



# 2017 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR THE MIDDLE EAST AND NORTH AFRICA  
6<sup>th</sup> EDITION - DECEMBER 2018



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Cover Photo: Girls from Al Dhulail Municipality in Jordan gather for the opening ceremony of the USAID-supported “Al Dhulail Gathers Us” Festival. Like many Jordanian cities, the structure of Al Dhulail’s community has been progressively altered due to regional conflicts. A “first” for this diverse community, this three-day festival fostered community cohesion, featured awareness-raising sessions on combating extremism and drugs, and explored how to better integrate all members of society—particularly refugees and people with disabilities.

Photo Credit: Albatool Ali, USAID Jordan Cities Implementing Transparent, Innovative, and Effective Solutions (USAID CITIES) Project

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## Developed By:

United States Agency for International Development  
Bureau for Democracy, Conflict and Humanitarian Assistance  
Center of Excellence on Democracy, Human Rights and Governance

## In Partnership With:

FHI 360  
International Center for Not-for-Profit Law (ICNL)

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# INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the sixth edition of the *Civil Society Organization (CSO) Sustainability Index for the Middle East and North Africa*, covering developments in 2017.

In 2017, USAID reaffirmed its commitment to working with a diverse array of partners, including civil society, to advance the principles of self-reliance and locally-sustained development. The CSOSI provides a comprehensive assessment of the capacity of civil society to serve as both a short-term partner in implementing development solutions and a long-term actor in ensuring development outcomes are sustained. The CSOSI empowers local civil society to collectively assess not only the environment in which they are operating, but also their own capacities to advocate, operate sustainably and communicate with citizens. Allowing local civil society to self-identify their development challenges is the first step in promoting resiliency and long-term self-reliance.

This edition of the *Index* reports on the strength and overall viability of the CSO sectors in Egypt, Iraq, Jordan, Lebanon, Morocco, the West Bank and Gaza, and Yemen. It addresses both advances and setbacks in seven key components or “dimensions” of the sustainability of civil society sectors: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. The *Index* is intended to be a useful source of information for local CSOs, governments, donors, academics, and others who want to better understand and monitor key aspects of sustainability in the CSO sector.

The *Index* relies on an expert panel of CSO practitioners and researchers in each country to propose a score for each dimension. Scores can range from 1 (indicating advanced development and sustainability in this area due to existing policies and practices) to 7 (indicating fragility and instability in this area with a low level of development due to impeding policies and practices, generally by a government that opposes an independent CSO sector). Dimension scores are averaged to produce an overall sustainability score. The *Index* groups all scores into three overarching categories—Sustainability Enhanced (scores from 1 to 3), Sustainability Evolving (3.1–5), and Sustainability Impeded (5.1–7). An editorial committee composed of technical and regional experts reviews the panel’s findings to maintain consistent approaches and standards and facilitate cross-country comparisons. Further details about the methodology used to calculate scores and produce corresponding narrative reports are provided in Annex A.

The *CSO Sustainability Index for the Middle East and North Africa* complements similar publications covering other regions, which include reports on thirty-one countries in Sub-Saharan Africa, twenty-four countries in Central and Eastern Europe and Eurasia, and nine countries in Asia. These editions of the *CSO Sustainability Index* bring the total number of countries surveyed in 2017 to seventy-one.

# ACKNOWLEDGMENTS

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

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# EXECUTIVE SUMMARY

The *CSO Sustainability Index 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. This edition of the Index covers events and trends affecting CSOs in 2017.

In 2017 CSOs across the Middle East and North Africa continued to face a range of security, economic, and political challenges that affected their sustainability. Several countries struggled with the effects of violent conflict. In Yemen, a brutal civil war with international involvement made it difficult for CSO personnel to move around the country while creating immense needs for humanitarian aid. The Islamic State and other militants continued to wage attacks on civilians in Iraq for much of 2017, though the liberation of areas formerly controlled by the Islamic State late in the year made it possible for CSOs to provide aid and assistance to previously inaccessible parts of the country. The Islamic State also launched attacks in Egypt, where the government responded by reinstating an emergency law that expanded authorities' power to impose curfews and censor the press, adding to the multitude of legal restrictions faced by CSOs. In Jordan and Lebanon, large populations of refugees from the war in Syria continued to strain resources as well as create additional needs for CSO goods and services.

Political tensions and turmoil raised challenges for CSOs in several countries as well. In Iraq, CSOs contended with the conflict between the federal government and the Kurdistan region, which sought its independence in a November referendum; authorities in Kurdistan halted registration of new CSOs at the height of the tensions. CSOs in the West Bank and Gaza continued to face legal and administrative challenges stemming from tensions between the two territories, with authorities from one side creating obstacles to registration and funding for organizations affiliated with their political opponents in the other. In Yemen, CSOs were frequently caught between opposing factions, and faced discrimination and harassment based on their perceived political affiliations.

Economic challenges across the region exacerbated financial difficulties for CSOs and directly or indirectly affected their activities. In Egypt, the devaluation of the Egyptian pound and reduction of subsidies for petroleum and electricity caused shortages that affected CSOs' ability to deliver basic goods and services, and to cover basic operational costs. Economic hardship helped fuel massive protests in Morocco; some CSOs supported or took part in the protests and were caught up in demonstrations and sit-ins that were dispersed by authorities. In Jordan, economic stagnation and rising prices led CSOs to place greater emphasis on supporting micro-loans and skills development, in order to help build individuals' economic agency. The blockade of Gaza continued to restrict economic opportunities in the territory, while the West Bank faced significant budgetary shortfalls. Yemen remained one of the world's poorest countries, and the civil war contributed to widespread hunger and deteriorating public services that CSOs struggled to replace.

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## TRENDS IN SUSTAINABILITY

CSO sustainability in the Middle East and North Africa remained challenged in 2017. All country scores for individual dimensions of sustainability as well as overall sustainability continued to fall in either the Sustainability Evolving or Sustainability Impeded categories.

As in 2016, Lebanon recorded the highest level of CSO sustainability. The legal environment for Lebanese CSOs as well as their financial viability deteriorated somewhat, but CSO advocacy improved and all other dimensions of sustainability remained more enabling than elsewhere in the region. The West Bank and Gaza continued to record the second-highest level of CSO sustainability despite a worsening legal environment, weakened financial viability, and diminished service provision.

The sustainability of Egypt's CSO sector—already the most challenged in the region—deteriorated further in 2017. As in the prior year, nearly every dimension continued to grow worse: CSOs faced a more restrictive legal environment, more limited organizational capacity, declining financial viability, diminished ability to advocate, weakened sectoral infrastructure, and a more negative public image.

