deteriorated significantly due to the lingering effects of the global economic and financial crisis. Donor funding shifts away from regular programming and towards refugee needs in Lebanon forced CSOs to shift their programs or downsize. International funding to local CSOs in the West Bank and Gaza continues to decline as donors instead provide direct relief or channel their funding to international CSOs or the Palestinian Authority.

Local support from individuals and communities—in the form of funding, material, or volunteer support—continues to be limited in the region. In Egypt and Lebanon, local support is typically only provided for specific causes or during religious occasions, such as Ramadan, and religiously affiliated organizations receive much of this funding. In Iraq, local support for CSOs is still very limited due to the weak levels of community trust.

Support from the government and private sectors is also limited. In Jordan, much of the government and business support goes to RINGOs. Corporate social responsibility (CSR) programs expanded slightly in 2012 in Yemen and Egypt. In Yemen, many corporations—primarily international companies—have established CSR departments or associations and sponsored charitable activities of CSOs ranging from literacy projects to support of cancer patients. In Egypt, some companies and financial institutions began supporting small CSOs’ development projects. For example, Vodafone provided funding to organizations promoting literacy.

CSOs do not earn significant revenue from income-generating activities. CSOs in Iraq, Lebanon, and Morocco typically do not charge for their services, either because their beneficiaries are unable or unwilling to pay or donors supporting the services prohibit them from charging fees. CSOs in Yemen charge fees below market rates to boost demand. In the West Bank and Gaza, CSOs charge fees mainly to encourage community ownership over services. Notably, CSOs in Morocco earn much of their income through

membership fees, and CSOs in Lebanon earn income by implementing socioeconomic development contracts.

Advocacy

Egypt	Evolving
Iraq	Evolving
Jordan	Impeded
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Evolving

In the wake of the Arab Spring, advocacy improved in 2012 in five countries: Egypt, Jordan, Lebanon, Morocco, and Yemen, although only Egypt switched categories, moving from Sustainability Impeded to Sustainability Evolving. Despite government hostility towards advocacy on sensitive issues, CSOs in Egypt provided analysis of proposed constitutional provisions during the constitutional drafting process and raised awareness of the Political Rights Law in view of the elections. Only Jordan remains in Sustainability Impeded. CSOs in Jordan rarely lead advocacy and lobbying efforts due to a ban on “political activities,” a term undefined in the law, thereby potentially

encompassing a wide range of advocacy activity.

CSOs continue to find it difficult to cultivate cooperation with government, though there were some advances in 2012. In Yemen, CSOs were substantially involved in negotiations over the parameters of the national reconciliation talks, during which the importance of CSO-government partnerships was a significant focus. In Iraq, both the central government and the Kurdistan Regional Government (KRG) are working on CSO-government cooperation policies, the first in the region. Meanwhile, in the West Bank and Gaza genuine cooperation between CSOs and government is almost non-existent due to political divisions between Hamas and Fatah and the dysfunctional Palestinian legislative system.

In part due to fragile relations with governments, CSOs’ abilities to advocate and lobby continue to be weak, but are improving. Youth movements and demonstrations continued to address government corruption and economic conditions in Jordan, Morocco, and Yemen. In Jordan, these demonstrations led to several political changes, including forty-two constitutional amendments, which enhanced protection of civil liberties. In Yemen, CSOs participated in the Yemen Donors’ Conference in Saudi Arabia, marking the first time that Yemeni CSOs attended an international meeting and made presentations independent of the government. In Jordan, despite the prohibition on “political activities,” CSOs formed coalitions and submitted reports to UN mechanisms, such as the Universal Periodic Review, regarding human rights in the country.

CSOs in several countries advocated for better laws affecting the sector in 2012. Despite government harassment, CSOs in Egypt submitted various draft laws, including one on the freedom of information, and participated in a number of discussions to support a freer environment for civil society. In view of the new constitution in Morocco, more than 500 associations and networks participated in the Call of Rabat to promote the fundamental role of CSOs in national reforms and advocate for a national dialogue on the role of civil society. CSOs in Iraq and Yemen also advocated for legal changes affecting CSOs.

Service Provision

Service provision remains the strongest dimension of sustainability, with all countries rating in Sustainability Evolving. Morocco and Egypt both noted some improvements in this dimension in 2012. CSOs in Morocco are beginning to provide an extensive range of services that reflect the needs and priorities of communities and go beyond basic services, covering human rights, sustainable development, and democratic governance. In Egypt, more youth associations became active in 2012 to address daily issues such as food delivery. On the other hand, in Yemen and Lebanon, service provision deteriorated in 2012 due to shifts in funding away from regular services and towards refugee needs in Lebanon and humanitarian needs stemming from poverty and

Egypt	Evolving
Iraq	Evolving
Jordan	Evolving
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Evolving

insecurity in Yemen. In Iraq, most CSO services focus on meeting humanitarian needs, and donors have reduced their support for service provision in favor of awareness-raising projects.

CSOs frequently design services in response to donor priorities, rather than needs assessments or community input. In Lebanon, CSO services in 2012 reflected the shift in donor funding to the needs of Syrian refugees. The ability of CSOs in the West Bank and Gaza to provide relevant services is also gradually decreasing due to shifts and decreases in donor funding stemming from the global financial crisis, as well as the practice of donors providing direct relief rather than supporting local CSO service provision.

Governments in the region tend to provide limited support and recognition to CSO service provision. While the Egyptian government values CSOs working in health and education, it claims that CSOs working in human rights pursue a foreign agenda and threaten national security. In Iraq, in some cases the government does not trust CSOs or consider them partners in service delivery. However, in Morocco and Yemen, government increasingly recognizes the importance of CSOs in service delivery. In Morocco, the new constitution encourages this increased recognition, while in Yemen the government recognizes that some CSOs are more effective service providers than government institutions.

Infrastructure

Egypt	Evolving
Iraq	Impeded
Jordan	Evolving
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Impeded

The infrastructure supporting CSOs remained mostly unchanged in 2012. CSOs in Iraq and Yemen continued to have limited access to training and other resources, keeping them in the Sustainability Impeded category in this dimension, while Egypt, Jordan, Lebanon, and the West Bank and Gaza remained in the Sustainability Evolving category. In Morocco, CSOs now have access to numerous resource centers and training programs and CSOs have developed communication platforms to share information, advancing the country from Sustainability Impeded to Sustainability Evolving in this

dimension in 2012.

The presence and offerings of intermediary support organizations (ISOs) and resource centers differ throughout the region. While active support organizations provide advanced training and consulting in most parts of Morocco, access to such centers and their offerings are more limited in Egypt, Iraq, and Lebanon. For example, in Iraq only a few ISOs exist and they focus on just a few issues, such as women's rights. In Lebanon, CSOs working in remote areas cannot access ISOs, and ISOs are deteriorating due to lack of usage.

Coalition building and information sharing among CSOs continue to be nascent. However, these practices improved slightly in Egypt, Iraq, and Jordan in 2012, due in part to donor encouragement. Online platforms in Lebanon and Morocco help CSOs with information sharing and networking.

CSOs in the region have varied access to training, but in most cases the training available falls short of the needs of the sector. While advanced trainings in fields such as strategic management, volunteer management, and board development are available in Lebanon, these trainings are out of reach geographically and financially for many CSOs. In Iraq, while training is available in social media and communications, there is a lack of training in organizational management. In the West Bank and Gaza, a number of trainings are available, but the quality is generally poor. Notably, in 2012 the Social Fund for Development in Yemen trained 100 CSO representatives in various management topics.

Intersectoral partnerships are rare but slowly growing. For example, in Yemen, the Blind Association established a partnership with several ministries to manage an education center for the blind. In the West Bank and Gaza, CSO partnerships with the private sector are emerging for humanitarian and development programs.

Public Image

Egypt	Impeded
Iraq	Impeded
Jordan	Evolving
Lebanon	Evolving
Morocco	Evolving
West Bank-Gaza	Evolving
Yemen	Evolving

In public image, five countries remained in Sustainability Evolving, with Egypt and Iraq still in the Sustainability Impeded range. Due to the confrontational relationship between the government and CSOs, public image in Egypt deteriorated in 2012. Morocco and Lebanon, on the other hand, reported improvements in their sectors' public images. In both Lebanon and Morocco, CSOs have benefited from increased media coverage. CSOs in Lebanon also increasingly adopt codes of conduct to demonstrate accountability and transparency.

Media coverage of CSOs is still relatively limited in most of the countries in the MENA region. Media in Iraq and Egypt continue to propagate the idea that CSOs, particularly those that work on governance or human rights, have foreign agendas. In Jordan, RINGOs and other government-patronized initiatives usually garner more interest than other CSOs from both the public and private media. Coverage expanded in Yemen, Morocco, and Jordan in 2012 thanks mainly to new independent media outlets, which report on CSO activities more often than state media. Furthermore, CSOs in several countries, including Egypt, Yemen, and the West Bank and Gaza, increasingly use social media to reach out to the public.

Local communities often value CSOs for their service provision and other work at the grassroots level. However, CSOs in Lebanon, Jordan, and the West Bank and Gaza lost some public support this year due to perceptions that they were not meeting local needs. Many people in Yemen and Lebanon also believe that CSOs exist to pursue foreign agendas; in Yemen, as much as 50 percent of the public reportedly hold this view.

Public perception of CSOs improved, however, in Morocco and Yemen in 2012. In Morocco, the 2011 constitution's recognition of CSOs has increased their visibility and is gradually changing public attitudes towards civil society. In Yemen, the mobilization of civil society in response to the Arab Spring enhanced the public's view of CSOs and led to discussion of their role in society.

Government perceptions often vary based on the type of work in which a CSO engages. For example, in the West Bank and Gaza, local authorities appreciate the role CSOs play in providing services to the Palestinian community, but some feel politically threatened by CSOs whose work addresses violations of human and political rights. Similarly, in Jordan, various government bodies recognize CSOs' role in providing social services, while seeking to keep civil society aligned with government policies. In Yemen, on the other hand, the government has publicly recognized the role of CSOs in achieving the goals of the transition period.

CSOs' failure to follow codes of conduct, issue annual reports, or otherwise demonstrate transparency hinders the development of a positive public image throughout much of the region. For example, in Yemen, according to the Ministry of Social Affairs and Labor's 2012 annual report, fewer than ten CSOs published annual reports in 2012. In Iraq, few CSOs have adopted codes of conduct or hold regular meetings with their general assemblies to discuss their organizations' activities or financial status. CSOs in Jordan and Lebanon remain exceptions in this regard, as they generally issue annual reports. In Lebanon, CSOs also increasingly adopt internal codes of conduct to promote accountability.

CONCLUSION

This year's Report highlights the growth in CSO advocacy amid unstable political environments in the aftermath of the Arab Spring. The Report also identifies enduring obstacles to CSO sustainability, including struggling local economies, reliance on donor funding, nascent internal capacities, and insufficient access to technical and financial support. We hope this annual survey is a useful guide for CSOs, governments, donors, and researchers in advancing the capacity of the CSO sectors.

2012 CSO SUSTAINABILITY RATINGS

Middle East and North Africa								
Country	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Infrastructure	Public Image	CSO Sustainability
Egypt	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Impeded	Impeded
Iraq	Evolving	Impeded	Impeded	Evolving	Evolving	Impeded	Impeded	Evolving
Jordan	Evolving	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Impeded
Lebanon	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Morocco	Evolving	Impeded	Impeded	Evolving	Evolving	Evolving	Evolving	Evolving
West Bank -Gaza	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Yemen	Evolving	Impeded	Impeded	Evolving	Evolving	Impeded	Evolving	Impeded

COUNTRY REPORTS

EGYPT

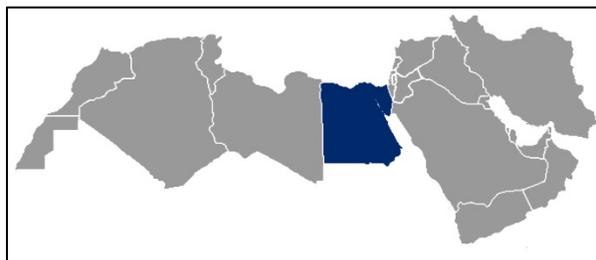
CSO Sustainability:	Impeded
Legal Environment:	Impeded
Organizational Capacity:	Impeded
Financial Viability:	Impeded
Advocacy:	Evolving
Service Provision:	Evolving
Infrastructure:	Evolving
Public Image:	Impeded

CSO SUSTAINABILITY:



<p>Country Facts *</p> <p>Capital: Cairo</p> <p>Government Type: Republic</p> <p>Population: 83,688,164 (July 2012 est.)</p> <p>GDP per capita (PPP): \$6,600 (2012 est.)</p> <p>Human Development Index: 112 (2012)</p>

Egyptian civil society consists of a diverse array of organizations and institutions, some with roots in the early nineteenth century. In addition to traditional civil society groups, such as labor and professional unions and charity-based CSOs, new groups have emerged that focus on human rights and political advocacy. Independent trade unions, many of which were founded in 2010 and developed rapidly between 2011 and 2012, have broken the decades-long state hegemony over trade unions in Egypt.



Political developments in the country over the last few years, in particular the January 2011 revolution and its aftermath, have profoundly affected CSOs. During 2011 and 2012, the country attempted to take steps in a post-authoritarian political transition. This process was not straightforward, however, especially in light of the history of authoritarianism in the country and various weaknesses inherent in

Egyptian civil society. The first elected parliament after the January revolution was dissolved in June 2012. In the same month, presidential elections were held in which former President Mohammed Morsi won a narrow victory.

CSOs, particularly those dealing with democracy and governance issues, faced significant challenges during the year. Following raids on ten NGOs in late 2011, forty-three Egyptian and foreign NGO employees, most of whom worked for international democracy and human rights organizations, were prosecuted on various

*Capital, government type, population, and GDP in all reports are drawn from the Central Intelligence Agency, The World Factbook, available online at <https://www.cia.gov/library/publications/the-world-factbook/>. Human Development Index rankings available at <http://hdr.undp.org/en/statistic/>.

charges ranging from running foreign organizations without licenses to obtaining funds from foreign institutions hostile to the Egyptian government. This was known as the “foreign funding case”. Meanwhile, independent and state-run media institutions continued a campaign against human rights organizations and their workers, accusing them of various political offenses.

Law Number 84 of 2002 defines associations – the most common organizational form for CSOs in Egypt – as entities established by at least ten persons to pursue a not-for-profit purpose that supports the development of society. Despite the difficulties noted above, the number of CSOs in the country increased in 2012. Many of these were focused more heavily on political advocacy and youth empowerment. According to the database of the Ministry of Social Solidarity (formerly the Ministry of Social Affairs), there were 37,500 CSOs registered in the country in 2012, a significant increase from 2011, when there were 27,000 registered organizations. It is unknown how many of these organizations are active. CSOs are subject to a variety of restrictions on their activities and face great political pressure from the Ministry of Social Solidarity, which holds substantial authority over them. Because of the restrictions imposed on them, many organizations are short-lived. Social and political movements, which lack a stable, governing legal framework, form and dissolve rapidly.

LEGAL ENVIRONMENT:



Law Number 84 of 2002, sometimes referred to as the NGO Law, continues to be the main law governing Egyptian CSOs. The Ministry of Social Solidarity oversees registration procedures and other administrative matters concerning CSOs. Numerous aspects of the legal framework for CSOs, including the system of required registration, are inconsistent with the rights and freedoms afforded to CSOs in both the 1971 and 2012 constitutions, as well as international conventions signed by the Egyptian government, that guarantee individuals the right to freedom of association.

To register, an association must submit an application with its articles of incorporation, including extensive information on the CSO’s founders, proposed activities, and system of internal governance. The Ministry must approve or reject an association’s application within sixty days, but has broad discretion to refuse registration. For instance, the Ministry may deny registration if it considers an association’s purposes to “threaten national unity” or be “against public order and public attitude.” The Ministry also has the right to object to a statute in an association’s articles of incorporation or the founders of an association if it considers them to be in violation of the law. In such a case, the Ministry may then request that the relevant court pass a judgment on the objection. The court may require the removal of the causes of the violation or temporarily suspend the organization’s activities. The law likewise states that amendments to an association’s articles of incorporation are subject to Ministry approval. The Ministry also has the authority and extensive discretion to dissolve an organization, including based on the same vague grounds on which it may deny an organization’s registration.

The Ministry of Social Solidarity interprets the law loosely to confine the scope of CSOs’ work and to restrict their activities. For example, compromising national unity or violating public order and manners are common examples of organizational “infractions.” In accordance with the law, CSOs may join or belong to clubs, associations, authorities, or organizations domiciled outside of Egypt, provided that the Ministry has been notified and has expressed no objection. The law likewise mandates that CSOs shall not obtain money from abroad unless properly authorized by the Ministry of Social Solidarity. The Ministry can object to any resolution issued by an organization and can demand that the organization withdraw or change it in accordance to its demands.

As a result of the restrictions imposed by Law Number 84 of 2002, numerous organizations — especially those focusing on political, economic, or social rights — turn to other legal forms to achieve their organizational goals. These alternate avenues may include establishing themselves as civil companies, law offices, or medical clinics. Civil companies are non-commercial companies with members who are engaged in artistic or intellectual work, and are subject to the Civil Law. These companies pay taxes, but are not obliged to register with any authority other than the Tax Authority, as well as the Bar Association or Physician's Syndicate depending on the type of association.

Many CSOs were subject to state and media harassment in 2012. For example, Shmooa Assembly was accused of committing financial violations. After the media spread the story, damaging the association's reputation, the prosecution closed the investigation without charging the association. In another case, CIB bank was requested to close the personal bank accounts of the founders of United Group, a law firm that promotes human rights, democracy and freedom of expression and represented many CSOs in cases initiated by the government in 2012, as well as the organization's bank account. As a result, UG withdrew the funds from the closed account and opened an account in another bank.

The operation of unregistered foreign organizations became an issue in December 2011. Forty-three Egyptian and foreign defendants, most of whom worked for international democracy and human rights organizations such as Freedom House and the International Republican Institute (IRI), were referred to the Penal Court in February 2012 on various charges ranging from running foreign organizations without licenses to obtaining funds from foreign institutions hostile to the Egyptian government. An investigation revealed that a committee formed by the Egyptian Cabinet issued a report calling for the closure of more than forty Egyptian human rights organizations for receiving funding from abroad without obtaining licenses from the Ministry of Social Solidarity. In 2012, the Central Bank asserted its authority over the commercial banks for the first time to access the bank accounts of well-known human rights institutions. This led to the closure of other human rights advocacy associations, their bank accounts, or both.

In 2012, CSOs continued to call for the replacement of Law Number 84 of 2002. In January 2012, the Ministry of Social Solidarity released a draft CSO law that would have imposed severe restrictions on civil society. Another, different draft law was subsequently prepared by the Human Rights Committee and the Religious and Social Affairs Committee in the People's Assembly (the lower house of Parliament at that time). These draft laws generally maintained the outsized role of the state in regulating CSOs, and in many cases added new restrictions and opportunities for government interference in CSO activities. At the same time, a coalition of local CSOs developed and collectively endorsed their own, more enabling draft law. Representatives from various CSOs and government ministries attended hearings held by the now-dissolved Shura Council (then the upper house of Parliament) in an attempt to propose and approve a law agreed on by all parties. None of the proposed drafts were ultimately adopted, however.

The Egyptian Constitution signed into law in December 2012 represented a qualitative transformation in dealing with CSOs. Article 51 stated that "citizens have the right to establish associations, civil institutions and parties, subject to notification only. Such institutions shall operate freely, and be deemed legal persons. Authorities may not disband them or their administrative bodies without a court order, as prescribed by the law." These rights theoretically afford CSOs a significant degree of organizational and administrative autonomy. However, all current laws governing CSOs have to be changed to be consistent with the 2012 constitution.

According to Article 13 of Law Number 84 of 2002, CSOs are not required to pay registration fees or any fees related to property contracts or the ratification of signatures. Additionally, they do not have to pay taxes on contracts, powers of attorney, publications, or records. CSOs do not have to pay taxes for any buildings they own.

CSOs do not pay taxes on funds and grants from abroad or on imported materials like office equipment that are required for their activities. CSOs must use such materials for the implementation of their activities and cannot sell the materials without prior approval from the Minister of Social Solidarity for five years from the date they import the goods or pay customers taxes.

Many CSO officials suffer from a lack of legal knowledge, including a basic understanding of their rights and duties under the law. CSOs continue to try to solve their problems with the Ministry of Social Solidarity through personal relationships, rather than through the courts because adjudication procedures are slow. In some cases, this pervasive practice has led to corruption.

Some organizations are trying to educate CSOs about their rights and help them better understand the laws governing their work. For example, the United Group held training courses on CSO law with a number of regional unions and organizations in more than fifteen Egyptian governorates in 2012. The United Group also issued four legal manuals explaining CSO law in a clear, accessible way.

ORGANIZATIONAL CAPACITY:



There is a significant gap between the organizational capacities of CSOs in rural areas versus those in urban areas. Urban CSOs have access to more qualified personnel and have opportunities to cooperate with a greater number of other organizations. CSOs in rural areas do not have the same opportunities.

CSOs' constituency building efforts differ according to the fields in which they work. CSOs focused on service provision have broader constituencies, while human rights CSOs—though they have gained support in recent years—continue to lack broad-based support. Most of the country's organizations are well-informed about the meaning of empowerment and take rights-based approaches to their work.

CSOs seek to expand the fields in which they work to minimize the possibility of having their registration applications rejected by the Ministry of Social Solidarity. For example, the Ministry sometimes stalls the registration process of organizations focused on undesirable fields of work such as defending human rights. By diversifying its focus, an organization also expands the funding opportunities for which it is eligible. The lack of stable funding makes organizational sustainability and long-term planning nearly impossible.

Boards of directors should be accountable to the organization's general assembly. According to the law, boards should hold periodic and fair elections. In reality, however, most CSOs do not organize general assembly meetings in a timely manner, and members rarely demand such meetings. As a result, the majority of CSO general assemblies hold little real power, thereby making the boards of directors and executive directors the only decision makers.

There is a shortage of both trained technical staff and volunteers. Most individuals working for or volunteering with CSOs are unqualified and untrained. It takes a long time to train staff, and once they are trained, many leave for positions with other employers. In light of the national economic crisis, CSOs also have a hard time finding volunteers.

In 2012, many organizations continued to organize capacity-building programs for CSOs in a number of fields. For example, the Center for International Private Enterprise (CIPE), in cooperation with the United Group, intensively trained one hundred CSOs on good governance and distributed training manuals. CIPE further convened training programs for and held discussions with business associations on the concept of good governance. USAID's Egyptian Civil Society Support Project focuses on building the organizational and management capacity of Egyptian CSOs. In addition, the European Union conducted a number of capacity building programs on the principles of good governance in the framework of Mediterranean cooperation and

UN organizations, such as UNDP and UNICEF, supported a number of developmental initiatives in the area of poverty alleviation. These efforts achieved a great deal of change in CSOs' awareness and organizational capacities. On the practical level, however, there remain doubts of how these changes will actually impact CSOs' work in the field.

Most CSOs in urban areas now have computers and Internet access and use email as the main means of communication, instead of old methods like fax or letters.

FINANCIAL VIABILITY:



CSOs face increasing difficulties attracting both foreign and local sources of funding.

While some well-known CSOs, including Caritas Organization, Coptic Evangelical Organization, Misr El-Kheir, and the Upper Egypt Association for Education and Development, receive both foreign and local funding, small and medium-sized organizations have limited capacities to attract local funding, and therefore rely primarily on foreign funding. Although there are no accurate statistics on the amounts of foreign funding received by the sector in 2012, CSOs believe that foreign funding levels deteriorated as a result of the campaign against foreign CSOs, as well as the political turmoil in the country. In addition, the government rejected many requests for foreign funding in 2012. For example, the government rejected all requests for approval of foreign funding submitted by the Arab Program for Human Rights Activists in 2012, putting it at risk of closure.

A number of organizations, like Ansar Al-Sonna Association, depend on funding from individual benefactors and institutions from other Arab states. Many Copts that have moved abroad, for example, directly support the Egyptian Coptic Church and various Christian associations working in the country.

No local organizations routinely and reliably provide funding to CSOs. Local funding comes from individual or institutional donors, including Sawiris, Al Alfy, Al Fanar, Mansour, and Culture Resource, during certain periods or for specified services. Many service-providing organizations in Egypt's rural areas rely on this local support. The national government contracts for the services of some organizations.

Some large organizations, such as the Food Bank, Misr El-Kheir, Al-Shareyah Society, and Orman Charity Association, attract a myriad of local funding sources. The majority of these organizations are religiously affiliated. Zakat (alms giving) represents a large portion of such organizations' funding.

Corporate social responsibility (CSR) funds and support to CSOs and communities were apparent throughout 2012. For example, Vodafone provided funding to organizations working to promote literacy. Larger companies implement similar programs, and some have even founded CSR departments to oversee intersectoral partnerships with CSOs and charitable organizations.

CSOs are legally required to maintain financial records. However, many organizations lack transparency or undervalue the importance of operating in a transparent manner. Small and medium-sized organizations are most likely to lack sound financial management practices due to weak general assemblies and the lack of professional auditors. Sometimes these organizations resort to using employees of the Ministry of Social Solidarity to control and oversee their records. However, as the Ministry of Social Solidarity is responsible for auditing CSOs' records and accounts, this presents opportunities for corruption. Some small organizations do not keep regular financial records at all. Larger CSOs generally have more administrative controls and increased transparency and accountability.

ADVOCACY:



CSOs frequently engage in advocacy initiatives targeting both decision makers and grassroots constituencies to achieve their goals. After the January 2011 revolution, CSOs could communicate more easily with various sectors of society. However, CSOs still face obstacles—including a lack of organizational sustainability and limited impact on the government—when engaging in advocacy campaigns or lobbying efforts. In addition, the first parliament after the 2011 revolution was dissolved by the Supreme Constitutional Court in mid-2012, eliminating a valuable target of advocacy campaigns.

CSO advocacy initiatives addressed a variety of issues in 2012. Several associations and civil companies working on human rights—including the Cairo Institute for Human Rights Studies and Al-Nadeem Center for Rehabilitation of Victims of Torture—submitted various drafts of laws, all of which had the common goal of liberating Egyptian civil society from state control. These organizations effectively participated in a number of discussions and hearings throughout 2012. They also organized several conferences and discussions in different areas of the country that gathered CSOs and regional unions to increase lobbying power for a democratic CSO law. However, a new CSO law was never adopted.

CSOs were involved in both the constitutional process and elections in 2012. CSOs implemented several awareness campaigns explaining the pros and cons of various constitutional articles. During the elections, CSOs implemented several campaigns promoting the Political Rights Law.

Human rights organizations and civil companies launched additional campaigns to advocate for increased media freedom, after more than one thousand media personnel were referred to the Prosecutor General in 2012 for allegedly insulting the President and disturbing the public order. Human rights organizations also participated in discussions on the draft law on freedom of information.

A number of organizations established in 2012 focus on gender issues. For example, Fouada Watch, formed in June 2012, monitors and documents the performance of the government vis-a-vis gender matters, including harassment of women. Some groups have produced documentaries to highlight the problem of harassment.

Advocacy efforts that address sensitive issues, such as torture or the right to a fair trial, have been met with government harassment. For example, the government refuses CSOs permission to receive funds for these campaigns and pressures CSOs' members to withdraw from these campaigns, hindering CSOs' abilities to affect policy makers.

SERVICE PROVISION:



Some CSOs depend on community assessments and broad-based surveys to identify the specific needs of particular locales, while others depend on their relationships and previous knowledge of communities.

Faith-based CSOs, specifically those in rural governorates, play an indispensable role in providing basic services to local communities. Many large organizations maintain branch offices in rural governorates that provide health and education services, as well as direct humanitarian aid. Local community development associations, which exist in every village in Egypt, also provide a myriad of services. However, due to the small size and limited funds of these associations, they are not always able to provide adequately for all of the needs of a specific community.

More youth associations became active in Egypt in 2012, partially in response to the January revolution. Many of these associations evolved out of neighborhood watch groups established in the aftermath of the Arab Spring. Youth associations seek to provide solutions to daily problems, such as food delivery.

Over the last few years, CSOs have established projects focusing on education and health with financing from international or foreign institutions. In cooperation with several grassroots CSOs in the Upper Egypt governorates of Suhag, Fayoum, and Qena, the International Population Council implemented Project Ishraq from 2011 to 2012. This project focused on women's education, providing women between the ages of eighteen and thirty-five with basic reading, writing, and life skills, as well as physical activity. Ending in late 2012, Project Ishraq was followed by a project entitled We Can Participate. Also financed by the International Population Council, the project aims to improve women's access to the job market and provide them with entrepreneurial skills. These initiatives are challenged by a lack of organizational sustainability and funding.

-The national government recognizes and values civil society contributions in the fields of health and education. The government cooperates with CSOs in these fields, as well as faith-based organizations that provide services. On the other hand, government officials believe that most CSOs working in human rights follow a foreign agenda and threaten national security. Most CSOs that provide education and health services charge consumers nominal fees to ensure organizational sustainability.

INFRASTRUCTURE:



A few specialized organizations like the NGO Service Center, the Center for Development Services (CDS), the ICT Trust Fund, and the Nile Center for IT Technologies provide small grants and capacity building services to CSOs. However, these centers do not provide assistance to CSOs in a continuous, accessible, and affordable manner. For example, CDS was formed and funded by USAID, but since this funding stopped, it only provides limited services based on available funding. Thus, CSOs generally rely on donor support to build their organizational capacities.

USAID, Danida, and other foreign organizations invest funds and other resources in improving Egyptian CSOs' operational capacities, including by establishing networks and alliances, financial controls, and better management practices. Several Egyptian institutions, including the Sawiris Foundation for Social Development, also provide some services to CSOs.

Throughout 2012, the United Nations Development Program (UNDP) spearheaded various projects in partnership with Egyptian governmental agencies. These include the Decentralization Project with the Ministry of Local Development, the Social Contract Project with the Cabinet Information Center, the Egypt Network for Integrated Development (ENID) Project with the Ministry of International Cooperation, and the Value Chain Project with the Ministry of Agriculture. All of these projects included components focused on building the capacities of grassroots and intermediary CSOs in the Egyptian governorates where they are located.

There are several local grantmaking organizations in Egypt. Madad, which supports cultural projects, and Sawiris, which supports activities related to social and economic development, were formed by business executives.

Egypt has a network of qualified trainers. Some work independently, while others work in training centers or CSOs. Training programs available to CSOs focus on topics including institutional capacity-building, resource mobilization, networking, and advocacy.

Although still not common, networking and coalition building in the sector increased in 2012. Anti-Discrimination Against Women, an alliance of women’s organizations, advocates for greater gender equality and representation.

PUBLIC IMAGE:



The relationship between CSOs and the media is not always positive. In 2011, independent and state-run media institutions launched a campaign against human rights organizations and their workers, accusing them of various political offenses. These organizations were falsely accused of working against Egyptian state interests and collaborating with foreign institutions hostile to the government. This campaign continued throughout 2012, and had a negative effect on the public perception of CSOs. For example, the media convinced the public that most of the forty-three defendants charged in February 2012 for running foreign organizations without licenses or obtaining funds from foreign institutions hostile to the Egyptian government were spies trying to harm the Egyptian community and public security.

At the same time, many Egyptian CSOs garnered more public support in 2012. Egyptian activists and CSOs heavily used social media, thereby improving their outreach and mobilization of the general public. In addition, some independent media outlets did a good job in promoting the role of CSOs and many of their campaigns and thus helped generate public support.

Independent media outlets also played a positive role in exposing the sexual assault and human rights abuses that occurred during the January 2011 revolution. Both before and during Mohamed Morsi’s presidency, independent media organizations and personnel allocated a great deal of attention to the crusade for better treatment of women and an end to arbitrary abuses.

CSOs that provide concrete services for citizens in the poorest areas of the country have the highest levels of visibility and the most positive public perception. Government and business entities favorably view the way that various CSOs implement state-directed projects.

Neither independent nor state-run media pay much attention to the work of CSOs. It is rare for CSO-led health and educational initiatives to be publicized. Media covers activities that will attract the largest audiences. Therefore, CSOs focused on political developments and human rights receive the most coverage in the country. Large organizations working in healthcare and public welfare also receive a considerable degree of publicity. Only large CSOs—such as Misr El-Kheir, Orman, and Resala—have the resources to pay for advertisements.

CSOs use social media to reach out to the public. This is especially true of CSOs that do not have direct contacts with traditional media outlets and CSOs that work on issues that traditional media outlets may not want to cover.

Despite ongoing efforts since the 1990s, there is no code of ethics for CSOs. The majority of CSOs do not issue annual reports, and some only submit such reports to the Ministry of Social Solidarity.

IRAQ

CSO Sustainability:	Evolving
Legal Environment:	Evolving
Organizational Capacity:	Impeded
Financial Viability:	Impeded
Advocacy:	Evolving
Service Provision:	Evolving
Infrastructure:	Impeded
Public Image:	Impeded

CSO SUSTAINABILITY:



Country Facts

Capital: Baghdad

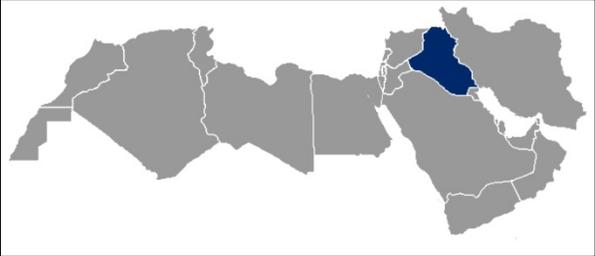
Government Type: Parliamentary Democracy

Population: 31,129,225 (July 2012 est.)

GDP per capita (PPP): \$7,100 (2011 est.)

Human Development Index: 131 (2012)

In 2012, Iraq continued to experience political crises on various levels, including the ongoing conflict between the central government and the Kurdistan region, calls for a no confidence vote in Prime Minister Nuri al-Maliki, a trial that led to a death sentence for Vice President Tareq al-Hashemi, and the arrest of the Sunni Minister of Finance’s bodyguards on terrorism charges. Following these arrests, which were thought to be the result of religious sectarianism, thousands of people demonstrated near the city of Fallujah, demanding the release of the detainees. The security situation continued to be difficult in 2012.



The protection of human rights continued to be an issue in the country. In its 2012 annual report, Human Rights Watch confirmed that security forces continued their practice of arbitrary detention and torture of detainees. The Ministry of Justice announced a new record for the number of executions in 2012, while the Iraqi government continued to respond to peaceful demonstrations with intimidation, threats, violence, and arrests against demonstrators, journalists, and activists. The government also continued to harass journalists and various media that criticize the government.

A significant milestone in 2012 was the establishment of the Iraqi Independent High Commission for Human Rights (IHCHR) and the appointment of its fourteen permanent members. The IHCHR aims to strengthen, promote, and develop human rights principles and a culture of respect for human rights. However, the majority of the permanent members are male, which has disappointed women’s rights organizations. Another key achievement was the development and implementation of a comprehensive Human Rights National

Action Plan, based on 172 recommendations from Iraq’s Universal Periodic Review in 2010. As a result of the National Action Plan, the Council of Representatives passed a number of laws that helped to promote and protect human rights, such as the ratification of the Convention on the Rights of Persons with Disabilities in February 2012.

CSO sustainability did not change significantly in 2012. CSOs in both Iraq and the Iraqi Kurdistan Region (IKR) continue to operate under favorable and non-restrictive legal environments, although implementation of the laws is problematic. Organizational capacity is weak, and many CSOs operate without visions, missions, or strategic plans. Most CSO employees are hired on a part-time basis and CSOs have difficulty finding and engaging volunteers. CSOs are largely dependent on foreign donors, as local support is still very limited. As a result, most CSO services are not sustainable. CSOs are gradually becoming better advocates, addressing issues including poverty, human rights, domestic violence, pension laws, and cybercrime prevention during the year. Foreign organizations provide much of the infrastructural support to CSOs, and networking remains the exception, not the norm. Although many communities have a positive view of the role CSOs play, particularly as service providers, many media organizations and government officials believe that the majority of CSOs implement foreign agendas.

According to the NGO Registration Directorate, the number of registered organizations by the end of 2012 was 1,263, down from the estimated 4,000 to 6,000 that were in operation prior to the passage of the Law on Non-Governmental Organizations (Law 12 of 2010). Approximately 600 CSOs operate in IKR.

LEGAL ENVIRONMENT:



CSOs in Iraq operate under the favorable Law on Non-Governmental Organizations (Law 12 of 2010). However, implementation of the law has been problematic. In IKR, CSOs operate under the Law on Non-Governmental Organizations Operating in the Iraqi Kurdistan Region (KRG Law 1 of 2011), which is among the most enabling laws of its type ever passed in the Middle East and North Africa. As with the federal law, however, implementation of the new KRG law has been weak.