Iraq, Lebanon, Morocco, and the West Bank and Gaza maintained overall sustainability scores categorized as Sustainability Evolving, while Egypt, Jordan, and Yemen continued to have overall scores in the Sustainability Impeded category. Across the region, the overall sustainability of CSOs either stayed the same or deteriorated. The most dynamic dimensions—as discussed in greater detail below—were financial viability, legal environment, and advocacy.

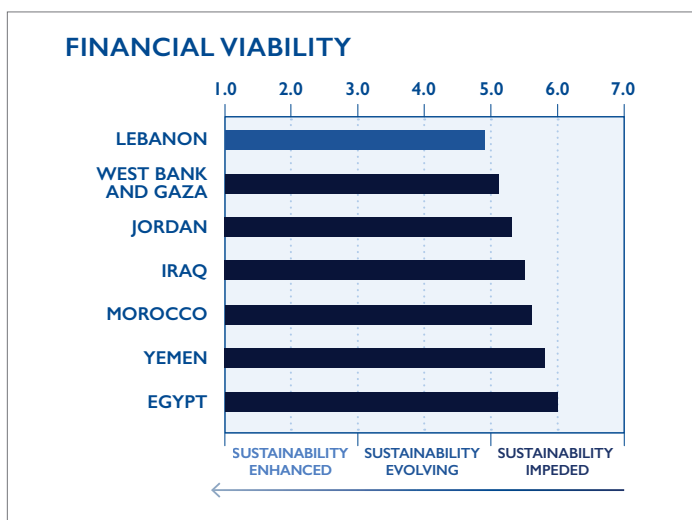


## STRUGGLING TO SECURE RESOURCES

CSOs across the region struggled financially in 2017. In nearly all countries, financial viability was the weakest dimension of CSO sustainability. Further, in all countries but Morocco, CSOs experienced a deterioration in financial viability, whether due to shifting donor priorities, new legal obstacles, or the emergence of larger economic challenges. Funding insecurity and shortages affected CSOs' ability to plan for the future and to sustain their activities and staff.

Given the widespread dependence of CSOs in the region on foreign funding, the changing priorities of foreign donors impacted organizations' financial viability in several countries. Many CSOs in Lebanon, for instance, rely primarily on foreign funds, and in 2017 a number of large donors scaled back funding for Syria and refugee-related programming in Lebanon. Donors contributing to the major international fund for Lebanon's CSO-led Syria crisis response pledged less than half of the funds requested for the year, and as of September, UN agencies and CSOs had received roughly one-quarter of the pledged amount. CSOs in the West Bank and Gaza—also largely reliant on foreign donors—faced a similar reduction of foreign assistance in 2017. In addition, several foreign governments intensified vetting procedures and other controls on funds for CSOs in the territories, chiefly to limit funding to groups that support the Boycott, Divestment, Sanctions (BDS) movement. In Yemen, foreign funding opportunities increased slightly, but so did competition, as CSOs unable to sustain themselves on local funds looked to foreign support. Additionally, some international organizations began implementing activities directly rather than funding local CSOs to do so; others imposed new constraints on their grants or paid them in continually-declining Yemeni riyal instead of Euros or US dollars.

In some countries, legal initiatives made it more difficult for CSOs to obtain funding. In Egypt, the government adopted a new, extremely restrictive CSO law that further restricted CSOs' access to both domestic and foreign funding. The law, Law 70 on Associations and Other Foundations, requires organizations to obtain government permission before they collect or receive donations or carry out fundraising campaigns; it also requires prior government approval before CSOs may receive foreign funding. As a further complication, the implementing regulations for Law 70—which were to provide further details on how to obtain approval for the various forms of funding—were not issued during the year. Legal obstacles also limited CSOs' access to funds in Jordan. Government approvals for foreign grants, which are required by law in Jordan as well, faced longer delays and were more likely to be rejected than in prior years.



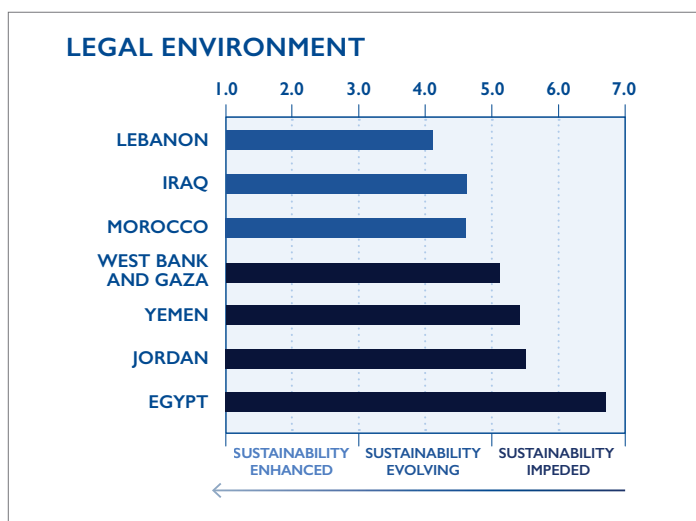
Larger economic challenges in the region compounded CSOs' difficulties in securing resources. In many places, a deteriorating economy and limited options for domestic funding increased organizations' reliance on foreign funds, while also intensifying competition among organizations for those funds. In Jordan, for instance, a struggling national economy and rising inflation accompanied a decrease in private sector funding for CSOs and made access to foreign funding increasingly competitive. As the economic recession in Yemen worsened, private sector funding declined, government funding evaporated, and CSOs' ability to sustain themselves through earned-income projects grew weaker. In the West Bank and Gaza, shortfalls in the state budget limited CSOs' access to public funds, and local funding generally remained insufficient to cover CSO expenses. In Egypt, the devaluation of the Egyptian Pound and the rising price of goods and services added to organizations' financial difficulties.

Despite the challenges faced, some organizations were able to support themselves through sustainable funding models. In Lebanon, a number of CSOs maintained income-generating ventures such as restaurants, cafes, and pharmacies. Some CSOs in Egypt formed social enterprises and, on occasion, even utilized online crowdfunding to support projects—though both these methods of collecting funds were jeopardized by the passage of Law 70. In Morocco, the government was working on a law that would enable CSOs to form social enterprises, raising the prospect of new, sustainable funding options in the future.

## CONSTRAINED BY RESTRICTIVE LAWS AND PRACTICES

The legal environment for CSOs—already impeded in most of the region—continued to grow more challenging in all countries but Jordan and Morocco in 2017. Governments imposed new laws, regulations, and practices that curtailed CSOs' formation and functioning. Organizations also faced a spate of new measures restricting freedom of expression.