The CSO registration process in Iraq became easier in 2012. After receiving training and becoming more familiar with the regulations, registration officials processed applications more quickly in 2012. However, CSOs still must register in Baghdad, imposing burdens on those based in the provinces. In addition, the government still often complicates and impedes the registration process. CSOs need approval from the Supreme National Commission for Accountability and Justice, and are often required to submit work plans and budgets. Some registration officials continue to be ignorant of the law, and registration procedures are not always transparent. CSOs with personal connections to government officials as well as government-organized NGOs (GONGOs) register more easily. The federal government cannot shut down an organization without a formal court decision.

In IKR, CSO registration was frozen throughout much of 2012, but restarted in late 2012. With the input of Kurdish CSOs, five simplified registration forms were developed in 2012. Registration can be completed in just four or five days, and there are almost no unregistered organizations operating in Kurdistan. However, while CSOs registered in Baghdad can work in IRK, CSOs registered in IKR cannot work in other provinces of the country without also registering in Baghdad.

CSOs in Iraq are often subject to harassment and interference from the country’s security forces. Police frequently prevent CSOs from implementing their activities without their permission. In the provinces, even registered CSOs suffer from complicated processes and interference from security forces including regular checks and visits.

A policy for cooperation between public authorities and NGOs, the Compact on Partnership and Development between Public Authorities and Non-Governmental Organizations in the Kurdistan Region of Iraq, was formulated in 2012. The Compact lays the basis for stronger and better partnerships between public authorities and the civil society sector. The first policy of its kind in the MENA region, the Compact empowers CSOs in the IKR to promote “democracy, citizenship, civil society, transparency, accountability, and citizen participation in public issues,” express opinions, and participate in the design and implementation of policies and laws. A similar compact started to be developed on the federal level during the year.

Legislation for a federal civil society support fund was also drafted in 2012. The KRG law also requires the creation of such a fund, but the first call for proposals had not been issued by the end of 2012.

Only public benefit organizations (PBOs) are exempt from income tax, VAT, customs duties, and sales tax. However, the law does not clearly differentiate between public benefit and other organizations. CSOs must pay taxes when they import special equipment or materials from outside Iraq, further hindering their operations. The Council of Ministers verbally agreed to reverse its 2012 decision to require all CSOs that are not PBOs to pay income tax, VAT, customs duties, and sales tax at the same rate as Iraqi corporations, including retroactively, but the cancellation has not yet been made official. Nevertheless, in 2012 no CSOs paid tax. Neither individual nor corporate donors receive tax benefits for donating to CSOs.

CSOs can legally earn income, but must use the profits to further their non-profit activities. The government often restricts CSOs from applying for tenders.

The Civic Center is the only known domestic organization with legal capacity in CSO law in Iraq and is unable to meet the demand for legal consultations in the country. As a result, CSOs are dependent on external consultants for legal advice, which imposes additional costs on them. The shortage of legal advice is less of an issue in IKR because registration procedures there are easier.

ORGANIZATIONAL CAPACITY:



Many smaller CSOs in Iraq, including IKR, recognize the importance of building strong, grassroots foundations, and have begun working with other organizations to enhance their popularity in order to access funds. However, some CSOs in Iraq are established on the basis of religion, family, or clan. Such groups often have direct ties to political parties. While these organizations may have stable sources of funding, they generally have weak mobilization campaigns, lack the trust of the broader local community, and have limited impact. This is mainly because they were established to raise religious awareness and do not communicate with other CSOs on issues such as development or advocacy.

CSOs have limited access to organizational development trainings. As a result, according to some civil society experts, a majority of CSOs do not have well-defined organizational visions or strategic goals, and very few have clear, strategic plans. Many organizations copy mission and vision statements from other organizations when registering, only to realize eventually that their visions do not reflect their activities. Some CSOs shift their focus in order to receive more funds.

The election system for board members within CSOs is still weak, and most CSOs do not devote adequate attention to developing internal management systems. Many CSOs depend on two or three key persons to run the organization. These individuals largely determine the CSO's success and when they leave, the future of the organization is jeopardized. Most CSOs do not have job descriptions for their employees. In many CSOs, there is substantial overlap between the administrative apparatus and the Executive Board. Some donors have started asking for job descriptions and requiring human resources departments to ensure organizational transparency.

CSOs have difficulty finding and engaging volunteers. Most CSO employees are hired on a part-time basis. Only a few people have full-time positions in CSOs. CSOs have trouble recruiting professionals for permanent positions, in part because the United Nations and other international organizations attract professionals from local organizations by offering higher salaries.

Although Internet penetration remains low in the country, most CSOs have access to computers and use the Internet, even if they do not have their own equipment. Many organizations do not use computer programs to manage their finances both because such software is expensive and because it would require specialized training, as well as the need to pay higher salaries.

FINANCIAL VIABILITY:



Strong CSOs have partnerships with a number of international organizations and most CSOs working on advocacy, development, awareness-raising, and women's issues are almost completely dependent on foreign donor support. The US State Department and USAID continue to be major donors in the country in terms of civil society support.

Due to an absence of community trust, local support for CSOs is still very limited. As a result, groups that lack international links are unlikely to survive. Many Iraqis are not ready to embrace the role of CSOs in society, much less support them financially. CSOs still need to raise awareness of their initiatives and organize campaigns promoting local financial resources. Small youth initiatives garnered some local support in 2012, but without sustainable funds, these initiatives will be short-lived. As a whole, Iraqi CSOs undertake very few fundraising initiatives. Some organizations collect donations via boxes placed in public spaces.

Support from local businesses is rare. Communications companies like Zain and Asiacell are most active in this regard. The investment law calls for the establishment of a local fund for CSOs that would be financed by the taxes paid by international companies. However, the law has not been implemented yet.

In IKR, the government used to support CSOs by paying office rent, but it stopped this support in 2012 and started supporting projects and activities directly instead.

Some organizations try to diversify their funding by initiating new projects or appealing directly to international donors, including various embassies and the European Union (EU). As a result of such efforts, the EU funded eight or nine projects in Iraq in 2012.

No CSO earns a significant amount of income by providing services for fees. In part, this is because Iraqi citizens have come to expect CSO services to be free. In addition, CSOs fear that it would negatively affect their ability to get funding from donors, which may exclude earned income from project budgets.

In 2012, the central government, NGO Coordination Committee for Iraq (NCCI), and international donors all emphasized the financial management of CSOs. For example, donors began checking CSOs' financial capacities by visiting them and conducting financial assessments before funding them. Donors also started closely monitoring and following up on the implementation of projects. Many organizations share their financial reports with the government and send additional copies to donors. However, the executive board members of these CSOs are often not fully aware of the content of such reports.

ADVOCACY:



In 2012, both the federal government and KRG started to draft cooperation policies between the government and CSOs, but neither was passed by the end of the year. Cooperation depends largely on the attitudes and beliefs of individual authorities. Many ministries and provincial councils are passive and do not actively engage with CSOs. Some ministries do not allow CSOs to implement activities because they do not trust them, assuming that the CSOs are connected to political parties and will implement party agendas. Other factors impeding communication include the lack of an e-governance system and the lack of regulations on the right to access information held by public authorities.

Despite this, CSOs are gradually becoming better advocates. With community support, CSOs are working to eliminate the structural causes of poverty, uphold human rights, and achieve sustainable patterns of development in the government. CSOs successfully engaged in legal advocacy to amend the election law. CSOs also advocated for a law on domestic violence prevention by organizing public meetings, an awareness campaign, and round tables with decision makers. In addition, CSOs raised media attention to prevent the adoption of the Information Crimes Law.

Iraqi CSOs frequently build relations with parliamentarians and lobby to impact legislation. In 2012, CSOs lobbied for a pension law, greater press freedoms, cybercrime prevention, stronger social security laws for vulnerable groups, and the establishment of a Department of Protection from Domestic Violence in police stations. In IKR, CSOs successfully influenced a criminal law and personal status laws.

During the year, CSOs advocated to get the Council of Ministers to cancel its decision to tax all non-PBO CSOs at the same rate as corporations.

SERVICE PROVISION:



Most CSO services focus on meeting humanitarian needs, although CSOs also engage in women's and youth empowerment, legal services, and institutional capacity building. In 2012, twenty-five CSOs signed a contract with UNESCO to reduce illiteracy.

CSO services do not fully cover the needs of society in part due to the security situation and growing social needs and the majority of CSO services are not sustainable. Donors have reduced their support for CSO projects focused on service provision as they have become more interested in supporting awareness projects focused on various issues including elections, human rights, and women's rights.

CSOs are largely unable to recover the cost of services they provide to the community, both because they lack clear strategies for cost recovery and because they inadequately market their services.

Services provided by CSOs usually correspond with donors' priorities, which are sometimes established without conducting local needs assessments. Although there are signs that CSOs are developing stronger relations with their beneficiaries, they still rarely contact beneficiaries when writing proposals.

In some cases, the government does not consider CSO services important because it does not trust CSOs or consider them partners in the delivery of services. In IKR, however, CSOs work with the local government to meet community needs.

INFRASTRUCTURE:



The main intermediary support organizations in Iraq are foreign organizations including Mercy Corps, the International Rescue Committee (IRC), and Norwegian People's Aid (NPA). Many of the services they provide—legal consultation, social services, empowerment, and rights awareness—focus on women's issues, domestic violence, and human rights. There is still a need to build an effective database of local and international donors and resource centers in the country. There are no known local grantmaking entities in Iraq.

Many organizations do not fully grasp the benefits of establishing networks. However, CSOs became slightly more interested in participating in and advocating through networks in 2012, in part to increase their access to donor funding. International organizations operating in Iraq support and encourage CSO networks and coalitions, but there are significant legal barriers to registering such networks, such as requirements to submit many documents and for each member of the network to be registered. Therefore, the number of officially-registered networks is small. The Iraq Women's Network, NCCI, Freedom Collection, Future Network, and Shams Network for Monitoring Elections are some of the major networks in the country.

CSOs have access to a great deal of training in social media and communications, but few trainings address organizational management. Most training is provided by expats, and training materials are not always adapted to the Iraqi context. With few local trainers, it is difficult to meet all the training needs in the country.

CSOs have started to expand intersectoral partnerships, especially with the media, parliament, and provincial councils.

PUBLIC IMAGE:



The media in Iraq continues to propagate a negative image of CSOs. Many media organizations, especially those that are pro-government, believe that CSOs are trying to implement a foreign agenda, particularly when CSO activities are not aligned with government policies. The media is generally more interested in covering activities that have political impact, such as political debate and public demonstrations. On the positive side, many local TV stations struggle to fill their broadcasting schedules and thus cover CSO activities. Despite this coverage, most media organizations do not fully understand CSOs' role in society.

Recently, some media outlets have started to take part in the implementation of CSO campaigns and activities, such as training and workshops, as well as work with CSOs in planning future activities. As a result of this experience, media not only reports on CSO activities, but also experiences CSO services firsthand.

Public opinion toward CSOs is slowly improving and many communities have a positive view of the role CSOs play, particularly as service providers.

Many government officials believe that the majority of CSOs have a Western agenda deviant from Iraqi culture, religion, and government policy. The Iraqi government is not well-informed about what CSOs do in the community, the scope of their work, or the services they provide and does not have a real interest in dealing with CSOs. However, to comply with the law, the government sometimes is forced to cooperate with CSOs to achieve some common goals. Only during election periods does the government show an inclination to cooperate with CSOs in order to raise awareness about political participation. The business sector is not active in Iraq due to the security situation, and does not engage in joint activities with CSOs.

Most CSOs do not try to promote their image in a systematic way because they view foreign funding as their only option for resources and thus focus their attention accordingly.

CSOs have not adopted any codes of conduct and still need general training on organizational development. Moreover, even though CSOs are required to submit annual reports to the NGO Directorate, there is little organizational or financial transparency. Few CSOs conduct regular meetings with their general assemblies to discuss their organizations' financial status or annual reports.

JORDAN

CSO Sustainability:

Impeded

Legal Environment:

Evolving

Organizational Capacity:

Impeded

Financial Viability:

Impeded

Advocacy:

Impeded

Service Provision:

Evolving

Infrastructure:

Evolving

Public Image:

Evolving

CSO SUSTAINABILITY:

Impeded

Country Facts

Capital: Amman

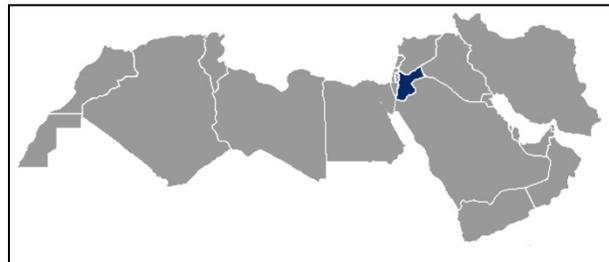
Government Type:
Constitutional Monarchy

Population: 6,482,081
(July 2013 est.)

**GDP per capita
(PPP):** \$6,000 (2012
est.)

**Human
Development Index:**
100 (2012)

During 2012, Jordan continued to be impacted by the Arab Spring. Discussions initiated in 2011 on political reforms continued in 2012, and some changes were implemented, notably to the parliamentary election system. While the country has avoided the political instability affecting many of its neighbors, citizens did organize protests against increases in fuel prices and government corruption during the year.



As a result of the civil war in Syria, Jordan's economy and the population's access to basic services deteriorated in 2012. According to the Ministry of Planning and International Cooperation (MoPIC), in 2012 the Government of Jordan spent over \$251 million to provide services to Syrian refugees, an amount only partially offset by donor contributions and grants. The influx of refugees has taking a heavy toll on

Jordanians, who now have less access to jobs, food, education, health, and social protection, especially in the governorates of Amman, Irbid, Zarqa, and Mafrq, which have the highest concentration of refugees.

The Syrian crisis has also caused Jordan's GDP growth rate to fall by 2 percent as the government continued to reduce capital investments in order to pay for the basic needs of refugees. Between 2009 and 2012, capital investment decreased by 286 million Jordanian Dinars (about \$404 million), causing the already stressed infrastructure to deteriorate further. In addition, the surge of refugees led to an increase in imports by 9 percent for 2012, worsening Jordan's trade balance. Cheap imports from Syria also had to be substituted with more costly imports from elsewhere.

Civil society in Jordan—including the sizeable Syrian community that was in Jordan prior to the crisis, local organizations such as the Jordan Hashemite Charity Organization (JHCO), as well as international

organizations—plays a critical role in responding to the Syrian refugee crisis. However, the influx of refugees has overwhelmed the capacities of CSOs. For example, JHCO was initially in charge of running the Zaatari camp, the largest and most concentrated Syrian refugee camp. However, as the numbers of refugees increased, the government established an authority solely dedicated to running the camps, the Syrian Refugee Camp Directorate, which now co-manages the camps with the UNHCR.

In 2012, a total of 3,329 CSOs were registered with the Ministry of Social Development (MSD), an increase from 2,813 in 2011.

LEGAL ENVIRONMENT:



The Societies Law No. 51 of 2008 and its amendments continue to govern the registration and supervision of local and foreign associations. After associations are registered under Law No. 51, the Registry Council refers them to the relevant ministry—such as MSD, Ministry of Political Development, Ministry of Tourism, Ministry of Environment, and Ministry of Interior—for supervision. Not-for-profit companies and certain other CSOs register with the Ministry of Trade and Industry under the Companies Law No. 73 of 2010. There is also a special class of Royal Non-Governmental Organizations (RINGOs) that operate under separate laws based on royal decrees and parliamentary endorsement. RINGOs have fewer restrictions on permissible missions and activities and receive more funding from both private and public sources, including some government funding, unavailable to other CSOs.

While few CSOs are refused registration, Law No. 51 allows the government to reject registration applications without providing reasons. Registration applications are sometimes rejected seemingly for political reasons. For example, Komestair Initiative, which aims to assess the performance of parliamentary representatives, was denied registration in 2013. Though registration takes place in the governorates, the location of the Higher Court of Justice in Amman makes it difficult for those in distant regions to appeal registration decisions.

Local authorities placed some restrictions on events in public places. For example, the youth-led CSO Leaders of Tomorrow's Diwanieh project, which organizes public debates, wanted to have an event in a public space, but the governor of Ajloun requested that it be held in a closed hall. Implementation of laws often depends on personal interpretation, good will, and other factors.

According to a representative of MoPIC, no organizations were shut down or dissolved for political reasons in 2012. Even CSOs that participated in the Universal Periodic Review of the United Nations Human Rights Council, where they submitted reports critical of the government's human rights record, continued to operate free of harassment from the government.

Freedom of expression was threatened in Jordan in 2012. In September 2012, parliament amended the Press and Publications Law. The amendments further restrict the freedom of expression of electronic publications, require journalists to join a union, require websites to register with the government, and hold website owners responsible for all content posted to their sites, even by visitors. In addition, according to Freedom House, several people were arrested during the year for insulting or criticizing the king, his cabinet, or Jordan's system of government.

Tax exemptions are limited and only allocated to orphanages, associations for people with disabilities, and associations covered by the Jordan-EU Association Agreement. Furthermore, the procedures to access tax exemptions are complex. Individuals or businesses can deduct donations up to 25 percent of their taxable

income if the receiving CSO is registered as a charitable organization. To be considered “charitable” a CSO must submit an application to the Council of Ministers.

There are no legal barriers to the participation of CSOs in government tenders. There are also no restrictions on income-generating projects or economic activities, provided that such income is allocated toward activities that meet the CSO’s objectives and is not distributed to its founders or members.

Only a few qualified lawyers and CSO employees are well-acquainted with CSO laws and able to provide competent legal advice. However, over the past two years, some legal consulting offices have started providing services to associations and training lawyers on the legal framework for associations in Jordan.

ORGANIZATIONAL CAPACITY:



The work of CSOs is typically based on donors’ agendas, which usually focus on particular target groups. CSOs thus repeatedly work with the same target groups and do not have the resources to undertake activities with other populations. CSOs that seek to work with refugees require permission from various governmental entities and must coordinate their work with international agencies.

In 2012, the USAID-funded Civil Society Program (CSP), implemented by FHI_360, conducted an institutional assessment of 250 associations and found that 70 percent of organizations (mostly charities) have neither organizational visions nor mission statements. Strategic plans are generally non-existent. The follow-up program to CSP emphasized the need to increase strategic planning skills and organizational capacities, including in monitoring and evaluation, human resources, financial management, strategic planning, and project management.

The lack of financial resources inhibits many CSOs’ abilities to build their institutional capacities. Scarce resources hinder the establishment of administrative systems, such as human resources systems, and makes good governance difficult. In addition, the lack of resources restricts organizations’ abilities to hire employees, upgrade their equipment, and pay rent. In 2012, however, there was a slight improvement in associations’ abilities to recruit volunteers, despite the fact that volunteers have begun to ask to be compensated for their transportation costs. Project-based contractors are also becoming increasingly common.