Egypt continued to have the most difficult legal environment for CSOs, and it grew even more restrictive in 2017 after the passage of Law 70. The new law dramatically increased government control over CSO registration, funding, and activities. Registration under Law 70 is mandatory, time-consuming, complex, and subject to authorities' discretion. The law gives security and intelligence officials a formal role—and extensive discretion—in oversight and control of CSO funding. The law also includes new barriers to CSO activities: CSOs are barred from carrying out “any work that may cause harm to the national security, law and order, public morals, or public health,” and must obtain prior government approval before carrying out field research or opinion polls. Further, the government did not release implementing regulations for the law in 2017, but officials enforced some



of its provisions; the resulting confusion about the law's status created uncertainty for organizations and led some to scale down their operations. Egyptian authorities continued to prosecute and punish civil society actors for allegedly receiving foreign funding illegally, and harassed and imprisoned individuals associated with human rights organizations.

Elsewhere in the region, CSOs faced legal difficulties from authorities' restrictive implementation practices. In Jordan, for instance, the process of registering a CSO became more difficult in 2017 when the Registry Council began meeting less frequently to review registration applications,

contributing to a significant backlog. In both Morocco and Lebanon, authorities delayed CSO establishment processes beyond the time allowed by law, either by delaying issuance of the notification receipt that functions as proof of establishment, or declining to issue a receipt altogether. Organizations also contended with extralegal processes and requirements related to registration and activities. Iraqi CSOs were asked to provide documents not required by law and on occasion to re-register, despite the law's requirement that organizations register only once. In Yemen, CSOs reported requests for bribes during the registration process; authorities also required that CSOs obtain permits to carry out specific activities. Similarly, in both Jordan and the West Bank and Gaza, CSOs were in some cases required to secure prior government approval before carrying out events.

In several countries, CSOs contended with new restrictions on freedom of expression, assembly, and the press. Authorities in the West Bank and Gaza passed a new cybercrimes law that allows for restrictions on online expression on vague grounds such as "state security" and "social harmony," and imposes imprisonment or steep fines for violations. Palestinian CSOs as well as international organizations condemned the law. In September, a human rights defender was arrested for Facebook posts that were critical of the Palestinian Authority, and was charged under the new law. Iraq's parliament considered—but did not pass—a restrictive draft law on cybercrimes as well as a draft law on freedom of expression that contained restrictions on speech and assembly including a limit on the size of permissible public demonstrations. The Egyptian government passed a new counterterrorism law that gave authorities the ability to impose fines on journalists who contradicted the official version of a security-related event in their reporting. Egypt's Ministry of Interior also blocked access to hundreds of websites in 2017, including those of news outlets. These restrictions dramatically affected CSOs' access to information and forced some to continually change their IP addresses in order to stay in touch with their members and beneficiaries. In Lebanon, activists and journalists were detained and investigated by the cybercrimes bureau for posting comments on social media deemed defamatory or blasphemous. In Morocco, the president of a human rights CSO remained on trial for promoting a mobile application for citizen journalism that protected users' privacy; authorities charged him with "threatening state security."

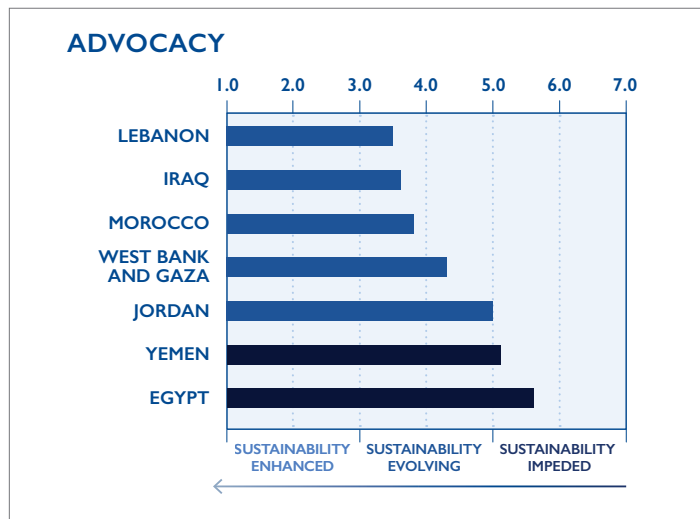
## SUCCESSFULLY SEEKING REFORM

Despite funding challenges, legal constraints, and administrative barriers, CSOs remained outspoken advocates for change. Even in the context of a legal crackdown or civil war, organizations continued to carry out campaigns to address issues of public concern.

In Egypt and Yemen, the environment for advocacy deteriorated, but organizations remained vocal nonetheless. Egypt's Law 70 created new legal obstacles to advocacy, including a broadly worded ban on "any work of a political nature." Advocacy organizations were more likely to face legal persecution, extralegal harassment, denial of financial support, and demonization in the media. Nonetheless, organizations continued to be committed advocates on a number of issues—and particularly on Law 70 itself, with dozens of organizations advocating

against the law through press statements and joint statements. In Yemen, political turmoil and ongoing armed conflict limited the space for CSOs' participation in advocacy and governance. CSOs across the country found that they could not advocate to the authorities without facing accusations that they supported the opposing side in the conflict. Even so, Yemeni organizations carried out robust advocacy activities, on topics ranging from forced disappearance to youth and women's political participation.

By contrast, CSOs elsewhere in the region enjoyed more freedom to advocate as well as better access to decisionmakers, and in many cases achieved notable advocacy successes on challenging and controversial issues. In Lebanon, for instance, CSO advocacy saw several successes: the government adopted an access to information law, which organizations had campaigned for since at least 2010; the government adopted an anti-torture law, which CSOs had persistently called for including through engagement with the UN Commission Against Torture; and the government cancelled Article 522 of the Penal Code, which protected rapists if they married their victims and which a number of CSOs campaigned against in 2017. In Iraq, CSO advocacy also successfully influenced rights-



related legislative initiatives. Following a campaign by a number of CSOs that included large public rallies and joint press conferences, the government declined to pass amendments to Iraq's personal status law that would have allowed child marriage. CSOs also held a number of events and activities around other restrictive draft legislation, including a cybercrimes draft law and a problematic freedom of expression draft law; neither initiative was adopted. Even in Jordan, where the advocacy dimension remains in the Sustainability Impeded category, several notable campaigns achieved their goals in 2017. These included the CSO-led campaign to revoke Penal Code Article 308, which allowed rapists to avoid punishment if they married their victims; a campaign to reform the criminal procedure law; and a campaign to adopt a new law on the rights of people with disabilities.