All CSOs generally have clearly defined management structures, including a recognized division of responsibilities between the board of directors and staff members. Boards actively engage in the governance of CSOs.

As they operate under royal patronage, RINGOs receive more funding from local donors. As a result, they generally have strong organizational capacities, and have representatives of ministries and private sector companies on their boards.

FINANCIAL VIABILITY:



Funding remains an issue for most, if not all, CSOs in Jordan. Associations rely heavily on donations, foreign funding, and volunteers. Although no official data is available, CSOs’ access to foreign funding seems to have increased in 2012; at least some of this increased funding was provided in connection with the Syrian crisis. While CSOs are required to report their foreign funding to the state and receive approval for this funding, RINGOs are exempt from this procedure. As a result, RINGOs generally receive more funding than other CSOs.

The government provides some support to associations to cover a portion of their basic operating expenses, such as rent. MSD supports charity organizations with an average of 2 million Jordanian Dinars (\$2.8 million) annually in grants focused on reducing poverty in communities. MoPIC funds many CSO projects and helps to equip associations with computers. Funding from MSD and MoPIC, however, does not support capacity-building programs. RINGOs benefit from significant government funding. Three RINGOs receive funding from MoPIC to implement the Poverty Pockets Project.

CSOs—mainly charities—received some donations from wealthy individuals in 2012. For example, a parliamentarian provided a donation to a CSO to build a school and provide devices for people with special needs. RINGOs receive more funding from both the private and public sector as donors seek to align themselves with royal interests. Businesses primarily support RINGOs, which then often sub-grant these funds to other CSOs. The relationship between the private sector and small associations is still very weak.

Some CSOs have built strong reputations and successfully diversified their funding sources. Many larger CSOs, such as the Islamic Center Society, engage in membership outreach and have active philanthropy development programs. Small CSOs, however, do not have fundraising strategies to secure local or foreign financial support and lack the capacity to draft project proposals.

While CSOs are legally allowed to charge for services, most do not because their beneficiaries cannot afford to pay. In addition, the policies of some donor agencies prevent CSOs from collecting fees for the projects they fund. CSOs are allowed to collect membership fees, but these constitute a limited source of revenue.

Associations are increasingly expected to demonstrate financial transparency, as they are subject to inspections by the Audit Bureau. This led to some improvement in financial management systems in 2012, particularly among larger CSOs.

ADVOCACY:



CSOs face several obstacles to engaging in advocacy and lobbying efforts because societies are legally prohibited from engaging in political activities or having any political objectives. However, the term “political activities” is not defined in either the Societies Law or the Political Parties Law. In addition, civil society generally lacks confidence when engaging with the government. The channels of communication between civil society and the government are weak and depend largely on individual access to government representatives.

Despite these barriers, throughout 2012, young Jordanians led demonstrations calling for an end to corruption as well as the constant increases in the cost of living. There was clear dialogue between the popular movements and local authorities—the authorities listened to the demands and worked to develop solutions in cooperation with all relevant institutions. Ultimately, the demonstrations resulted in a political reform process in 2012 that included forty-two constitutional amendments, new political parties, and a new electoral law. Among other changes, these new legal provisions limited the possibility for emergency laws and the use of national security courts, established a constitutional court and an independent electoral commission, and prohibited torture. Authorities also created mechanisms to follow up on the implementation of development projects in the governorates. For example, the Council of Ministers established a committee of nine ministers to meet on a weekly basis to discuss the challenges of the development plan and improve implementation, which is still challenging.

In a few cases, CSOs worked with government representatives on the development of new policies in 2012. For example, the ministerial team tasked with drafting nationwide poverty and other economic programs included CSO representatives in the creation of an action plan for a governorate in the south of the kingdom. Other successes include the influence of CSOs in the creation of the Constitutional Court in October 2012, and participation of various organizations, such as the National Committee for Women's Affairs, in reviewing some legal texts related to women's issues before they were approved by the Legislative Council. Generally speaking, however, collaboration between government and civil society is inefficient, and CSO representatives do not play an effective role in developing legislation. Furthermore, the inclusion of CSOs in government efforts is inconsistent and often appears to be merely symbolic.

Communication between CSOs and government was better at the level of municipalities and governorates. A consulting council was established in municipalities such as Moab Al Gadida to improve communication between ministries and CSOs. However, it is unclear if this effort increased communications or heightened the ability of CSOs to influence ministries.

In 2012, the Convention on the Elimination of Discrimination against Women (CEDAW) coalition undertook several activities to raise awareness about CEDAW's provisions and the committee's work. This laid the groundwork for the Jordanian Women's Union, a longstanding Jordanian women's organization, to submit a shadow report to the CEDAW Committee in 2012.

The Royal Marine Conservation Society of Jordan built a coalition of concerned individuals, experts, and organizations to preserve the right to access public beaches on the Aqaba shore, known as the Beaches not for Sale campaign. This coalition succeeded in amending the master plan of the Aqaba Special Economic Zone Authority to allow public access to beaches.

The INSAN Coalition for Universal Periodic Review was formed in December 2012 to prepare a report for the second Universal Periodic Review and follow up on concerns raised regarding human rights in Jordan. INSAN utilized the cooperative efforts of CSOs and media professionals, as well as a wide range of experts on human rights issues. Other initiatives focused on labor laws and women's rights. SADAQA, for example, organized workshops with the Ministry of Labor to raise awareness among female employees regarding their rights under the Labor Law. They also organized an Awareness Walk, which brought together activists, media personnel, CSOs, and female employees to raise awareness of women's rights in the labor sector. Other organizations aimed to advocate for the rights of persons with disabilities and approve citizenship for children of Jordanian women married to non-Jordanians. These initiatives were most successful when they received royal or government support.

SERVICE PROVISION:



CSOs in Jordan offer a wide range of services. CSOs work in health, education, relief, housing, water, energy services, economic development, environmental protection, and job training for youth. For example, the Islamic Center provides educational services, medical clinics, products, training, and services to poor families, while the Health Aid Association provides medical materials, immunizations, family planning services, and health education. A large portion of registered associations provide charitable services to orphans and persons with disabilities. The Handicapped Fund, for example, works with people with disabilities and vulnerable populations to improve their living conditions and promote respect for their dignity and fundamental rights. RINGOs are some of the largest and best-resourced CSOs in Jordan and serve an important role in service provision, both to communities and other CSOs.

CSOs play a critical role in working with the Syrian refugees in Jordan, although this requires permission from various governmental entities. During 2012, CSOs providing services to refugees increasingly coordinated their efforts.

CSOs outside of the major cities often respond better to their communities' needs because of their first-hand local knowledge of local situations and dynamics. CSOs are typically unable to recover the costs of their services by charging fees.

The government provides support to some associations. As described above, MSD provides grants to charity organizations focused on reducing poverty in communities. In 2012, the municipality of Amman provided support to the Amman Cleanest Arab City initiative and other local organizations. The government also offers CSOs technical consultancy support, capacity building assistance, limited financial support to cover basic costs, and overall regulatory supervision.

INFRASTRUCTURE:



Several RINGOs serve as resource centers for other CSOs, providing sub-grants, capacity building, and networking support. There are several local grantmaking organizations in Jordan, but their funding generally originates from the government or international donors. RINGOs frequently provide sub-grants to local CSOs, most notably through the Poverty Pockets Project. For example, Jordan River Foundation provides grants to many associations and local bodies in the poverty pockets in the Jordan Valley area to raise the standard of living and enable people to establish small enterprises. Other CSOs, such as the Islamic Center Society, also provide sub-grants with money raised locally.

CSOs have access to training on monitoring and evaluation, project management, human resources management, strategic planning, and advocacy, among other topics. In 2012, the CSP project succeeded in qualifying trainers who sought to work in nearby countries.

Collaboration among CSOs is minimal and there are few networks or organizations dedicated to facilitating information sharing among CSOs. However, the tendency of donors to prioritize partnerships encouraged CSOs to work cooperatively in 2012. For example, the Civil Coalition for Monitoring Jordan's Parliamentary Elections (RASED) welcomed the participation of other groups focusing on political and human rights, as well as the media and other CSOs in its election monitoring efforts. The alliance, comprised of 150 CSOs, trained 4,000 individuals to monitor the polls on election day and 350 individuals to monitor the other stages of the electoral process.

The Registry for Societies in MSD maintains a database containing information about associations, including their programs and activities. The database enables the government and private and voluntary sectors to identify and assess national priorities, development initiatives, and networking opportunities.

Intersectoral partnerships are becoming more common. Large multinational businesses prefer to work with RINGOs in order to develop connections with the royal family. These partnerships typically involve the provision of financial support along with some capacity building support. However, the concept of corporate social responsibility (CSR) is growing in Jordan. CSR Watch Jordan, an online stakeholder-driven platform, aims to enhance the practice of CSR by disseminating CSR knowledge and coordinating public coalitions for CSR advocacy across all sectors in Jordan. CSOs focused on employment skills training, such as the Jordanian Career Education Foundation, have cultivated partnerships with businesses that provide training support and hire training program graduates. The Global Partnership for Youth Employment, which conducts and disseminates research on youth employment approaches, hosted a conference in February 2012 which

gathered more than 400 representatives of CSOs, government, and other regional stakeholders. Another regional conference in June 2012 brought together experts from the public, private, and civil society sectors to discuss challenges, opportunities, and constraints for public procurement reforms.

PUBLIC IMAGE:



CSOs' activities benefited from greater media coverage in 2012 than in 2011. Nonetheless, the media still rarely analyzes the achievements of CSOs, instead just reporting on CSO events. Throughout 2012, coverage of popular movements was weak in the public media, whereas private coverage by Ro'ya TV and JOSAT was more thorough and generally neutral. There is a need for more specialized media coverage by journalists who understand and interact with civil society. RINGOs and other government-patronized initiatives usually garner more interest than other CSOs from both the public and private media.

CSOs often work in coordination with the media to promote their activities. In the spring of 2012, members of the media accompanied a civil society delegation to Geneva, Switzerland to present the shadow report to the CEDAW Committee. Media also played an effective role in increasing the visibility of the Beaches not for Sale campaign in Aqaba.

Associations often launch websites and maintain an active social media presence to enhance information exchange with constituents and contribute to their marketing efforts.

Recently, public trust in CSOs has come under review. In particular, the public is holding CSOs accountable through social media. News that an institution has received significant funding from the government or directly from a foreign donor tends to cause controversy as the public does not believe that these funds reach the grassroots level, where they are presumably needed most.

Because the private sector's knowledge of CSOs is minimal, a rift persists between the two sectors. However, in 2012, the private sector showed increased recognition of the importance of social responsibility as well as the benefits of philanthropy in terms of tax deductions and the opportunity to increase their markets. Some large companies like Coca-Cola, Pepsi, and Aramex, as well as various pharmaceutical companies and banks, have shown interest in working with CSOs. While historically the private sector believed that CSOs did not deserve donations, the credibility and accomplishments of organizations such as the King Hussein Cancer Center and Tikkyat Um Ali have shifted the private sector's perspective. For example, Carrefour Markets offered significant assistance to the Pennies of El Khair campaign, which supported the King Hussein Cancer Foundation.

LEBANON

CSO Sustainability:

Evolving

Legal Environment:

Evolving

Organizational Capacity:

Evolving

Financial Viability:

Evolving

Advocacy:

Evolving

Service Provision:

Evolving

Infrastructure:

Evolving

Public Image:

Evolving

CSO SUSTAINABILITY:



Country Facts

Capital: Beirut

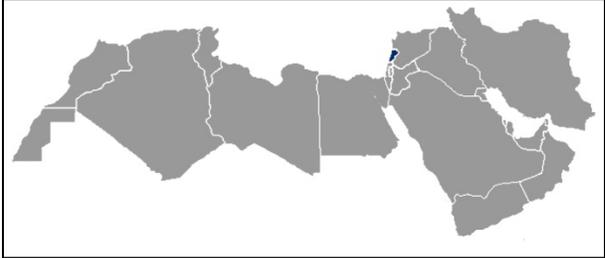
Government Type: Republic

Population: 4,140,289 (July 2012 est.)

GDP per capita (PPP): \$15,900 (2012 est.)

Human Development Index: 74 (2012)

Though two decades have passed since the civil war (1975-1990) ended with the Ta’ef agreement, Lebanon still faces unresolved internal conflicts. Regional dynamics—along with domestic tensions based on religious and political differences—have historically resulted in internal violence. Religious identity continues to define politics as well. Accordingly, the distribution of public goods and services are almost always determined by which confessional sects hold the majority of power in government, including allocation of key ministries.



Lebanon is characterized by many unstable elements similar to those that drove the Arab Spring in 2011. These include extreme pockets of poverty around urban areas, sub-regional disparities and inequality, increasing youth unemployment, and, above all, political instability resulting in perpetual security risks. In addition, the

Palestinian refugee issue still lingers. However, the most immediate risk facing the country is the possibility of the conflict in Syria spilling over into Lebanon. This is especially worrisome given that the sectarian aspect of the Syrian conflict could threaten to upset the balance of Lebanese society. At the end of 2012, Lebanon received 370,000 Syrian refugees registered with the United Nations High Commissioner for Refugees. An equivalent number of fleeing Syrians have also entered Lebanese territories without registering as refugees. In late 2012, tensions started to arise between Lebanese and Syrian refugees. The most concerning development, however, is the increasing border incidents.

Historically, through all of Lebanon’s conflicts, CSOs were a source of stability in the country, especially when providing services that are traditionally the government’s responsibility. CSOs depend on foreign and local funding to serve the basic needs of communities in remote and urban areas. In 2012, CSOs increasingly collaborated to enhance their impact. CSOs excelled in many areas, such as environment, agriculture, rural

development, good governance, democratization, and capacity building. However, most efforts in 2012 focused on relief work to support Syrian refugees inhabiting northern Lebanon, Bekaa, and pockets of poverty in Beirut and Mount Lebanon.

There is no reliable data on the number of CSOs in Lebanon. An assessment conducted by USAID in 2011 concluded that there were approximately 5,000 CSOs, while International Center for Not-for-Profit Law's NGO Law Monitor indicates that there are "at least 6,000". Meanwhile, in statements made on television, officials of the Internal Security Forces (ISF) have put the number of registered CSOs at approximately 16,300. Some CSO experts claim the number of CSOs exceeds 30,000.

LEGAL ENVIRONMENT:



CSOs continue to be governed by the Law on Cooperative Societies No. 1325/1909, also known as the Law on Associations, which was established under Ottoman rule and amended in 2006. The registration of CSOs is simple, requiring only notification to the Ministry of Interior. The state does not have the power to deny CSOs registration. Nevertheless, it was reported in 2012 that the state illegally withheld official registration documents from an anti-corruption CSO in 2011. Scouts, clubs, cooperatives, unions, schools for special care, and public health centers are required to undergo additional registration processes with relevant ministries.

Because the law does not stipulate many internal management requirements, it allows for unsound management practices. For example, while CSOs send income statements to the Ministry of Interior Affairs, the Ministry has no means of verifying the information or monitoring the financial management of organizations. Dissolution of CSOs is possible in cases where national security is threatened, a vague ground that could allow state abuse. However, the government has rarely ordered the dissolution of CSOs.

Excluding cooperatives, CSO revenue, even income from the sale of goods or services, is tax free. CSOs are permitted to compete for government contracts at the local and central levels. Individual and corporate donors do not receive tax deductions for their donations to CSOs, which discourages philanthropy.

In general, Lebanese lawyers are familiar with CSO law, given its simplicity. However, there are few lawyers specialized in CSO legal issues. Stakeholders typically learn the legal requirements and processes without consulting legal professionals.

ORGANIZATIONAL CAPACITY:



The Syrian conflict generated a substantial influx of refugees into Lebanon, which has had a significant impact on the CSO sector. First, the refugee crisis prompted CSOs to focus on emergency relief actions and postpone development projects. Second, donor funds have shifted drastically to mitigate the refugee crisis, leading to the postponement or cancellation of previously funded development and community service programs. Third, hiring in the CSO sector increased tremendously to respond to relief needs. Nonetheless, skilled social workers continue to seek employment with international organizations that offer better salaries and benefits.

Most active CSOs seek to build grassroots constituencies that provide both support and funding. However, Lebanese people are generally only motivated to support or engage with CSOs that represent narrow communal interests such as family or religious affiliation, or regional or tribal ties. Consequently, CSOs may become dependent upon the patronage of influential families or political interests.

Strategic planning has become a much utilized tool in the sector, especially by highly active CSOs. During the past two years, many capacity building programs by international donors focused on improving the strategic planning of CSOs. However, the same international donors shift funding priorities to reflect their specific agendas, driving CSOs to stray from their strategic plans and work in different fields to access funding.

CSOs tend to have poor governance practices and lack accountability and transparency. On paper, CSOs generally have clear management structures, including a division of responsibilities between the board of directors and staff members, but these are typically not implemented in practice.

Due to a lack of funding and the resulting tendency to divert from strategic plans, CSOs avoid hiring full-time staff and instead depend on part-time employees and consultants. The culture of volunteerism has declined greatly since the Lebanese civil war. Volunteerism does not reliably provide sufficient human resources for program implementation, and few CSOs rely on volunteers.

CSOs use a portion of grant funds to acquire modernized basic office equipment, like communications equipment, computers, software, Internet access, and electronics.

FINANCIAL VIABILITY:



While CSOs attempt to diversify funding sources to remain viable, most of the sector's funding comes from international donors. This situation not only makes CSOs highly vulnerable financially, but it compromises their ability to pursue objectives independent of donor agendas. In 2012, major donor funding was shifted to refugee support and relief, forcing most CSOs to reorient their programs to refugee assistance or downsize staff in light of their decreased budgets.

CSOs also receive income from partnering with government and international organizations through socioeconomic development contracts to implement services. For example, the Ministry of Public Health contracted the YMCA to provide medication for chronic diseases to more than 400 dispensaries all over Lebanon. CSOs routinely implement projects jointly with the Ministry of Social Affairs and the World Bank throughout the country.

Some CSOs—primarily small organizations advocating for specific causes or religiously affiliated organizations serving their particular communities—depend completely on local funding and volunteers. Islamic organizations raise significant local funding during Ramadan, when charity is highest due to religious obligations. Most CSOs, however, find that local funds are scarce and unreliable. Corporate philanthropy remains limited and is accessible only to a narrow range of CSOs.

Though CSOs try to cultivate a loyal core of financial supporters and engage in philanthropy development programs, these efforts generate little income. Membership fees and earned income from goods and services or the lease of assets are rarely significant sources of revenue.

CSOs understand the importance of sound financial management systems, and most have hired financial staff to manage project funds and satisfy international reporting standards as required by external auditors. However, CSOs continue to lack or fail to prioritize transparency and accountability. CSOs that receive more local funding tend to demonstrate more transparency and accountability to avoid losing local supporters.