## CONCLUSION

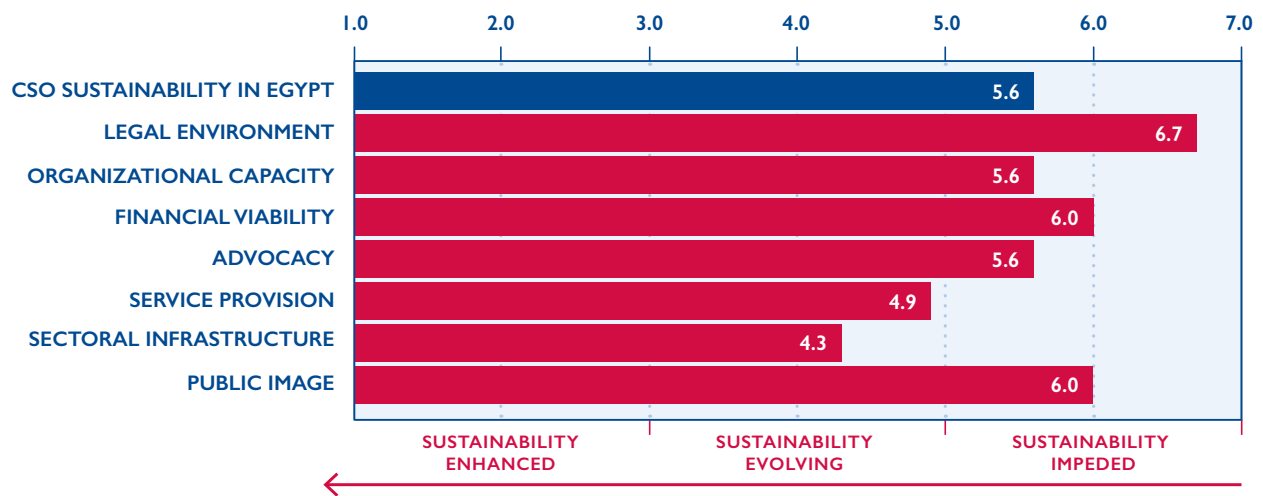
CSOs in the Middle East and North Africa contended with serious challenges in 2017, but persisted in pursuing their objectives, achieving results, and serving their constituents. While facing new legal and administrative hurdles and financial difficulties, they remained vocal advocates on the public's behalf and continued to provide critical assistance to those in need.

The following country and territory reports provide a more detailed look at the CSO sectors in Egypt, Iraq, Jordan, Lebanon, Morocco, the West Bank and Gaza, and Yemen. We hope that the information contained herein is helpful for local organizations, governments, donors, researchers, and others who seek to advance independent and sustainable CSO sectors.

# EGYPT

**Capital:** Cairo  
**Population:** 97,041,072  
**GDP per capita (PPP):** \$12,700  
**Human Development Index:** Medium (0.696)  
**Freedom in the World:** Not Free (26/100)

## OVERALL CSO SUSTAINABILITY: 5.6



Overall, the sustainability of CSOs in Egypt deteriorated in 2017, as legal, political, and economic challenges significantly affected the civil society sector. Repressive legal measures against CSOs culminated with the issuance in May of an extremely restrictive new law to govern the sector—Law 70 of 2017 on Associations and Other Foundations Working in the Field of Civil Work (Law 70). With the law providing for increased state control over many aspects of civil society, CSOs—particularly those working on human and political rights—faced increased legal barriers and state harassment. Although President Abdel Fattah El-Sisi’s ratified the new law, its status remained somewhat uncertain, as the government did not issue implementing regulations during the year and officials enforced its provisions inconsistently. The ambiguous status of the law created uncertainty among organizations as to their legal obligations and led some to scale down operations and reduce their staffs.

Other legal initiatives presented additional challenges to civic freedoms. A number of CSOs working on human rights and reform issues continued to contend with criminal investigations into their organizations’ registration and funding. Many of their leaders and staff were banned from travel and had their assets and those of their organizations frozen. Following the bombing of two Coptic churches in April 2017 by an Islamic State affiliate, the government reinstated a state of emergency, which among other things expanded authorities’ power to refer civilians to state security courts, censor the press, and impose curfews. The environment also worsened for journalists. According to the Committee to Protect Journalists (CPJ), Egypt ranked third in the world for imprisoning members of the press. An anti-terrorism law, which was passed in January 2017, gave the state another tool to target the press by enabling authorities to fine journalists for contradicting the official version of any security-related event. At the same time, the Ministry of Interior blocked access to at least 496 websites, including those of news outlets such as Mada Masr and HuffPost Arabi. Such legal restrictions made it difficult for CSOs to plan ahead and make strategic decisions.

Capital, population, and GDP 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 data available at <http://hdr.undp.org/en/composite/HDI>. Freedom in the World data available at <https://freedomhouse.org/report-types/freedom-world>. Data is from 2017



Egypt's economy continued to struggle in 2017, with ramifications for CSOs' financial viability. The severe devaluation of the Egyptian Pound in late 2016 devastated the savings and livelihoods of most of the population. Soon after, the government reduced state subsidies for petroleum and electricity, substantially increasing their price, and increased the value added tax (VAT) by 1 percent. By the end of 2017, food, medicine, and other basic goods had become more expensive and less available. These challenges affected CSOs' ability to provide basic goods to beneficiaries, as well as to raise funds and pay for operating costs such as staff salaries and rent.

According to the Ministry of Social Solidarity (MoSS), the total number of registered associations in 2017 was 48,000, however CSOs contend that the vast majority of these are inactive or exist only on paper. Prior to 2017, CSOs working on issues such as human rights, women's rights, or environmental issues often registered as civil companies or research centers. Some of these entities re-registered or attempted to re-register as associations in 2017 to comply with Law 70, which requires any entity that carries out "civil work" to register under the law.

## LEGAL ENVIRONMENT: 6.7

The legal environment for CSOs became significantly more restrictive in 2017, especially after the ratification of Law 70 in May. Despite the law's requirement that implementing regulations be issued within two months of the law's ratification in order to guide interpretation and enforcement of the law, no regulations had been issued by the end of 2017. The law's implementation during the year instead relied on the regulations for the previous law (Law 84 of 2002). This situation caused uncertainty and confusion both for CSOs and for officials in MoSS, which is charged with implementing the law.