ADVOCACY:



CSOs have strong lines of communication with local and central government officials based on the regional, religious, and clan affiliations that dominate Lebanese society. However, collaboration depends mostly on personal relationships, and there are not sufficient institutionalized mechanisms of cooperation. Joint projects between CSOs and government are generally small-scale and do not extend beyond those small projects.

Although few advocacy campaigns in 2012 resulted in legal or policy changes, many were still considered successful due to the wide levels of support they garnered. For example, the campaign to eliminate the Kafala, or sponsorship, system and its slave-like conditions for domestic workers heightened awareness and changed attitudes about this system. A campaign against gender-based violence also attracted the support of numerous CSOs and the general public. CSOs organized sit-ins and media campaigns to support the right of women with foreign spouses to get Lebanese nationality for their children. One campaign did achieve legal reform: through the use of multiple advocacy and lobbying methods, CSOs and other advocates succeeded in getting smoking banned in enclosed public spaces. The ban took effect in September 2012.

On the local level, CSOs lobbied authorities in Beirut to open a closed garden to the public. Though this goal was not achieved in 2012, these efforts attracted much public and media attention and raised questions about and awareness of the right of all citizens to access public spaces.

CSOs are currently not able to participate substantially in legislative decision making. However, some mechanisms ensure the presence of CSO representatives when decisions are made. For example, CSOs can apply to be observers in parliamentary committee meetings, providing them with an opportunity to generate media coverage and public attention to pressure parliamentarians.

CSOs understand the need to advocate for a legal and regulatory framework to enhance the effectiveness and sustainability of the sector. Nevertheless, there were no concrete efforts in the sector to reform the legal framework in 2012.

SERVICE PROVISIONS:



CSOs provide a diverse range of goods and services in areas with little government presence, such as health, education, housing, water, energy, relief, economic development, rights awareness, and vocational training. CSOs also engage in environmental protection projects, supported by a modest governmental presence in this area.

Experts in the CSO sector have diverging views on whether CSO services reflect the needs and priorities of their constituents and communities. Some feel that they do, while others argue that most CSOs do not perform needs assessments and are incapable of analyzing the requirements of their communities. CSOs often change their activities to align with donors' priorities, which might not reflect those of the communities they serve. This trend was even more pronounced in 2012, when the influx of Syrian refugees shifted the funding priorities of international and national donors, substantially reducing CSOs' regular services in favor of the needs of the refugees.

CSOs provide goods and services to a broad base of constituencies, depending on their outreach efforts, geographical presence, and religious and regional affiliations. CSOs increasingly provide publications, workshops, and expert analysis at a higher level, although these have not reached a professional level yet.

Most CSOs are unable to analyze or understand the market for their goods and services. Therefore, cost recovery for goods and services and payments from beneficiaries are low.

In principle, government and local authorities recognize the added value of services provided by CSOs. However, partnerships between authorities and CSOs are usually limited to temporary alliances for particular projects. In addition, the government typically issues grants and contracts to CSOs that share regional or religious ties with the relevant minister.

INFRASTRUCTURE:



In recent years, a number of intermediary support organizations (ISOs) and CSO resource centers have been established. However, these centers have not yet had a visible impact on the CSO sector and CSOs throughout the country still have insufficient access to these and other sources of information, technology, and training. Most centers are located in Beirut and remain viable by charging for services. CSOs working in remote areas cannot access and remain unfamiliar with these resources. CSOs rely less and less on ISO services due to a lack of funds, which in turn undermines ISOs' financial viability. Furthermore, the decreasing role of ISOs has degraded the quality of training and information materials available to the sector. However, ISOs still provide critical platforms for information sharing.

ISOs also grant funding from academic institutions, wealthy citizens, local foundations, and international donors. However, the level of grantmaking does not cover the sector's funding needs, and grants are distributed according to political, religious, and regional affiliations.

Online platforms, such as dallel-madani.org (Civic Index), provide CSOs with services such as information sharing, job referrals, promotion of projects, and recruitment of staff, interns, and volunteers. Apart from these online platforms, information sharing among CSOs is inconsistent and varies among different fields. For example, the health and relief sectors have a collaborative environment and broadly share expert studies, while the development sector does not demonstrate cooperation or share information between stakeholders, which leads to duplication of activities and analyses in certain fields.

Training materials are available in Arabic, French, and English. Specialized trainers and firms provide advanced training in all managerial areas such as strategic management, accounting, financial management, fundraising, volunteer management, and board development. However, these trainings are out of reach for CSOs in remote areas of the country, and many CSOs cannot afford these trainings.

Though CSOs are aware of the possible benefits of intersectoral partnerships, such partnerships are generally either imposed by donors, or created with no genuine consensus about the goals and long-term vision. In 2012, the Building Alliance for Local Advancement, Development, and Investment (BALADI) program, funded by USAID, started supporting small community projects in partnership with municipalities, CSOs, and the local private sectors.

PUBLIC IMAGE:



CSOs in Lebanon enjoy positive media coverage at the local and national levels, and CSOs do not typically pay for coverage. The increasing media coverage of CSO news, activities, causes, missions, and visions depicts the positive role CSOs play in society. The media has become an essential partner for visibility, dissemination of information, and fundraising. Nevertheless, the political and religious affiliations of media outlets continue to factor into their coverage.

CSOs realize the importance of promoting themselves and their activities. Many therefore hire media specialists to publicize their activities and accomplishments on social media and develop relationships with journalists to encourage positive coverage.

In general, the public perception of CSOs is very positive. However, local communities sometimes perceive relief workers as informants or spies, or thieves who divert funding for their own purposes. Though communities have positive relationships with CSOs and support their activities and interventions, they continue to relate to CSOs purely as charitable organizations that provide services rather than partners in building the community. In 2012, the public image of national and international organizations deteriorated somewhat when they fell short of providing essential needs during the Syrian refugee crisis.

The private sector, including large enterprises and small businesses, considers CSOs as credible representatives of social needs and policy concerns. Businesses provide support depending on their abilities. On the other hand, government officials view CSOs as a means of communicating with local communities and receiving political favor. Advocacy CSOs have a difficult time forging partnerships with government.

CSOs increasingly adopt codes of conduct to show accountability and transparency in order to attract funding. Leading CSOs also publish annual reports to show transparency and enhance organizational visibility.

MOROCCO

CSO Sustainability:	Evolving
Legal Environment:	Evolving
Organizational Capacity:	Impeded
Financial Viability:	Impeded
Advocacy:	Evolving
Service Provision:	Evolving
Infrastructure:	Evolving
Public Image:	Evolving

CSO SUSTAINABILITY:



Country Facts
Capital: Rabat
Government Type: Constitutional Monarchy
Population: 32,309,239 (July 2012 est.)
GDP per capita (PPP): 5,300 (2012 est.)
Human Development Index: 129 (2012)

The 2011 constitution represented a turning point in the process of building the rule of law and strengthening democratic institutions in Morocco. The new constitution aims to promote a cohesive society based on the principles of participation, pluralism, and good governance.



However, the political situation in Morocco was unstable in 2012 following the installation of a new government in 2011, a change instituted in the midst of the larger political shifts of the Arab Spring. The resulting modifications to the legal framework, human rights mechanisms, and freedoms have proven to be insufficient, particularly in terms of implementation. For example, despite the ongoing debates surrounding access to information and freedom of expression, several journalists were convicted for their work. Rachid Nini, Editor in Chief of the daily Arabic newspaper Al Massae, continued to serve a prison sentence in 2012

for “breach of security” after publishing articles denouncing the corruption of several public personalities. The rapper Lhaqued was sentenced to one year in prison for publishing a song on the Internet denouncing corruption and mistreatment by the police.

In 2012, various provisions in the new constitution addressing tax reform, judicial reform, women's rights, and many other issues began to be implemented. CSOs tried to initiate and facilitate discussions by presenting alternative viewpoints, giving local communities a voice, and debating the constitutional role of CSOs. Five hundred CSOs launched the campaign Appel de Rabat (Call of Rabat) to promote democracy, rule of law, and the protection of human rights.

The CSO sector is expected to play an important role in democratic development, namely to foster increased accountability of the state and encourage citizenship and awareness of economic, social, and cultural policies. However, CSO sustainability is still limited by a weak legal framework, limited organizational capacities, and insufficient access to resources.

According to the High Commission of Planning's National Study on Nonprofit Institutions, the number of CSOs registered in Morocco increased from 44,771 in 2007 to 51,637 in 2008. According to the Ministry of Interior, the number of CSOs reached 90,000 in 2012. The region of Sous-Massa-Daraa is home to the greatest number of associations, followed by the regions around Marrakech, Casablanca, Rabat, and l'Oriental. Few CSOs work on human rights issues, such as gender equality and the inclusion of marginalized groups.

LEGAL ENVIRONMENT:



The legal framework governing CSOs in Morocco did not change significantly in 2012, although it is increasingly built around the concept of the freedom of association, as recognized in the Dahir on Civil Liberties of 1958, as revised in 2002. Implementing laws include the Decree on the Right to Establish Associations of 1958, as amended in 2002, and the 2005 Decree to Implement the Decree on the Right to Establish Associations.

While the law does not place significant limits on the creation of associations, in practice—especially at the local level in marginalized communities—authorities often hinder their creation. For example, the Decree on the Right to Establish Associations, as amended in 2002, obligates the state to immediately deliver a temporary authorization “receipt” to associations while their request for legal status is reviewed and verified. The official authorization must be provided no more than sixty days after an association declares its existence. If the state fails to do this, the association is still allowed to operate in accordance with its statutes. Subsequent modifications to statutes are subject to the same procedure. Due to the lack of information at the local level, associations are often not clear about when they are legally established. Local authorities often exploit this misunderstanding by not issuing temporary receipts, which then allows them to not issue official receipts within sixty days. Furthermore, local administrations sometimes refuse to provide receipts to certain associations on the grounds of public security, terrorism concerns, or territorial integrity. For example, human rights associations tend to have more difficulty obtaining official receipts.

While these problems persist, local authorities have begun to show more flexibility on the creation of associations, as demonstrated by the increase in the number of associations in the country and the different partnerships between associations and the National Initiative for Human Development (INDH). Established in 2005, the INDH is a mechanism that enables sub-national programming of resources, including grants and income-generating activities, to target the poor based on tripartite governance mechanisms that include state services, local elected officials, and CSOs.

The legal framework governing the management of associations is generally more open and transparent than the framework governing their creation, particularly regarding contracts, implementation of various transactions, and internal management. In 2012, the state launched the first National Associations Accounting Code, but it is not enforced yet, and only a few associations have had the resources to implement it.

While the legal framework hinders the ability of CSOs to form, the government is not hostile outright to civil society and its development. CSOs are able to participate in public debate and express criticism of the government.

The tax treatment of associations is akin to that of private enterprises. Associations generally do not benefit from tax exemptions. Associations pay income tax on grants received and cannot recuperate VAT because

they are not considered to provide added value. Only public interest organizations receive exemptions from VAT on certain items and services.

Associations cannot be awarded government contracts unless they are registered with the Trade Register. The administration can work with CSOs through public-private partnership contracts, but this is a new mechanism in Morocco.

Local legal counsel remains largely out of reach for associations, despite the existence of a few providers.

ORGANIZATIONAL CAPACITY:



There was no significant change in the organizational capacity of CSOs in 2012. The establishment of the INDH in 2005 and a second phase of development in 2010 led to the creation of many local associations by people who saw an opportunity for funding. Some CSOs are structured around causes or issues such as women's or migrants' rights, while others are organized around project or funding opportunities.

Partnerships between associations and funders have enhanced CSOs' organizational capacities, especially for national associations. Capacity at the local level remains limited. For example, the TAKWYA program, which was extended to 2015, aims to reinforce the planning, start-up, and management of development projects; fundraising; communication; and internal management. It has targeted more than thirty associations in twenty-seven provinces, ultimately reaching a total of 5,400 associations.

Due to poor planning capacities, CSOs generally focus on donors' goals, rather than developing strategic plans that clearly define their visions and strategic objectives. Some projects have been initiated to promote strategic planning.

CSOs employ permanent, paid employees and have begun to develop internal human resource management systems such as recruitment, payment, and contract management procedures. CSOs also use external consultants, particularly for accounting and independent audits. Almost twenty job announcements per month are published on tanmia.ma.

Many organizations, particularly those in rural areas, lack computer equipment due to a lack of financial resources and access to IT services. However, considerable efforts have been made in recent years to supply local CSOs with computers and other essential office equipment. For example, Med V Foundation helped construct and equip regional centers managed by local associations. The Agency for Social Development (ADS) and Assoclic both make equipment and computers available to local CSOs. Although many of these initiatives were launched in previous years, their effects became more visible in 2012. For example, the Assoclic project, which began in 2006, issued a call in 2012 for associations to apply for computer equipment that had been repaired during solidarity workshops.

FINANCIAL VIABILITY:



The financial viability of CSOs deteriorated slightly in 2012. Funding to the CSO sector decreased significantly as a result of the global economic and financial crisis. However, certain types of funding increased following the Arab Spring of 2011, notably for projects on democratic participation and freedoms. These factors have hindered the ability of associations to diversify their funding sources and to retain strategic partners. At the community level, associations still struggle to attract donors because they lack capacities to design and implement projects. The INDH remains the principal funder of local associations. In addition, there were some initiatives by public entities. For example, the Office of Chérifien Phosphate (OCP) has

implemented the OCP Skills civil society support program, operating specifically in areas surrounding phosphate mines.

Funding is often unequally accessible to associations, although the increased penetration of Internet communications and technology (ICT) has increased associations' access to information on funding opportunities. Funding mechanisms, notably local ones, lack transparency in the allocation, management, and accountability of funds.

Local philanthropists and companies were increasingly interested in supporting CSOs in 2012. The term *Al Muhseneen* (another interpretation for the word philanthropists) is becoming more common as many rich Moroccans and business people have started supporting CSOs and communities on a regular basis, instead of giving money or in-kind support only during religious holidays.

Fundraising capacities differ among associations and generally depend on personal connections, as well as CSOs' technical capacities to identify, formulate, and plan projects to respond to calls from international donors.

Membership fees remain the main source of funding, especially for local CSOs. Remittances from Moroccans living abroad are another important source of funding for community groups and associations, notably in the rural areas, although this also was affected by the economic crisis, especially in Europe.

In 2012, ADS decreased its support for CSOs. CSO funding was also temporarily affected when *Entraide National* (National Mutual Assistance), a public program functioning under the Ministry of Social Development, Family, and Solidarity, froze its funding when it appointed a new director, who was then slow to allocate funds.

Most CSOs have not been able to engage in income-generating activities and do not charge for their services.

Due to a lack of skills and financial tools, most CSOs do not have appropriate financial management systems. Most associations adopt the financial systems required by their funders, rather than creating their own. CSOs have been slow to implement effective accounting measures. While the National Associations Accounting Code was adopted in 2012, it was not enforced and few CSOs implemented it during the year.

ADVOCACY:



CSOs are increasingly engaged in advocacy initiatives, providing a countering voice to state policy, as well as lobbying and proposing alternatives for monitoring and improving public policy. The contributions of human rights associations are also considerable, but have not yet had noticeable impact on national policies or local communities.

Social movements have grown steadily out of the protests triggered during the Arab Spring, especially in light of the new constitution. The recent social movements by unemployed graduates advocating for jobs and opportunities involved new methods of expression and protest. Because their previous advocacy efforts did not sufficiently attract the media, they resorted to street protests to gain visibility. Through social networks, they succeeded in gaining supporters and structuring their actions.

-At the local level, several advocacy efforts were initiated, notably by youth, either through regional advisors for youth and community life, or through social movements for particular causes such as protests against the high cost of living.

The Call of Rabat was launched on April 11, with the support of more than 500 associations and networks. The Call was a direct reaction to the consultations about the role of civil society in the proposal, monitoring, and control of state policies instigated by the Minister in Charge of Civil Society and Parliament Relations (MCRPCV). The call served as a reminder of the fundamental contribution of democratic associations in the structural reforms of the country and aimed to establish a sound framework for a national public debate on the roles and powers of civil society in the wake of the adoption of the new constitution.

Advocacy takes many forms in Morocco, including the publication of reports, citizen mobilization, and denunciation of situations or practices. In 2012, CSOs advocated against the early marriage of girls and sexual harassment. In addition, CSOs advocated for the rights of migrants, successfully using the media to highlight the problems facing migrants. These efforts led to the adoption of a process to legalize sub-Saharan migrants through residency permits.

The new constitution includes provisions for involving CSOs in decision making. However, the procedures for these mechanisms are still being formulated, mainly through organic laws. At the local level, communal charters contain provisions for citizen participation and community groups in monitoring the implementation of community development policies.

Advocacy organizations are growing and becoming more politically active in response to specific issues. Political analysis groups are also emerging. There is increased awareness of the value of information sharing and networking, enabling CSOs to better inform and lobby the government. Among the demands of the Call of Rabat is improvement to the legislative framework governing CSOs.

SERVICE PROVISION:



Service provision among CSOs in Morocco continues to evolve. Many CSOs are beginning to provide an extensive range of products and services that stem directly from the needs and priorities of communities. For example, people with AIDS receive care from CSOs, mainly through the Global Fund to Fight AIDS, Tuberculosis and Malaria. Other areas of service delivery include orphanages and vocational trainings. CSOs provide services and respond to urgent needs. Their responses remain primarily palliative, rather than aiming to eradicate needs. In addition, many CSOs provide products that go beyond basic social services, intervening directly (primarily through training services and support) in human rights, sustainable development, and democratic governance.

Some CSOs, especially at the national level, are now experienced enough to support communities in addressing issues themselves and channeling their needs to policy makers through advocacy strategies. Certain CSOs have developed visions to empower the population through coaching and guiding their self-development. However, at the local level, CSOs still need to focus efforts on their community presence and local partnerships.

Policy makers increasingly recognize the importance of CSO services, especially since the adoption of the new constitution. However, the contribution of CSOs is still not fully recognized in national laws and policies. When partnering with the government, CSOs generally implement public policies, but are not partners in their design. This allows government bodies to capture the expertise and knowledge of services developed by CSOs, weakening CSOs' ability to capitalize on them.

CSOs recover costs for various public services through partnership agreements with the state or other public entities. Contributions by beneficiaries of services are nominal.

INFRASTRUCTURE:



Support organizations and resource centers are available to CSOs and are active in most parts of the country. These organizations provide advanced training, information, support, and legal advice, as well as development activities. For example, Med V Foundation and INDH run various cultural centers. Others are run by the OCP Group in partnership with national and international CSOs. In addition, various CSO centers were developed as part of decentralized cooperation programs. Many centers are also located within neighborhoods. For example, neighborhood homes provide training and facilitation to local associations, women, youth, and marginalized communities.