Law 70, which was passed without public consultation or meaningful opportunities for civil society feedback, creates numerous new legal obstacles for CSOs. All CSOs have to register in order to operate legally under the new law. According to the law's first article, no entity may carry out "civil work" without being subject to the law's provisions. Accordingly, CSOs formerly registered as civil companies

or other forms must register under Law 70. The law provides that CSOs register merely by notifying the authorities of their existence, however the notification process is challenging, time-consuming, and subject to authorities' discretion. Among other requirements, a new CSO must submit extensive personal information about its founders, supply proof of physical premises, and pay up to 10,000 Egyptian Pounds (approximately \$560). After Law 70's enactment, according to MoSS, around 800 new organizations registered under the new law.

Law 70 also creates new barriers to CSOs' activities. The law provides that CSOs may not carry out any activities that are part of "the work of political parties, vocational or labor syndicates, any work of political nature, or any work that may cause harm to the national security, law and order, public morals, or public health." CSOs must obtain prior government approval before carrying out certain other activities, including field research or opinion polls. A CSO is likewise prohibited from collaborating with, joining with, or participating in the work of another foreign or local organization without prior government permission.

Law 70 establishes a new supervisory body, the National Regulatory Agency for the Work of Foreign Non-Governmental Organizations, to oversee foreign CSOs in Egypt as well as foreign funding to local CSOs. Per the law, Egyptian CSOs must obtain the Agency's approval before they may receive foreign funding, and the Agency has extensive discretion to deny foreign funding requests. Membership of the Agency includes representatives from the Ministry of Interior and the General Intelligence Agency, formalizing the role of security and intelligence officials in oversight and control of CSO funding. The law also imposes harsh sanctions, including fines of up to one million Egyptian Pounds (approximately \$56,000) and prison sentences of one to five years, for many actions that are deemed violations of the law. Under the law, courts can dissolve CSOs with no right of appeal.



In 2017, authorities continued to prosecute and punish civil society actors for illegally receiving foreign funding. These prosecutions often relied on either the previous CSO law (Law 84 of 2002 on Associations and Foundations), which also required CSOs to obtain government approval before receiving foreign funds, or Article 78 of the Penal Code, which was amended in 2014 to impose harsh penalties for the receipt of foreign funds with the intent to “harm the national interest,” “compromise national sovereignty,” or “breach security or the public peace.” A number of rights organizations remained targets of a criminal investigation into their registration and funding, referred to as Case No. 173, or the “foreign funding case.” Leaders and staff of several targeted organizations had their assets frozen and some—such as Nazra for Feminist Studies—were forced to close; the organizations’ founders and staff were also subject to discrimination and harassment. In January, for instance, a court ruling in Case 173 ordered the freezing of assets of Ms. Mozn Hassan, Founder and Executive Director of Nazra for Feminist Studies; Mr. Mohamed Zarea, Director of the Arab Penal Reform Organization (APRO); and Mr. Atef Hafez, a former legal researcher at APRO. During the same month, a travel ban was issued against Mr. Negad El-Borai, human rights lawyer and Director of the United Group for Human Rights, also accused in Case 173. In May, Mr. Mohamed Zaree, Egypt Director of the Cairo Institute for Human Rights Studies (CIHRS) was interrogated within the framework of Case 173 before being released on bail of 30,000 Egyptian Pounds (approximately \$1,700).

The harassment and imprisonment of individuals associated with other human rights organizations continued in 2017, as well. For instance, in September, Egyptian authorities attempted to close the Egyptian Commission for Rights and Freedoms (ECRF) for reporting on cases of forced disappearances. Mr. Ibrahim Metwally Hegazy, human rights lawyer and co-founder and coordinator of the Association of the Families of the Disappeared in Egypt, was also arbitrarily detained and tortured following his work advocating against forced disappearances. Another human rights lawyer and defender of prisoners’ rights, Ms. Mahienour El-Massry, was detained pending trial in relation to the protests in June against Egypt’s agreement to transfer the Tiran and Sanafeer Islands to Saudi Arabia. She was accused of participating in an “unauthorized protest” and insulting the president.

In addition to the restrictions on foreign funding, Law 70 requires associations to obtain permission from MoSS thirty days before they collect or receive donations or engage in fundraising campaigns for donations. This requirement was not generally implemented in 2017, however, in the absence of implementing regulations. Under Law 70, associations are allowed to earn income—for instance by establishing social enterprises; this also requires prior permission from MoSS.

With regards to taxation, Law 70 stipulates that CSOs established under the law are exempt from certain taxes and stamp duties on all contracts, powers of attorney, and other documents; real-estate tax for properties owned by the association; income taxes on donations; and customs taxes. Corporate donors to CSOs receive a 10 percent tax deduction from their taxable income. In general, CSOs understand and know about these benefits, which also existed under Law 84, however in practice few organizations actually take advantage of them, as the process for obtaining these exemptions is difficult and time-consuming.

There are local lawyers—mainly in Cairo—who have experience with CSO legal issues and have studied Law 70. Since the new law’s implementing regulations were not issued, however, it remained difficult to determine how different provisions of the law would be interpreted in practice.

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## **ORGANIZATIONAL CAPACITY: 5.6**

The overall organizational capacity of CSOs deteriorated in 2017. As a result of Law 70 and the uncertainty surrounding its implementation, many CSOs scaled down their operations and reduced their staffs. For instance, the organization HarassMap, which collects and publishes data on sexual harassment, scaled back its activities during the year. The capacities of organizations without government connections were especially affected by the legal environment as well as funding shortages.

Larger organizations that operate in many governorates and engage in service provision or charitable activity are better able to build and maintain strong local constituencies. These include CSOs such as Misr El Kheir Foundation, the Magdi Yacoub Heart Foundation, Resala, and the Egyptian Food Bank. Building local constituencies remains more of a challenge for smaller and medium-sized organizations due to scarce financial resources; funding shortages hinder many

organizations' abilities to publicize or market their work or reach out to communities that do not have established supporters or beneficiaries.

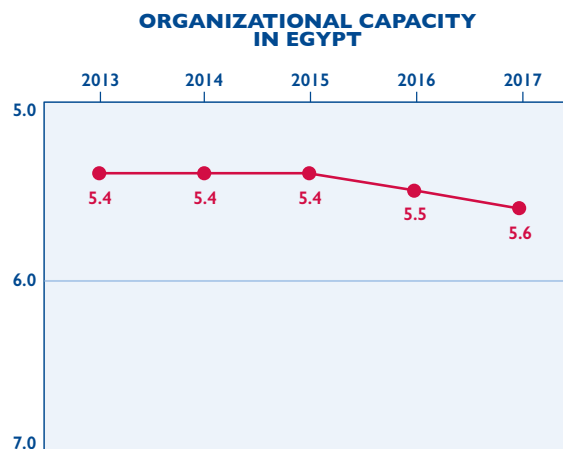
In general, the ability of CSOs to conduct and implement long-term planning is undermined by ongoing economic instability, uncertainty about the legal framework, and government interference in CSOs' internal matters.