CSOs have developed communication platforms to share information. These platforms have played an important role in the development of strong networks. For example, the website tanmia.ma aims to share information with those working in development and attracts about 6,000 visitors per day. There are also thematic platforms, such as egalite.ma for gender equality and e-joussour.net for social justice and democracy building.

Organizations have also developed critical training programs, particularly in the areas of management and project design. For example, associations such as the Moroccan Association for Solidarity and Development (AMSED), Moroccan Association for Support and Promotion of Small Businesses (AMAPPE), and the Association Center provide other organizations with expertise in CSO organization and management. Some of these training programs are thematic in nature, such as the modules developed by Democratic Association of Moroccan Women (ADFM) for women's rights; Association for the Fight against AIDS (ALCS) for the fight against HIV; and Foundation Zakoura Education for education and training.

CSOs have been vital in disseminating information and addressing the needs of communities. Local CSOs can now access various trainings more easily because donors are focused on reinforcing the capacities of CSOs at the local level and larger CSOs are advising smaller CSOs and sharing their information and knowledge. Trainings cover financial and administrative management, project startup and management, management of partnerships and fundraising, communication skills and community facilitation, and strategic planning. They also address thematic subjects such as social mediation, prevention of sexually transmitted diseases, negotiation skills, conflict management, and advocacy techniques.

Partnerships between CSOs, the private sector, and public institutions have begun to emerge, but are still very limited.

PUBLIC IMAGE:



The public image of CSOs continued to improve in 2012. Grassroots communities have begun to discover and form associations, as demonstrated by the increase in the number of associations since the launch of the INDH in 2005. The new constitution, which recognizes the important role civil society plays, also increased the visibility of CSOs. The attitudes of the government and local communities toward the role of CSOs are thus evolving and could open new possibilities for the fulfillment of CSOs' social role.

The business sector is still relatively closed to CSOs. More debate is needed to identify areas and opportunities for dialogue and exchange between CSOs and the business sector. The Arab Spring has forced business elites to take a closer look at their policies and to become more engaged with local communities. As a result, companies such as OCP and Banque Populaire Group are increasingly investing in and creating their own associations and foundations. For example, OCP was forced to review its social policy after a series of protests spread through towns neighboring their phosphate mines. This led OCP to create a foundation and initiate several programs such as the OCP Skills program.

In a fragmented manner, the media also has begun to pay attention to associations and to highlight their activities and contributions. This is the result of an opening media space, as well as CSOs' efforts to engage journalists and the media. Community media have played an important role in publicizing CSOs' activities, especially with youth.

Although there are a few initiatives, there is still little debate within the sector regarding ethics and values. CSOs, especially those at the local level, still need to align their activities with the overall values and missions that drive them. Some CSOs, such as Transparency Morocco, publish annual financial reports, but transparency among CSOs remains limited.

WEST BANK AND GAZA

CSO Sustainability:

Evolving

Legal Environment:

Evolving

Organizational Capacity:

Evolving

Financial Viability:

Evolving

Advocacy:

Evolving

Service Provision:

Evolving

Infrastructure:

Evolving

Public Image:

Evolving

CSO SUSTAINABILITY:

Evolving

Country Facts

Population: 2,622,544 / 1,710,257 (July 2012 est.)

GDP per capita (PPP): \$2,900 (2012 est.) for both West Bank and Gaza

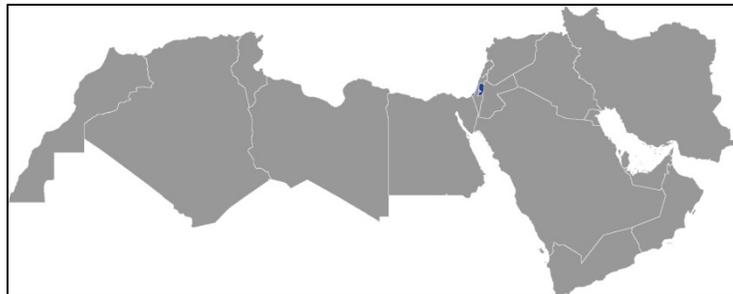
Human Development Index: 110 (2012)

Political and economic conditions in the Palestinian territories of the West Bank and Gaza remained extremely unstable in 2012.

The Palestinian

National Authority (PNA) endured intense political and financial pressures and risked criticism by resuming stalled peace talks with Israel. In November, Israel launched a military operation against the militant wing of the Hamas government in the Gaza Strip, extensively bombing residential areas and training camps. Also in November, at the urging of PNA President Mahmoud Abbas, the United Nations

voted to upgrade Palestine's observer status to that of a "non-member state."



In 2011, the poverty rate among Palestinians was 25.8 percent (17.8 percent in the West Bank and 38.8 percent in Gaza) according to the Palestinian Central Bureau of Statistics. Palestinians led a series of anti-government demonstrations in the West Bank in 2012 to protest the PNA's economic policies and the increased cost of living. The demonstrations also called for an end to corruption, as well as the political division between the Fatah and Hamas factions. The political division and ongoing conflict between Fatah and Hamas continue to put undue burden on CSOs' legal and operational capacities. Since 2007, the Palestinian Legislative Council (PLC) has been unable to meet, which presents a major obstacle to CSOs' abilities to influence policy and decision makers at the national level.

In 2012, CSOs' legal and political rights were violated more frequently than in 2011. CSOs were subject to illegal interference in their operations, and CSO program staff were sometimes harassed. Due to the PNA's limited capacity to provide public services, including health, education, and relief, the majority of CSOs continue to focus on service provision rather than policy development and advocacy. However, unreliable

and limited funding constrains CSOs' abilities to provide adequate services to their constituencies and decreases organizations' capacities to implement strategic plans. CSOs are still publicly characterized as lacking transparency and accountability, with undemocratic internal processes and insufficient transparency of annual finance and administrative reports.

According to the Palestinian Ministry of Interior, in 2012 there were 3,190 registered CSOs in the Palestinian territories, including 2,425 in the West Bank and 765 in the Gaza Strip.

LEGAL ENVIRONMENT:



The cornerstone of the regulatory framework governing CSOs in the Palestinian territories is the Law of Charitable Associations and Community Organizations (Law No. 1, Year 2000). The implementation of regulations governing CSOs is highly subjective due to political, cultural, and ideological discrimination by both Fatah and Hamas authorities in the West Bank and the Gaza Strip.

CSOs are required to register with the Ministry of Interior and the relevant ministry, such as the Ministry of Agriculture, Ministry of Social Affairs, Ministry of Health, or Ministry of Education, based on their field of work. Registration is often subject to the PNA's and Hamas' respective political agendas and has evolved into a vetting process of organizations' founders and board members. With the exception of organizations with suspected ties to Hamas, CSOs are able to register more easily in the West Bank than in Gaza. The Ministry of Interior claimed that it improved the overall registration process and facilitated the registration of CSOs in 2012. However, according to the 2012 Human Rights Report issued by the Independent Commission for Human Rights (ICHR), the PNA and Hamas-led governments continued to conduct security vetting of CSOs applying for registration in violation of the Law of Charitable Associations and Community Organizations. Such vetting requires the approval of the internal security and intelligence departments in both the West Bank and Gaza and in many cases delays and obstructs CSO registration. Also in violation of the law, the Ministry of Interior requires all proposed board members to submit certificates that they have paid all of their taxes as part of the registration process.

The Law of Charitable Associations and Community Organizations regulates the procedures required to dissolve or suspend a CSO's operations and allows the government to scrutinize "the activities of an association to ascertain that its funds have been spent for the purposes for which they were allocated." Authorities in both the West Bank and Gaza distort this phrase to engage in inappropriate or unlawful intervention in CSO activities.

In 2012, civil and political rights organizations and their staff members were subject to greater harassment and abuse by authorities in both the West Bank and Gaza. Public and private events were cancelled when the Ministry of Interior refused to issue permits; organizations were arbitrarily suspended; and CSO employees were physically attacked throughout the territories. In addition, ICHR received more complaints in 2012 related to the right to form associations; the right to freedom of expression, free media, and access to information; and the right to freedom of thought. In general, CSOs enjoy greater freedom of operation in the West Bank than in the Gaza Strip, as CSOs in Gaza are subject to intense scrutiny by the Hamas government. CSOs providing social and humanitarian services are typically able to operate more freely and experience less harassment than those individuals and organizations that advocate for civil and political rights.

On May 31, 2011, the Council of Ministers in Gaza amended the 2003 Executive Bill of Charitable Associations and Community Organizations. The amendments enhanced the authority of the Ministry of Interior with regard to the monitoring of associations, making its role equal to that of the field-specific

ministries with which CSOs coordinate projects, in clear violation of the law. These amendments continued to impact CSOs in 2012.

CSOs are exempt from customs duties; however, a CSO must seek approval for the exemption from the Ministry of Finance on a project-by-project basis, which can be a lengthy process and contribute to delays in CSO activities. CSOs are allowed to bid on public contracts and earn income from the provision of goods and services.

Palestinian legal experts and national organizations monitor violations of the right to free association, take legal steps to defend CSOs from infringement of such rights by public authorities, and provide CSOs with legal representation. However, smaller organizations lack the financial means to hire qualified lawyers. Legal experts are available in both the West Bank and the Gaza Strip, but availability is generally uneven across various districts.

ORGANIZATIONAL CAPACITY:



Most CSOs view their role as providing humanitarian services rather than representing their communities and beneficiaries. As a result, CSOs do not generally devote a substantial amount of time to building local constituencies. CSOs sometimes form local project committees and recruit volunteers only to dissolve these structures once projects are completed.

CSOs are aware of the importance of strategic planning, but remain rather limited in their abilities to pursue it. Many large and mid-sized CSOs in the West Bank and Gaza respond to donor requests for strategic plans by holding meetings and adopting strategic planning policies. However, CSOs' abilities to enforce and implement these policies remain limited due to a lack of funding, as well as shifts in donor priorities.

Palestinian CSOs frequently come under attack for being corrupt and undemocratic. Though the law requires democratic internal structures, such structures are rarely operational. Boards still typically operate in a style that can be characterized as autocratic, patrimonial, and non-transparent. Board and general assembly members rarely participate in CSOs' policy-making processes. However, most boards are attempting to conduct themselves with increasing openness and transparency, as both the Ministry of Interior and donors increasingly request financial and administrative audits of organizations.

Most CSOs have developed management structures, the scale and sophistication of which vary depending on a CSO's size. The division of responsibilities between the board of directors and staff members is often unclear. Board members are heavily engaged in the day-to-day operations of CSOs, while taking a passive attitude toward policy and strategic development matters.

Due to limited funding, many CSOs hire staff on a temporary or project basis. Smaller organizations find it difficult to compete for and retain highly skilled, professional personnel. Well-trained, experienced professionals continue to leave the sector for better opportunities, decreasing the skills, knowledge, and experience in the sector. Most charities, smaller organizations, and local clubs are run by volunteers. Most CSOs have computers, laptops, and digital cameras, as well as Internet access.

FINANCIAL VIABILITY:



Most organizations cite funding as a major issue. Very few organizations have endowments that afford them the financial freedom to have budgets that are not project-based. Although most CSOs have adequate short-

term resources, grassroots organizations and smaller CSOs are at greater risk of funding shortages than larger, well-established CSOs. CSOs' funding sources have been declining over the past several years. International donors such as USAID and the European Commission are working less through local CSOs. Instead, they increasingly work through international CSOs or provide services directly, especially in areas where CSOs are suspected of being affiliated with Islamist political parties. In the West Bank, more donors are channeling funding to the Palestinian Authority through basket funds such as the Municipal Development and Lending Fund (MDLF), which also decreases direct funding to local CSOs.

According to the 2011 European Commission-funded Mapping Study of Civil Society Organizations in the Occupied Palestinian Territory, approximately 60 percent of organizations rely on a plurality of funding (more than three external sources), about 30 percent depend on only two funding sources, and roughly 13 percent have a single source of funding.

Fundraising remained the most challenging issue for CSOs in 2012. Very few CSOs are able to cultivate loyal groups of financial supporters. CSOs rarely engage in any sort of membership outreach, philanthropy development, or fundraising campaigns. CSOs' abilities to draw upon volunteer and non-monetary support from the local community remain very limited. During periods of armed violence or natural disaster, these shortages become more noticeable. While still very limited, a few businesses do implement corporate social responsibility (CSR) programs in partnership with CSOs. Paltel Group Foundation, a charitable arm of Paltel Group (a public shareholding telecommunications company), is a major private sector contributor to CSOs in the Palestinian territories, providing a total of nearly \$8.3 million in 2011 and \$6.6 million in 2012. The Bank of Palestine's CSR budget constitutes 5 percent of annual net profits, one of the highest rates in the region. It contributed \$1.7 million to CSR programs in 2011 and \$1.89 million in 2012. In addition, individual donors living outside the country often provide funding to CSOs.

Many CSOs implement income-generating programs by charging fees for services and products or by renting out organizational assets such as halls and commercial showrooms. Also, many organizations collect annual dues from their general assembly members. However, none of these sources constitute a significant portion of organizational budgets.

Small CSOs hardly have any financial management systems, while more established organizations continually adjust their systems to meet donors' requirements. Additionally, while CSOs produce annual reports to adhere to the Ministry of Interior's reporting requirements, few make these reports publicly available, thereby undermining efforts to enhance transparency and ensure public accountability.

ADVOCACY:



Palestinian CSOs are primarily focused on service provision. While advocacy campaigns by local CSOs have been effective at increasing awareness of and support for the Palestinian cause on the international level, local and regional campaigns are less effective, especially when dealing with civil and political rights. Many CSOs refrain from actively participating in governmental processes, and very few try to influence policy making directly or to identify alternative or complementary policies in lieu of those enacted by the national and local authorities.

Genuine cooperation between CSOs and policy makers is minimal, if not altogether non-existent. CSOs' participation in political decision-making processes has declined in the last decade due to the political division between Fatah and Hamas and the dysfunctional nature of the Palestinian legislative system. Some CSOs continue to carry out advocacy activities, but these take place through direct contact with authorities, rather than through the legislative council. Organizations such as Addameer, Jerusalem Legal Aid, and Al-Haq

protect human rights by providing legal representation against unlawful government practices while other organizations, like Miftah, Muwatin, Badil, and Musawa, focus on lobbying and advocacy efforts at the policy level.

Palestinian CSOs actively participate in advocacy campaigns against the Israeli occupation and discrimination against Palestinians. During the last decade, a wide range of CSOs, including human rights, women rights, youth empowerment, and economic development organizations, have been forming coalitions. Notable coalitions include the Civic Coalition for Defending the Palestinians' Rights in Jerusalem; the Grassroots and the Palestinian Anti-Apartheid Wall Campaign; and the Campaign for Boycotts, Divestment, and Sanctions (BDS) against Israel. These coalitions continued to promote the Palestinian cause actively among the international community in 2012.

At the local level, the Palestinian General Federation of Trade Unions (PGFTU) led an important lobbying initiative in 2012 to establish a minimum wage. As a result, a national wage committee, including representatives from various ministries, private sector employers, and unions, agreed on a minimum wage for laborers. The PNA ratified this recommendation in October 2012. However, the agreement was not implemented by the government in 2012 and PGFTU continued to lobby for more concrete results.

Civil and political rights organizations continued to document and publish reports on human rights abuses and political violations by the Israeli occupation, as well as by the Palestinian Authority in the West Bank or Hamas in the Gaza Strip.

Unions and women's rights organizations participated in the anti-government demonstrations in the West Bank in 2012 to protest the PNA's economic policies, the increased cost of living, corruption, and the political division between the Fatah and Hamas factions.

SERVICE PROVISION:



Local CSOs' capacities to provide relevant services have been diminishing in recent years due to the global economic crisis; the resulting lack of donor funding; and the practice of many international donors like USAID and the European Commission of providing direct relief instead of supporting local CSO service provision.

CSOs in the West Bank and Gaza Strip provide services in a variety of sectors including health, education, rehabilitation and special needs/disability services, housing, agriculture, environment, welfare assistance, and economic development. CSOs in both areas have had decades of experience in service provision due to the lack of sufficient public services offered by either Israel or the PNA. While the PNA in the West Bank gradually has embraced and recognized CSO contributions to the provision of public services, CSOs in the Gaza Strip rarely enjoy such recognition due to Hamas' substantial interference in CSOs' operations.

In general, CSOs in Palestine are less focused on designing community services or products than on providing direct relief. CSOs in sectors like agriculture, environment, and research and development have greater capacities to design products and implement services that benefit diverse groups of beneficiaries. These CSOs have the knowledge base and expertise to increase outreach efforts through publications, community workshops, and expert analysis.

Although many CSOs charge fees for their services, their earnings rarely cover administrative costs. However, CSOs believe that charging fees is essential to holding communities financially responsible and for ensuring their commitment to the services provided.

While CSOs are allowed to bid on public contracts, few CSOs pursue such contracts as they do not want to be perceived as sub-contractors for public authorities.

INFRASTRUCTURE:



Basic CSO management training is available in the capital cities. A number of consulting and training firms in the West Bank and the Gaza Strip—some of which were established by former CSO professionals—provide services that include strategic planning, accounting, financial management, and fundraising. However, the quality of training and training materials is low and more training programs are needed on topics like advocacy, communications, and community engagement. CSOs in marginalized and remote communities have less access to quality training.

Universities play an important role in supporting the work of CSOs. For example, Bethlehem University’s Institute for Community Partnership and Al-Quds University’s Community Action Center provide capacity building, organizational development, and research consulting services to the CSO community in the West Bank.

In addition, the Welfare Association (WA) and the NGO Development Center (NDC) provide infrastructural support for Palestinian CSOs operating in the West Bank and the Gaza Strip. Funds from the WA primarily provide support for service delivery to CSOs in a variety of sectors, including education, culture and the arts, economic development, health, agriculture, and emergency relief. WA’s program expenditures for the 2012 fiscal year were \$35.8 million, the highest since its establishment in 1983. All of this developmental assistance was implemented through local partner CSOs in the West Bank and Gaza Strip.

NDC channels international donor resources and fosters a wide range of capacity building activities nationwide. In 2012, the NDC initiated an extensive capacity building program that provided targeted assistance for financial management, good governance, and new media to forty-eight CSOs. The NDC also implemented a coaching and technical assistance program for twenty-nine CSOs in the West Bank and Gaza, focusing on the principles of the Palestinian NGO Code of Conduct.

Umbrella organizations occupy a prominent space in Palestinian civil society. Key umbrella organizations include the Palestinian Non-Governmental Organizations Network (including a main branch in the West Bank and another in the Gaza Strip), the Palestinian General Union of Charitable Societies, the General Palestinian Union for NGOs in Gaza, and the Palestinian National Institute of NGOs (PNIN). However, with fewer than 1,000 active member organizations, these umbrella organizations represent a minority of CSOs in the West Bank and Gaza, and their capacities to convene member associations and to mobilize resources appear limited.

In 2012, partnerships between the private sector and CSOs continued to develop. Paltel Group Foundation supports around 250 institutions, 150 of which work with development and humanitarian programs and another fifty of which focus on women’s empowerment and technological development programs. The Bank of Palestine also played a major role in supporting community development initiatives by sponsoring events and forming more substantial partnerships with CSOs.

PUBLIC IMAGE:



The public perception of CSOs did not change significantly in 2012. However, CSOs’ agendas are increasingly influenced by donors’ priorities, as well as political pressures by Fatah and Hamas, thereby

causing them to be less cognizant of local communities' needs and less capable of engaging these same communities in developing services. In addition, some in the public continue to attack Palestinian civil society for being corrupt and undemocratic due to the absence of proper internal democratic structures. Despite this, according to a 2012 public opinion poll conducted by the Coalition for Accountability and Integrity (AMAN), only 5.3 percent of Palestinians believe that the CSO sector is the sector most susceptible to corruption, in comparison to the public sector (52 percent), political parties (18.5 percent), the private sector (16 percent), and local councils (8.4 percent).

Although CSOs in Palestine enjoy positive media coverage at both the local and national levels, media remains uninterested in analyzing CSOs' role in society. Overall, CSOs' relationships with journalists seems to have deteriorated in 2012 and CSOs seem to be shifting away from traditional media platforms toward social media websites and other self-managed media. However, CSOs do not generally spend a great deal of time promoting their efforts.

Although local authorities appreciate the role CSOs play in providing services to the Palestinian community, they also perceive these organizations as competition for funding. Many also feel politically threatened by CSOs whose work addresses violations of human and political rights.

In 2006, following a broad-based consultation involving more than 250 CSOs, the NDC formulated a Palestinian NGO Code of Conduct. The Code outlines the ethical values and principles that CSOs are expected to uphold, including compliance with covenants and law, community participation, networking and coordination, transparency, and accountability. By the end of 2012, more than 600 CSOs had adopted the Code of Conduct. Despite the increasing diffusion of the Code, demonstration of these principles within CSOs represents the exception, rather than the norm. Furthermore, according to the 2012 Annual Corruption Report by AMAN, a number of officials in influential CSOs are still reluctant to develop clear, uniform mechanisms for self-assessment that would ensure the commitment of their administrative bodies to the principles in the Code of Conduct. Discussions continued throughout 2012 on developing a practical framework for completing this initiative.

YEMEN

CSO Sustainability:	Impeded
Legal Environment:	Evolving
Organizational Capacity:	Impeded
Financial Viability:	Impeded
Advocacy:	Evolving
Service Provision:	Evolving
Infrastructure:	Impeded
Public Image:	Evolving

CSO SUSTAINABILITY:



Country Facts
Capital: Sana'a
Government Type: Republic
Population: 24,771,809 (July 2012 est.)
GDP per capita (PPP): \$2,200 (2012 est.)
Human Development Index: 160 (2012)

The Republic of Yemen is one of the least developed countries in the world. It ranks 160 out of 187 on the United Nations Development Program's 2013 Human Development Index and has the highest poverty rate in the Middle East and North Africa, with 46.6 percent of the population living below the poverty line.



The Yemeni government has faced continuous challenges to its legitimacy over the past few years. These challenges culminated in 2011, when the nation's youth took to the streets to demand greater employment opportunities, an end to corruption, equal citizenship, and full participation in the political system. This uprising succeeded in toppling President Ali Abdullah Saleh's autocratic regime. In 2012, the Gulf Cooperation Council (GCC) Political Initiative, with support from the five permanent members of the United Nations Security Council and the European Union, brokered a political settlement that transferred power from Saleh to Vice President Abd Rabu Mansour Hadi. A government of National Reconciliation (GNR) was formed, and a process began to organize a National Dialogue Conference (NDC) to address a series of key issues, feeding into the process of drafting a new constitution and preparing for democratic elections.

The international community and the national government are increasingly supportive of the importance of CSOs in Yemen's political transition. The government welcomed the participation of CSOs in the Yemen Donor's Conference, which was held in Riyadh, Saudi Arabia in September 2012 and led to the creation of a Mutual Accountability Framework (MAF). Through the MAF, the Yemeni government reiterated the

importance of engaging civic actors in the country's development and recognized the role of CSOs in promoting transparency, inclusivity, accountability, and policy making. To this end, a pillar of the NDC focused on civil society empowerment and partnership.

CSOs in Yemen continue to face a number of challenges. The sector is predominantly urban-based, with over half of registered CSOs operating out of the capital of Sana'a, despite the fact that almost 70 percent of the population lives in rural areas. Rural organizations lack access to resources, provide very limited services, and generally do not have the institutional capacity to address the needs of their communities. Many CSOs are affiliated with political parties; political agendas therefore serve as the basis for determining organizational strategies, activities, and service delivery. Many politically-affiliated CSOs tend to be oriented towards short-term charity initiatives, such as donating and distributing food during religious holidays. Such activities fail to address the root causes of poverty and do not allow those living in poverty to contribute actively to their financial stabilization.

CSOs have limited institutional capacities and are characterized by weak organizational governance, with decision-making power concentrated largely in the hands of a single individual, clan, or family. CSOs' lack of financial management and planning skills frequently result in budget deficits and foster dependence on donor support. CSOs engage in limited community outreach activities. As a result, they lack local support and are not successful in recruiting local volunteers. In addition, most CSOs do not have the resources to attract and retain qualified staff. CSOs still struggle to work cooperatively with one another, which limits their ability to impact government policy. Although government agencies have begun to soften their approach towards CSO partners, they still largely view them with disdain.

Official data from the Ministry of Social Affairs and Labor (MoSAL) indicated that 815 CSOs submitted their papers for registration between January and December 2012. MoSAL processed the applications of 363 organizations, while the remaining applications were delayed due to a lack of human resources in the Ministry. In addition, 229 CSOs renewed their licenses. In total, by the end of 2012, there were 9,132 registered CSOs in Yemen. CSOs are located in all twenty-two governorates of Yemen. Most CSOs that registered during 2012—including most of the youth initiatives that grew out of the 2011 uprising—were concentrated in the capital city of Sana'a.

LEGAL ENVIRONMENT:



The Law on Associations and Foundations (Law 1 of 2001) governs the establishment and operations of CSOs in Yemen. The law guarantees the rights of all people to contribute to the country's development through the establishment of not-for-profit associations and foundations. In 2004, the government introduced executive bylaws stipulating the legal and technical supervisory role of MoSAL over CSOs.

The legislative framework for CSOs is progressive, and in most cases registration processes are relatively straightforward. Since discretion in the administrative system has not been reduced since the 2011 revolution, MoSAL employees continue to delay the registration of some CSOs, especially organizations focused on human rights or with other affiliations perceived by MoSAL officials as undesirable. A new registration procedure was introduced in 2012. To eliminate the need to travel to the main MoSAL office in Sana'a, CSOs outside of Sana'a instead require the signature of the governor from the area in which the CSO is being established.

Many new organizations prefer to register as foundations, which are subject to less financial scrutiny and have fewer governmental restrictions and regulations. They are, however, required to deposit 1 million Yemeni Riyals (approximately \$5,000) in the bank prior to registration and are permitted to withdraw the funds only six months after registration. This is an onerous amount for most organizations. Many foundations therefore

borrow the money and repay the lender after the initial six months, defeating the purpose of the requirement, which is to prove that the organization has operational funds.

The Law on Associations and Foundations only foresees licenses for associations (Jama'iyāt), foundations (Muassasāt), and unions (Etehadat), and does not mention other types of organizations, such as human right organizations, initiatives, or networks. Consequently, these types of organizations obtain licenses that do not reflect the true nature of their work, and are sometimes scrutinized—or even penalized—when they operate outside the boundaries of the regulations of their registered entities.

CSOs are required to renew their licenses annually. CSOs continue to demand the elimination of this requirement, asking to replace it with renewal every five years. However, MoSAL argues that this policy forces CSOs to remain active, as the provision of technical and financial reports is a pre-condition for renewal.

CSOs, including those that carried out protests during the year, experienced limited government harassment in 2012. This was in marked contrast to 2011, when any CSO spearheading or even attending a protest was subjected to strong government reprisal. In addition, the government became slightly more tolerant of CSO involvement in controversial issues such as child marriage and the rights of minorities and persons with disabilities in 2012, allowing many organizations to work on these issues during the year without any consequences. The decline in harassment was likely due to the Yemeni government's inability to enforce its policies, rather than greater tolerance for CSO activities.

Although the Law on Associations and Foundations gives MoSAL the right to close down organizations that operate without licenses, MoSAL lacks the human resources and capacity to oversee all CSOs. For example, there is effectively no penalty for organizations that fail to submit annual reports. CSOs that fail to renew their registrations are removed from the list of active CSOs, but are not permanently suspended or prevented from operating.

By law, CSOs are permitted to import goods free of customs duty. However, the lengthy exemption process limits the number of CSOs that are able to access these benefits. In 2012, MoSAL received and approved customs duty exemption requests for only twenty-five CSOs.

The Law allows organizations to engage in economic activities, with some conditions. For example, the economic activity must be allowable, the goal of the activity should be to generate income that conforms to the association's goals and objectives, and profits cannot be distributed to board members or members. Until 2011, the government prohibited CSOs from investing in education—such as opening schools or academic institutions—as a source of income. In 2012, the government lifted this ban and began promoting CSO engagement in such activities.

CSOs have limited access to legal services. The Lawyers Union has formed a committee to provide assistance to CSOs, and the Social Fund for Development has trained a number of lawyers in CSO issues. However, these legal services are generally only available in big cities. Furthermore, many CSOs are unaware of the help and support such legal service providers can offer.

ORGANIZATIONAL CAPACITY:



CSO organizational capacity improved slightly in 2012. Although CSOs continue to face enduring problems, they now have more opportunities to build their capacities, especially in strategic planning and fundraising. Numerous trainings and institutional building initiatives were offered by various entities, including the new youth initiatives that arose from the 2011 uprising.

CSOs—whether religious, politically affiliated, or community development associations—generally develop relationships with constituencies for the length of individual projects. Once a project ends, interaction with the community ceases as well. As a result, both urban and rural CSOs tend to cultivate deeper relationships with donors than with local communities. Some organizations have succeeded in developing strong popular support, but it is usually based on sectarian, ideological, partisan, or regional grounds.

Many CSOs lack the resources to employ and retain qualified staff. Thus, a number of CSOs suffer from frequent staff turnover, which hinders project implementation and affects the overall quality of their work. Volunteers are attracted by diverse programs that enable them to gain broad experience; therefore, large, well-known organizations are generally more successful at engaging volunteers. Smaller organizations with limited programs have greater difficulties attracting volunteers, though some CBOs with strong reputations for providing services do attract volunteers.

According to MoSAL's 2012 Annual Report, the majority of CSOs understand the importance of strategic planning. However, they still respond to donors' agendas and operate outside their focus areas in order to secure funding.

Very few CSOs have well-established management structures with clear divisions of responsibilities. In most CSOs, the founder controls and runs the organization. Most CSOs do not integrate good governance policies into their work and do not have systems to ensure the transfer of power. If a senior manager chooses to leave an organization, there is no clear procedure for appointing a new leader. In 2012, several human rights organizations had this problem as many senior managers were offered positions with government entities, especially the Ministry of Legal Affairs and the Ministry of Human Rights. Due to the leadership vacuums created, these organizations implemented fewer programs in 2012, and some even suspended operations, throwing their continued existence into question.

Only large organizations have good access to advanced technology. Most CSOs can only afford phones and faxes and, in most cases, one computer for management staff, which is often used essentially as a typewriter. At the same time, smartphones have become widely available and accessible to most CSOs. Continuous power outages, which sometimes last up to three hours twice a day, hinder CSOs' access to the Internet, as few can afford generators.

FINANCIAL VIABILITY:



CSO financial viability improved slightly in 2012, although it remains the greatest obstacle to overall CSO sustainability. Apart from organizations that have religious or political affiliations, the majority of CSOs rely on international donors. In 2012, donor funding increased, especially for emergency projects. For instance, the UN Office for the Coordination of Humanitarian Affairs (OCHA) focused on building the capacity of local CSOs to work on humanitarian projects and provided them with funding. Consequently, 13 percent of the emergency funding in 2012 went to local CSOs, as they have better access to and knowledge of local communities.

While CSOs do not face any formal restrictions on receiving foreign donor funding, such funding primarily goes to the few well-established organizations that can meet donors' financial and management requirements. The majority of CSOs cannot access such funding.

In addition, significant funding is made accessible to CSOs in Yemen from other countries in the region; however, much of this funding is focused primarily on advancing a religious agenda.

A limited number of CSOs rely primarily on local financial resources, like religious organizations and philanthropic business executives. In areas such as Hadramout, many CSOs receive funding from local

business executives working in the Gulf States. Furthermore, human rights organizations such as the National Organization for Defending Rights and Freedoms (HOOD) receive regular donations from local sponsors.

CSO fundraising strategies did not change significantly in 2012, although many organizations received additional donations from businesses' corporate social responsibility (CSR) programs. CSR expanded in 2012, and many corporations—primarily international companies operating in Yemen—established CSR departments or associations and sponsored various CSO activities, ranging from literacy projects to support of cancer patients. For instance, MTN, the GSM mobile company, sponsored thirty-two CSO programs in 2012.

Article 18 of the Law on Associations and Foundations stipulates that the government should provide financial support to CSOs that serve the public interest after one year of operation. In 2012, MoSAL received requests for support from sixty-seven associations, all based in Sana'a. All of them received the financial assistance they requested, a total of 238,109,000 Yemeni Riyal (approximately \$1.1 million). This is the only government support that CSOs receive.

As not-for-profit organizations, CSOs' fees are lower than market rates, which helps them generate income, while also improving access to services for their beneficiaries. A recent training that included more than 600 CSOs revealed that nearly 75 percent of CSOs have multiple donors and have government permission to invest in education or other income-generating projects. Some CSOs have started to conduct training programs for fees. For instance, SOUL for Development and the Youth Leadership Foundation, among others, have established centers to provide paid training to the public on various topics, including professional development and computer skills. Many CSOs are considering income-generating services that would allow them to be sustainable without grants or donations. However, CSO income-generating projects still remain limited due to the country's precarious security environment.

ADVOCACY:



Despite the signing of the MAF, in general only influential organizations can communicate with government officials and high-level decision makers. However, during 2012, CSOs made some progress in this regard. For example, during the Yemen Donor's Conference, several CSOs took part in a discussion on anti-corruption laws and helped prepare an action plan on this subject. During the presentation of the action plan, CSOs presented their own points, which the government ultimately accepted. This was the first time that CSOs attended an international meeting and made independent presentations, demonstrating that the relationship between the government and CSOs is changing. However, some government officials have publicly stated that they only accept the increased inclusion of CSOs because of donor pressure.

CSOs were substantially involved in negotiations over the parameters of the NDC. Eighty CSOs established the Alliance of Social Society Organizations for Supporting the National Dialogue. The Alliance held several workshops and conferences to present their vision of the role of CSOs in the NDC and the issues that should be discussed in the NDC, including the state structure, elections, and the rights of youth and women. The Alliance especially stressed the importance of the 30 percent quota for women in all NDC committees and the importance of addressing the relationship between north and south Yemen.

In general, CSO advocacy and lobbying efforts remain weak. However, human rights organizations led some successful advocacy campaigns during 2012. For instance, human rights organizations successfully advocated to end enforced disappearances by the state or state agents. As a result, there were only ten enforced disappearances in 2012, compared to 1,000 in 2011 and 570 in 2010. CSOs also continued to advocate against child marriage in 2012, although with less zeal and coordination compared to the previous year, possibly because the issue was expected to be discussed at length during the NDC. The Yemeni Women

Union and the Youth Creative Forum organized campaigns on this issue and conducted awareness raising events and youth competitions.

Youth activism in 2012 became more organized, as youth groups decided to register or become licensed organizations. However, their activities also became less visible for both the public and in the media.

A number of CSOs continued to lobby for amendments to the CSO law. Some of them such as the Civic Democratic Initiatives Support Foundation (CDF) held workshops targeting a large number of CSOs and public institutions in various governorates including Sana'a, Hadramut, and Taiz.

SERVICE PROVISION:



CSOs provide a wide array of services, including education, health, legal, and financial services, as well as professional training. In 2012, many organizations turned their focus to emergency relief programs due to increasing poverty, a worsening security situation that has produced over 500,000 internally displaced persons (IDPs), and a shift in donor priorities to humanitarian assistance. Some CSOs have started administering camps for IDPs, distributing foodstuffs, and providing transportation for Yemeni refugees returning from Saudi Arabia. The shift in donor priorities to humanitarian assistance has led to reduced funding for other types of development projects. Charity organizations continue to work on a seasonal basis, heightening activity during months with religious holidays.

Many CSOs have begun charging fees for their services. However, the income generated from service-related fees does not fully cover operational costs because of clients' low income.

The majority of CSOs target communities based on the availability of funding rather than the results of needs assessments. Since the most pressing issues currently are IDPs and food security, CSOs are now focused on communities with a large number of IDPs or food insecurity.

The government is beginning to realize that some CSOs are more successful than government institutions at delivering services. For example, in 2012 the government put Alrofqa House for Orphans under the management of the Alrofqa Development Foundation instead of MoSAL.

INFRASTRUCTURE:



-Some CSOs have successfully formed networks. The Yemeni Development Network for NGOs (YDN), which has 131 members primarily based in Sana'a, aims to build the capacity and effectiveness of various member organizations. The Yemen Human Rights Network (YHRN), with six members, lobbies for the respect of citizen rights and addresses human rights violations. In 2012, YHRN published a draft report on the human rights situation in Yemen and conducted a workshop for twenty-one CSOs on the documentation of human rights cases. The Yemen Elections Monitoring Network (YEMN) monitored the presidential election in 2012.

Local grantmaking organizations are nearly nonexistent, but large organizations such as SOUL and the Youth Leadership Development Foundation sub-contract with smaller organizations when they receive funding from international donors. Microcredit organizations also provide grants to small organizations, especially those located outside Sana'a, to increase their loan pools.

A number of organizations provide training for other CSOs in topics such as fundraising, strategic planning, proposal writing, and good governance. For example, in 2012, the Social Fund for Development designed a workshop and trained 100 CSO representatives in all of these topics. In addition, networks build the capacity of their members by providing trainings on topics ranging from financial management to project management and proposal writing.