Organizations perceived as posing less of a threat to the government, such as New Woman Foundation and the Women and Memory Forum, were somewhat more likely to develop, adopt, and implement strategic plans in order to address severe funding challenges, but their coping mechanisms were not always successful.

Large CSOs continue to be more likely to have strong management policies and procedures, with clear hierarchies of staff and division of labor. Smaller organizations, on the other hand, are often managed by one or more dominant figures. However, CSOs generally continue to lack clearly-defined and democratic governance structures, regardless of whether they have adopted internal management policies.

As more organizations faced a scarcity of funding, they struggled to hire and maintain permanent, paid staff. Many CSOs engaged staff members as temporary employees or consultants in 2017—on contracts for the duration of a project or activity, for instance—to avoid excess costs or having to dismiss other employees. Smaller organizations rely on community members who assist as volunteers with the management of certain day-to-day activities.

Access to technology and modern, regularly-updated office equipment has also become difficult as funding is scarce. Across the CSO sector, organizations tend to rely on social media platforms such as Facebook and WhatsApp in order to reach their target audiences, particularly young people. CSOs including those that faced official harassment in 2017, such as Nazra for Feminist Studies and El Nadeem against Violence and Torture, have Facebook pages and are quite active in responding to questions they receive online.



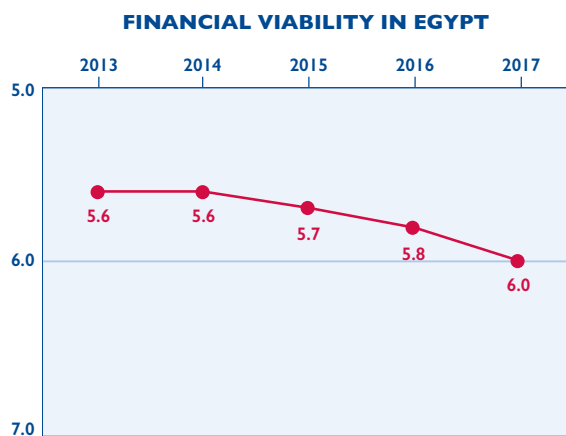
## FINANCIAL VIABILITY: 6.0

CSOs' financial viability deteriorated significantly in 2017 with the introduction of new legal constraints on CSOs' funding streams, and a continued decline in foreign funding. The devaluation of the Egyptian Pound and the rising price of goods and services also contributed to CSOs' financial troubles.

A significant share of Egypt's civil society comprises charitable organizations that have multiple sources of funding. Smaller CSOs tend to prefer local funding, as it is more sustainable since it is not tied to international donor cycles and priorities. As noted above, however, Law 70 introduced new restrictions on local funding sources, requiring that associations obtain government permission before they collect or receive donations or carry out fundraising campaigns. It remained unclear how this requirement will work in practice, especially around faith-based occasions such as Ramadan, when charitable giving is common. Further details on the law's procedures for obtaining approval for different forms of donations or fundraising methods were to be provided in the implementing regulations, which were not issued during the year.

A small share of the sector—primarily large organizations—depends on foreign funding, which is also subject to government approval. In 2017, according to Ministry officials, MoSS rejected around 200 applications from CSOs requesting foreign funding—requests totaling roughly one billion Egyptian pounds (approximately \$55.9 million). According to a MoSS statement in early 2017, the government approves an annual average of around 700 million Egyptian pounds (approximately \$39 million) of funding from outside Egypt. A former MoSS official indicated that these funds are received and utilized by around 290 organizations, a very small share of the civil society sector overall.

In light of the legal restrictions on foreign funding and the government and media's attacks on organizations that receive foreign funds, CSOs increasingly looked to corporate social responsibility (CSR) programs for financial support.



Funding from companies' CSR programs usually favors basic services such as education and health, however, and companies tend to prefer to partner with organizations that align with the government. Funding from such programs is generally not available to advocacy and human rights groups, which continue to depend primarily on foreign funding.

In some instances, the government provides contracts and grants to CSOs. MoSS runs social protection programs such as Forsa (The Opportunity Program) that are implemented by CSOs at the community level. MoSS funding is also available to microcredit CSOs to support the economic empowerment of vulnerable families. The Haqqi Program, which focused on combating violence against women, was

implemented by an Egyptian CSO with funding from the Ministry of Justice and the British Council, but a new Minister of Justice annulled the program in 2017.

CSOs benefit from local donations particularly during Ramadan and other holy days, including through media campaigns to raise *zakat* funds from individuals. Smaller CSOs have attempted to use innovative means of fundraising like online crowd-funding. For instance, the social enterprise Madad and Bassita use an online platform to showcase and crowd-fund for other CSOs' developmental projects. However the ratification of Law 70, which includes restrictions on domestic fundraising, threw the viability of this method of collecting donations into doubt.

CSOs also form social enterprises that provide services and products for revenue. The government has taken steps to support social entrepreneurship, as have companies, foreign development entities, foreign embassies (such as through the British Embassy's Start Egypt), and large CSOs (such as Misr El Kheir's Gesr Competition).

Larger CSOs are more likely to have sound financial management systems in place, as they tend to have the staffing and resources needed to maintain such systems. However, a lack of transparency remains a problem for many organizations, especially smaller CSOs which frequently conduct transactions in cash without recording them in official ledgers or financial records. Law 70 requires that every CSO "adhere to the standards of transparency [and] disclosure," declare all funding sources and activities on the MoSS website, and "maintain its documents, libraries, registers and bank notices and letters in its management center." These provisions will be further explained and clarified in the implementing regulations for Law 70, but CSOs expect they will likely entail supervision and auditing by the Central Auditing Organization and will further hurt the financial viability of CSOs.

## ADVOCACY: 5.6

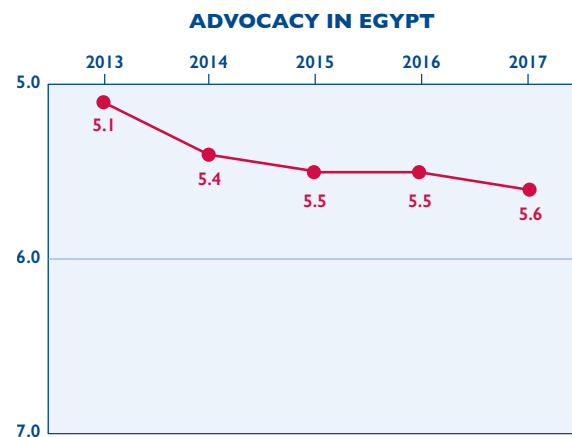
The environment for advocacy in Egypt worsened in 2017. The majority of CSOs involved in advocacy work faced an extremely restrictive landscape in 2017, primarily due to the enactment of new legal restrictions on advocacy and ongoing harassment of organizations engaged in advocacy activities.

Law 70 creates new legal obstacles to advocacy activities. For instance, in order to advocate effectively, organizations must be able to carry out qualitative and quantitative research to understand a given problem. Under the new law, however, organizations must apply for approval from the government before they may carry out data-collection projects, opinion polls, or other field research. Despite the lack of Law 70-specific implementing regulations, these provisions were enforced in 2017 and CSOs conducting field research had to obtain prior government approval. In addition, the law prohibits "any work of a political nature"—a broadly-worded provision that gives the government discretion to decide what kind of advocacy or lobbying is considered "political" and thus prohibited.

In general, advocacy organizations are seen as opposition groups that highlight the shortcomings of the government; consequently, they may face legal persecution, extra-legal harassment, denial of financial support, as well as general demonization in the media.

CIHRS, for instance, has been among the most vocal human rights advocates in Egypt, criticizing the government when it perceives that the state has failed to protect those rights. The organization and its staff have faced many forms of persecution by the state which in 2017 included interrogation of their Egypt program director and a ban on his traveling outside of Egypt. These obstacles apply not only to human rights groups but also to organizations working on “less critical” issues such as the environment and climate change. For instance, the government considers environmental groups—a very small share of the CSO sector—to be an obstacle to commercial and economic growth. As a result, some environmental advocacy organizations, which prefer to remain anonymous, were either closed down, had their leaders removed, or faced an asset freeze; many had to close down for lack of funding during 2017. In addition, MoSS was likely to reject proposed activities that sounded political. For example, authorities rejected the approval of one project implemented by a CSO because it was called Youth Empowerment. The organization had to rename the project Together for Community Development before it was able to obtain approval for the project and its funding. Both the organization and its donor requested to remain anonymous.

Despite the restrictions that human rights CSOs face and the uncertainty of the legal framework for advocacy activities, organizations continued to be active and outspoken advocates in some cases—particularly on Law 70. More than sixty CSOs, including CIHRS, the Egyptian Center for Economic and Social Rights, and Nazra for Feminist Studies, were heavily involved in advocating against Law 70 in 2017, for instance, arguing against its ratification through press releases and statements, and then—after President El-Sisi signed the law in May—calling for its repeal. While unsuccessful, the campaign reflected the resilience of a share of the CSO sector continuing to advocate despite serious threats.



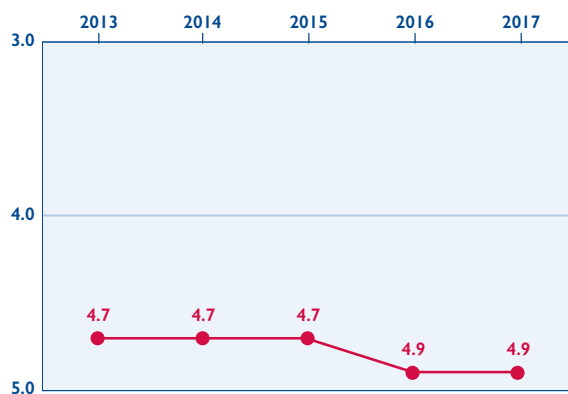
## SERVICE PROVISION: 4.9

CSOs' service provision remained more or less unchanged in 2017 compared to 2016. Service-oriented CSOs responded to the need for public services including education, health, and food aid. Many charitable organizations and other CSOs provide basic services that the Egyptian government cannot or does not provide, such as health check-ups, community schools, and food packages during Ramadan.

Egyptians' demand for basic goods and services increased in 2017, due to rising prices and a weakened currency, but CSOs were not necessarily better equipped to meet those needs. While CSOs generally recognize the needs of the communities they serve, it became more difficult for them to conduct wider-scale needs assessments or research using quantitative methods, as Law 70 requires prior approval and a security clearance for such field research. Additionally, many local service providers work with international organizations such as Save the Children and Plan International, but Law 70 also requires prior government approval for cooperative relationships between local CSOs and foreign entities. Finally, hundreds of Muslim Brotherhood-affiliated charities that used to provide such goods were closed by the government after 2013; some of these were reopened in 2017 under new leadership and strict government supervision, but it remained unclear whether the gap in service provision created by their closure would be filled.

Service-providing CSOs are generally perceived positively by the government and public. Particularly in rural and marginalized areas of the country, CSOs may be the only providers of basic services, and as such are extremely important to their beneficiaries. Large international organizations that align with the government's national development priorities also maintain positive relations: CARE International, for instance, continued to carry out a range of health, education, and anti-poverty services in 2017.

### SERVICE PROVISION IN EGYPT



However, the situation of local service providers is still tenuous and ties to dissenting groups or statements or activities that do not align with the government can easily result in an organization not getting funding or being closed down. For instance, El Nadeem Center for the Rehabilitation of Victims of Violence and Torture provided victims of physical and sexual abuse with emergency health care and other assistance; authorities closed the Center's physical offices in February 2017 after the government froze its assets and banned one of its co-founders from leaving Egypt.

CSOs continue to provide goods and services to individuals beyond their own members. In some cases, CSOs work with government entities such as MoSS and

the Ministry of Youth and Sports to implement specific projects or programs that serve local communities or specific beneficiaries such as disabled children.

Some CSOs, particularly those that provide health or educational services such as nurseries or community schools, charge fees, however these are usually minimal and only partially cover the cost of providing the services. Some CSOs that create goods such as handicrafts or produce function as social enterprises and generate a small amount of income that covers part of their operating costs. A growing number of CSOs are engaged in supporting young entrepreneurs and providing incubators for nascent initiatives; one such organization is Injaz, which has a program that supports female entrepreneurs.

## SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector deteriorated in 2017, as opportunities for capacity-building and training declined, and new legal obstacles made CSO cooperation with other entities more difficult.