Intersectoral partnerships between CSOs and the private sector grew during 2012, but they are still rare and depend largely on individual contacts and organizational affiliations. Several companies helped CSOs conduct training sessions, provide emergency assistance, and offer health services to IDPs and refugees. Partnerships between CSOs and the government have also improved. A notable example is the Blind Association, which signed a partnership with Sana'a Municipality, MoSAL, and the Ministry of Education in 2012 to manage an education center for the blind after MoSAL failed to manage it well.

PUBLIC IMAGE:



The youth uprising highlighted CSOs' role in and contributions to Yemeni society. Consequently, many CSOs that actively participated in the 2011 revolution have become well-known, gaining both respect and recognition. In particular, human rights organizations succeeded in gaining the public's trust and respect through their active lobbying efforts. The government has also publicly recognized the role of CSOs in achieving the goals of the transition period.

At the same time, the public remains somewhat skeptical of CSOs, and the proliferation of CSOs in 2012 led to more questions about the role these organizations play in society. A poll conducted by the Yemen Polling Center in 2012 shows that 50 percent of the public believe that CSOs exist to carry out "Western agendas." Moreover, many initiatives established in 2011 operate under the umbrella of political parties, which also undermines the sector's reputation.

Media coverage of CSO activities expanded in 2012, as several independent channels were established. Government stations have also expanded media coverage of CSOs. The state's official channel highlights CSO activities in its local news segment and has several talk shows that address Yemeni social issues. However, most CSOs lack the financial means to access the media, as fees are still charged for coverage. Furthermore, in many cases CSOs fear perceived affiliation with particular parties, as much of Yemen's media landscape involves partisan interests. Social media, which reaches a larger and more diverse audience than traditional media, has provided CSOs with increased public exposure for free. For instance, SOUL increased its number of Facebook fans from 400 to more than 6,000 over a six-month period in 2012.

The majority of CSOs lack organizational transparency and institutional frameworks for self-regulation. Some CSOs have called for the formulation of a code of ethics; however, the idea was only supported by a few organizations and has since been abandoned. Few organizations have the financial and human capacities to publish annual reports. According to MoSAL's 2012 annual report, fewer than ten CSOs in Yemen publish reports. Some organizations do so only when they have to renew their licenses.

ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

I. OVERVIEW

USAID works in close cooperation with local CSOs to develop the CSO Sustainability Index. In each country, a local implementing partner convenes a panel consisting of at least eight representatives of a diverse range of CSOs and related experts to assess the sector's performance in each of seven dimensions. USAID has developed indicators for each dimension, and the panel discusses and scores each indicator of a dimension, averaging these together for a preliminary dimension score. Dimension scores are averaged together for a preliminary score for overall CSO sustainability. The implementing partner drafts a country report based on the expert panel's discussion, as well as outside knowledge of the sector.

USAID convenes an Editorial Committee, made up of specialists on civil society in the region and the Index methodology from USAID, MSI, ICNL, and at least one regional expert. The Editorial Committee reviews the narrative and scores to ensure that scores are adequately supported, and accurately reflect the category of CSO sector development. The Editorial Committee further considers a country's score in relation to the proposed scores in other countries, providing a regional perspective that ensures comparability of scores. In some cases, the Editorial Committee proposes adjustments to the proposed scores based on the information provided and trends affecting CSO sustainability in the region overall. The Editorial Committee also raises points for clarification and requests additional information to complete the report. The project editor edits the report and sends it, along with these score recommendations and requests, to the implementing partner for comment and revision.

If the implementing partner and local expert panel disagree with the Editorial Committee's score recommendations, they have a chance to strengthen their narrative to better justify the proposed score. The Editorial Committee has final say over the score.

The complete instructions sent to the implementing partners, as well as the questionnaire used by the expert panels, are found below.

II. DIMENSIONS OF CSO SUSTAINABILITY

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. Seven different dimensions of the CSO sector are analyzed in the CSO Sustainability Index. A brief description of each dimension of sustainability follows:

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 to 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 Panel that will meet in person to discuss the status of civil society over the reporting year, determine scores, and prepare a country report for the CSO Sustainability Index.

1. Carefully select a group of not less than 8 representatives of civil society organizations to serve as panel experts.

Implementers are free to select panel members based on the following guidelines. The panel may include representatives from the USAID Mission, 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, as it is funded by USAID, and they are welcome to observe and participate in the discussion. 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.

It is recommended that at least 70 percent of the Expert Panel be nationals. CSOs represented on the panel can be those whose work is heavily focused on either advocacy or social service delivery. To the extent possible, panelists should represent both rural and urban parts of the country. To the extent possible, panelists should be representative of women's groups, minority populations, and marginalized groups, as well as sub sectors such as women's rights, community-based development, civic education, microfinance, environment, human rights, and youth. The panel should to the extent possible include an equal representation of men and women.

In some instances, it may be appropriate to select a larger group in order to reflect the diversity and breadth of the civil society sector in the country. Please keep in mind, however, that a significantly larger group may make building consensus within the panel more difficult. Alternatively, if regional differences within a country are significant, implementers may want to consider holding regional panels.

2. Ensure that panel members understand the objectives of the exercise.

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

It is recommended to distribute the instructions and rating description documents to the members of the Expert Panel a minimum of three days before convening the panel so that they may develop their initial scores for each 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.

The project team is 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. It would appreciate implementers recording and submitting any observations they might have that will increase the usefulness of this important tool to MSI and USAID.

- 3. Convene a meeting of the CSO Expert Panel.**
- 4. At the Expert Panel meeting, please remind panelists that each indicator and dimension of the CSOSI should be scored according to evidence-based, country-relevant examples of recent or historical conditions, policies, and events.**

The rating process should take place alongside or directly following a review of the rating process and categories provided in “Ratings: A Closer Look.” For each indicator of each dimension, allow each panel member to share his or her initial score and justification with the rest of the group. At the end of the discussion of each indicator, allow panel members to adjust their scores, if desired. Then, eliminate the highest score and the lowest score, and average the remaining scores together to come up with one score for each indicator. Once a final score has been reached for each indicator within a given dimension, calculate the average or arithmetic mean of these scores for a preliminary score for the dimension. Be sure to take careful notes during the discussion of each indicator, detailing the justifications for all scores, as this should serve as the basis of the written report. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Implementers may use a table, similar to the one provided below, 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.

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

- 5. Once scores for each dimension are determined, as a final step, review the description of that dimension in “Ratings: A Closer Look.” Discuss with the group whether the score for a country matches that rating description.**

For example, a score of 2.3 in Organizational Capacity would mean that the civil society sector is in the “Sustainability Enhanced” phase. Please read the “Sustainability Enhanced” section for Organizational Capacity in “Ratings: A Closer Look” to ensure that this accurately describes the civil society environment. If not, discuss as a group to determine a more accurate score that fits the description for that dimension.

- 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, DC.

The Editorial Committee will ensure that all scores are adequately supported and may request adjustments in scores and/or additional justification to support scores.

8. Prepare a draft country report.

The report should cover the calendar year. The draft report should include an overview statement and a brief discussion of the current state of sustainability of the civil society sector with regard to each dimension. The section on each dimension should include a discussion of both accomplishments and strengths in that dimension, as well as obstacles to sustainability and weaknesses.

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

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

Please include a list of the experts and their organizational affiliation who served on the panel with the 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. In addition, the project will introduce a public launch event or electronic distribution (e.g., listserves or websites) to promote the release of the report in implementers' countries.

Deliver the draft country reports with rankings via email to MSI. The project editor will be in contact with you following receipt of the report to discuss any outstanding questions and clarifications regarding the scoring and the report's content.

9. In Washington, an Editorial Committee (EC) will review the scores and draft country reports, and will discuss any issues or concerns with the implementer.

The EC consists of representatives from USAID, MSI, ICNL, and at least one regional expert well versed in the issues and dynamics affecting civil society in the region. Further description of the EC is included in the following section, "The Role of the Editorial Committee." If the EC determines that the panel's scores are not adequately supported by the country report, particularly in comparison to the scores and reports of other countries in the region, the EC may request that the score be adjusted, thereby ensuring cross-country comparability. The implementer will be responsible for responding to all outstanding comments from the EC, as communicated by the project editor, until the report is approved and accepted by USAID. A USAID representative chairs the EC.

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 is chaired by a USAID Civil Society Advisor and includes rotating members from USAID (past members have included experts from the USAID Bureau for Democracy, Conflict and Humanitarian Assistance's Center of Excellence for Democracy, Human Rights and Governance (DCHA/DRG), USAID Africa Bureau,

USAID/Office of Development Partners and Private and Voluntary Cooperation (ODP/PVC), and USAID Democracy, Human Rights and Governance foreign service officers). The committee also includes a representative from the Aga Khan Foundation and 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 category 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, providing a regional perspective that ensures comparability of scores.

All final scores are discussed with drafting CSOs. USAID/Washington has the final say on all scores.

CSOs are encouraged to remind their panels from the outset that the Editorial Committee may ask for further clarification of scores and may modify scores, where appropriate. 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

Use the following steps to guide you through the individual rating process. This same process will be repeated during the CSO Expert Panel meeting, where panel members will discuss their initial scores, evidence for these scores, and determine by consensus the final scores for each of the indicators and dimensions.

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.

Definition of CSO:

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

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

Sustainability Enhanced		Sustainability Evolving			Sustainability Impeded	
1	2	3	4	5	6	7

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 arrive at an overall country rating and document all scores and discussion

SCORING SCALE:

The CSO Sustainability Index uses a seven-point scale to facilitate comparisons to the Freedom House indices, with 1 representing the highest and 7 the lowest level of sustainability. The following broad guidelines can be used in determining scores for individual indicators and dimensions:

1. The civil society sector’s sustainability is enhanced significantly by practices/policies in this area. While the reforms or developments that are needed may not yet be achieved, the local CSO community recognizes the need for them and has a plan and the ability to pursue them itself.
2. The civil society sector’s sustainability is enhanced by practices/policies in this area. The local CSO community demonstrates a commitment to pursuing reforms and developing its professionalism in this area.
3. The civil society sector’s sustainability is somewhat enhanced by practices/policies in this area, or its commitment to developing the aspect in question is significant.
4. The civil society sector’s sustainability is minimally affected by practices/policies in this area. Progress may be hampered by a stagnant economy, a passive government, a disinterested media, or a community of good-willed but inexperienced activists.
5. The civil society sector’s sustainability is somewhat impeded by practices/policies in this area. Progress may be hampered by a contracting economy, an authoritarian leader and centralized government, a controlled or reactionary media, or a low level of capacity, will, or interest on the part of the CSO community.
6. The civil society sector’s sustainability is impeded by practices/policies in this area. A hostile environment and low capacity and public support may prevent the growth of the CSO sector.
7. The civil society sector’s sustainability is significantly impeded by practices/policies in this area, generally as a result of an authoritarian government that aggressively opposes the development of independent CSOs.

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

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?
- *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.* Do CSOs clearly identify and actively seek to build local constituencies for their initiatives? Are they successful in these endeavors?
- *STRATEGIC PLANNING.* Do CSOs have clearly defined missions to which they adhere? Do CSOs have clearly defined strategic plans and incorporate strategic planning techniques in their decision-making processes?
- *INTERNAL MANAGEMENT STRUCTURE.* Is there a clearly defined management structure within CSOs, including a recognized division of responsibilities between the Board of Directors and staff members? Does the Board actively engage in the governance of the CSO? Do the Boards of Directors operate in an open and transparent manner, allowing contributors and supporters to verify appropriate use of funds?

- *CSO STAFFING.* Are CSOs able to maintain permanent, paid staff? 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 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 EFFORTS.* Are there mechanisms and relationships for CSOs to participate in the various levels of government decision-making processes? Are CSOs comfortable with the concept of lobbying? Have there been any lobbying successes at the local or national level that led to the enactment or amendment of legislation? (Please provide examples, if relevant.)
- *LOCAL ADVOCACY FOR LEGAL REFORM.* Is there awareness in the wider CSO community of how a favorable legal and regulatory framework can enhance CSO effectiveness and sustainability? Is there a local CSO advocacy effort to promote legal reforms that will benefit CSOs, local philanthropy, etc.?

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.* 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?

VII. RATINGS: A CLOSER LOOK

The following section goes into greater depth about the characteristics in each of the seven dimensions of the sector's development. These characteristics and categories are drawn from empirical observations of the sector's development in the region, rather than a causal theory of development. Given the decentralized nature of civil society sectors, many contradictory developments may be taking place simultaneously. Therefore the characteristics of the seven dimensions are not considered as seven distinct steps of development. Instead, these characteristics are clustered into three basic categories: Sustainability Enhanced, Sustainability Evolving, and Sustainability Impeded. The Sustainability Enhanced category, the highest level of sustainability and development, corresponds to a score between 1 and 3 points; the Sustainability Evolving category corresponds to a score between 3.1 and 5 points; and the lowest level of development, the Sustainability Impeded category, corresponds to a score of 5.1 to 7 points on the scale.

LEGAL ENVIRONMENT

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

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

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

ORGANIZATIONAL CAPACITY

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

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

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

FINANCIAL VIABILITY

Sustainability Enhanced: A critical mass of CSOs have sound financial management systems in place, including independent audits and the publication of annual reports with financial statements, to win potential donors' confidence. CSOs raise a significant percentage of their funding from local sources, including government, corporate and individual philanthropy, and earned income. Most CSOs have multiple sources of funding, which allow them to remain viable in the short term. A growing economy makes growth in domestic giving possible.

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

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

ADVOCACY

Sustainability Enhanced: The CSO sector demonstrates the ability and capacity to respond to changing needs, issues and interests of the community and country. As CSOs secure their institutional and political

base, they begin to 1) form coalitions to pursue issues of common interest, including CSO legislation; 2) monitor and lobby political parties; and 3) monitor and lobby legislatures and executive bodies. CSOs demonstrate the ability to mobilize citizens and other organizations to respond to changing needs, issues, and interests. CSOs at this category of development will review their strategies, and possess an ability to adapt and respond to challenges by sector. A prime motivator for cooperation is self-interest: CSOs may form alliances around shared issues confronting them as nonprofit, nongovernmental organizations.

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

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

SERVICE PROVISION

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

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

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

INFRASTRUCTURE

Sustainability Enhanced: CSO intermediary support organizations (ISOs) and/or CSO resource centers are active in all areas of the country and provide advanced training, informational services, legal support and advice, and philanthropic development activities. Efforts are underway to establish and endow community foundations, indigenous grant-making institutions, and/or organizations to coordinate local fundraising. A

professional cadre of local experts, consultants, and trainers in nonprofit management exists. CSOs recognize the value of training, although the lack of financial resources may remain a constraint to accessing locally provided training. Topics of available training cover: legal and tax issues for CSOs, accounting and bookkeeping, communication skills, volunteer management, media and public relations skills, sponsorship, and fundraising. CSOs work together and share information through networks and coalitions. CSOs are beginning to develop intersectoral partnerships with business, government, and the media to achieve common objectives.

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

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

PUBLIC IMAGE

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

Sustainability Evolving: The media does not tend to cover CSOs because it considers them weak and ineffective, or irrelevant. Individual CSOs realize the need to educate the public, to become more transparent, and to seek out opportunities for media coverage, but do not have the skills to do so. As a result, the general population has little understanding of the role of CSOs in society. Individual local governments demonstrate strong working relationships with their local CSOs, as evidenced by their participation in advisory committees, consultations, public-private initiatives, and the funding of an occasional grant, but this is not yet widespread.

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

ANNEX B: STATISTICAL DATA

Middle East and North Africa								
Country	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Infrastructure	Public Image	CSO Sustainability
Egypt	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Impeded	Impeded
Iraq	Evolving	Impeded	Impeded	Evolving	Evolving	Impeded	Impeded	Evolving
Jordan	Evolving	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Impeded
Lebanon	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Morocco	Evolving	Impeded	Impeded	Evolving	Evolving	Evolving	Evolving	Evolving
West Bank-Gaza	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Yemen	Evolving	Impeded	Impeded	Evolving	Evolving	Impeded	Evolving	Impeded

COUNTRIES BY RATING

LEGAL ENVIRONMENT

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Iraq
Jordan
Lebanon
Morocco
West Bank-Gaza
Yemen
SUSTAINABILITY IMPEDED
Egypt

ORGANIZATIONAL CAPACITY

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Lebanon
West Bank-Gaza
SUSTAINABILITY IMPEDED
Egypt
Iraq
Jordan
Morocco
Yemen

FINANCIAL VIABILITY

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Lebanon
West Bank-Gaza
SUSTAINABILITY IMPEDED
Egypt
Iraq
Jordan
Morocco
Yemen

ADVOCACY

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Iraq Lebanon Morocco West Bank-Gaza Yemen Egypt
SUSTAINABILITY IMPEDED
Jordan

SERVICE PROVISION

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Egypt Iraq Jordan Lebanon Morocco West Bank-Gaza Yemen
SUSTAINABILITY IMPEDED

INFRASTRUCTURE

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Egypt Jordan Lebanon West Bank-Gaza Morocco
SUSTAINABILITY IMPEDED
Iraq Yemen

PUBLIC IMAGE

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Jordan Lebanon Morocco West Bank-Gaza Yemen
SUSTAINABILITY IMPEDED
Egypt Iraq

CSO SUSTAINABILITY

SUSTAINABILITY ENHANCED
SUSTAINABILITY EVOLVING
Iraq Lebanon Morocco West Bank-Gaza
SUSTAINABILITY IMPEDED
Egypt Jordan Yemen

Scores by Year and Country

Middle East and North Africa										
Country	Legal Environment		Organizational Capacity		Financial Viability		Advocacy		Service Provision	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Egypt	Impeded	Impeded	Impeded	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving
Iraq	Evolving	Evolving	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Evolving
Jordan	Evolving	Evolving	Impeded	Impeded	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving
Lebanon	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Morocco	Evolving	Evolving	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Evolving
West Bank - Gaza	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Yemen	Evolving	Evolving	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving	Evolving	Evolving

Middle East and North Africa						
Country	Infrastructure		Public Image		CSO Sustainability	
	2011	2012	2011	2012	2011	2012
Egypt	Evolving	Evolving	Impeded	Impeded	Impeded	Impeded
Iraq	Impeded	Impeded	Impeded	Impeded	Evolving	Evolving
Jordan	Evolving	Evolving	Evolving	Evolving	Impeded	Impeded
Lebanon	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Morocco	Impeded	Evolving	Evolving	Evolving	Evolving	Evolving
West Bank-Gaza	Evolving	Evolving	Evolving	Evolving	Evolving	Evolving
Yemen	Impeded	Impeded	Evolving	Evolving	Impeded	Impeded