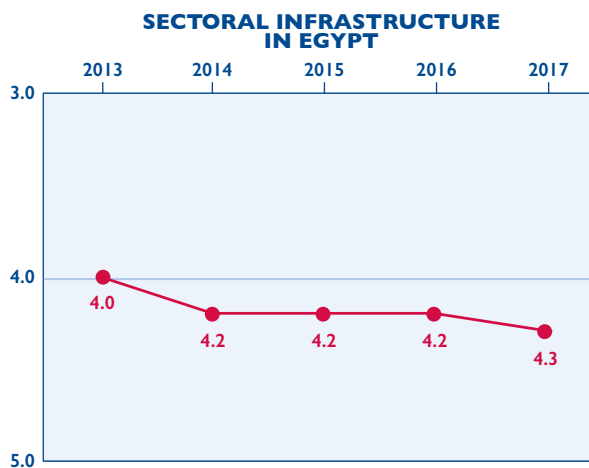
Some CSOs like the Center for Development Services as well as consultancy firms such as Beit Al-Karama Consultancy operate as intermediary support organizations (ISOs) or resource centers. These entities provide capacity building, training, and technical assistance to other CSOs. CSOs also benefit from local grant-making organizations. The Sawiris Foundation for Social Development, which focuses primarily on job training and employment, gives some grants to local CSOs in Cairo as well as rural parts of Egypt to enhance youth livelihoods and support economic empowerment through entrepreneurship and job creation. In a project begun in 2016 but ongoing in 2017 named Egyptian Women: Pioneers of the Future, the Sawiris Foundation partnered with UNWomen and the French Embassy to fund an umbrella CSO to provide training and employment opportunities for young women. Some private companies also award grants through their corporate social responsibility (CSR) programs, which generally focus on social development areas such as literacy, education, health, and strengthening local community development associations.

CSOs have access to capacity-building tools and fundraising resources. For instance, the Beit Al-Karama Consultancy maintains an online portal for development organizations in Egypt, launched in 2015, called the Development Assistance Road-map Portal in the Middle East (DARPE). This online platform provides organizations with timely access to tenders and grant opportunities for development projects. It also connects implementing CSOs with donor agencies and peer partner organizations. Through quarterly or annual subscriptions, CSOs have the opportunity to grow their businesses, sustain their organizations, and build their capacities. New initiatives such as Madad help small and medium-sized organizations market their sustainable development projects and informally seek donations online.

In general, capacity-building efforts and training opportunities were more limited in scope in 2017, although there were still some training opportunities—largely provided by foreign donors or organizations. CARE International, for example, trained around 1,000 small local community development associations (CDAs) and CSOs in 2017 on topics such as strategic planning, proposal writing, and fundraising. The EU is also investing in the capacity of smaller community development associations and other CSOs in Egypt through training and technical assistance. Trainings are usually conducted in Arabic by Egyptian trainers; very few international experts provide training. CSOs can also access some capacity-building and training manuals online, though it is not clear that CSOs use such resources extensively.

The legal framework creates obstacles for partnerships and even informal coordination among local CSOs and between local CSOs and foreign entities. Namely, Law 70 requires a CSO to receive permission from MoSS before it may “cooperate with, join, affiliate with, or participate” in any civil activity with another local or foreign organization. In practice, permission is generally less likely to be granted to partnerships or other affiliations involving a foreign organization than to partnerships between local CSOs.

CSOs were able to engage in a limited number of intersectoral partnerships in 2017, including various initiatives sponsored by government agencies. These remained rare, however. In one of the few examples, MoSS partnered with CSOs and gave them funding in the Mostaqbalna fi Edena (Our Future in Our Hands) program. Eighty local CSOs were funded to provide training and education to young people about the role of local councils and importance of voting in local council elections. The CSOs provided training to 37,925 young people as part of the partnership, according to MoSS.



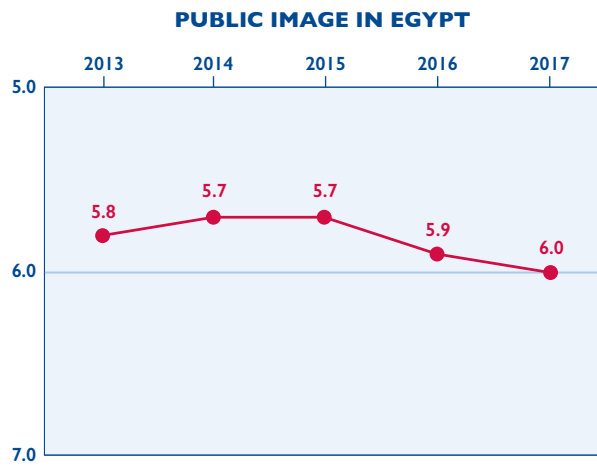
## **PUBLIC IMAGE: 6.0**

The overall public image of CSOs deteriorated in 2017, particularly after the ratification of Law 70.

Media coverage of CSOs—especially that focused on human rights groups, international organizations, and local CSOs that receive foreign funds—remained largely negative. The mainstream media narrative around these organizations tends to delegitimize them as driven by foreign interests, thereby justifying the government’s crackdown on civil society. The media has even publicized instances when the government has rejected an organization’s funding request or proposed activity in order to portray CSOs as harmful to the Egyptian people. Towards the end of 2017, for instance, TV host Moustafa Bakry used his weekly program to criticize CSOs, calling them traitors and American spies.

The only exception to this negative media coverage is that charitable organizations are able to raise funds for their projects through media campaigns, particularly during religious occasions such as Ramadan and Eid. Supportive media commentary remained very rare. In November 2017, however, prominent TV host Amr Adib spoke about Law 70’s impact on charitable organizations and their funding in his weekly show *Kul Youm*, highlighting the kind of work such organizations do and advising the parliament to reconsider the law so as not to limit their funds. His comments did not result in changes to the law, however, nor did he repeat or expand on the comments.

The media’s predominantly negative messaging about CSOs reinforces a largely negative image of both local and national organizations among the public, civil servants, and the government. However, service-providing CSOs continue to be more positively perceived by the government and public than other kinds of CSOs.



CSOs' ability to engage in public relations efforts grew weaker in 2017. Smaller and medium-sized organizations rely on the Internet and social media platforms such as Facebook and Twitter to publicize their work. Use of these platforms became more risky in 2017, however, given discussion of restrictive draft legislation to regulate social media. The government-ordered closure of hundreds of websites also dramatically affected organizations' access to information and their constituents; some organizations were forced to constantly change IP addresses or establish mirror websites in order to stay in touch with their members and beneficiaries. Despite these efforts, CSOs note that the effectiveness of their outreach decreased during the year.

CSOs generally do not have codes of ethics for their organizations, nor is there a sector-wide code of ethics. This is often cited by the media to support its negative portrayal of CSOs. Law 70 imposes a number of reporting requirements on CSOs, including that they publish their annual budgets, activities, and funding sources on their websites and the website of MoSS. In 2017, however, only a select few continued to share their budgets online. This may be linked to a fear of negative media coverage, particularly in the case of organizations that receive foreign funding.

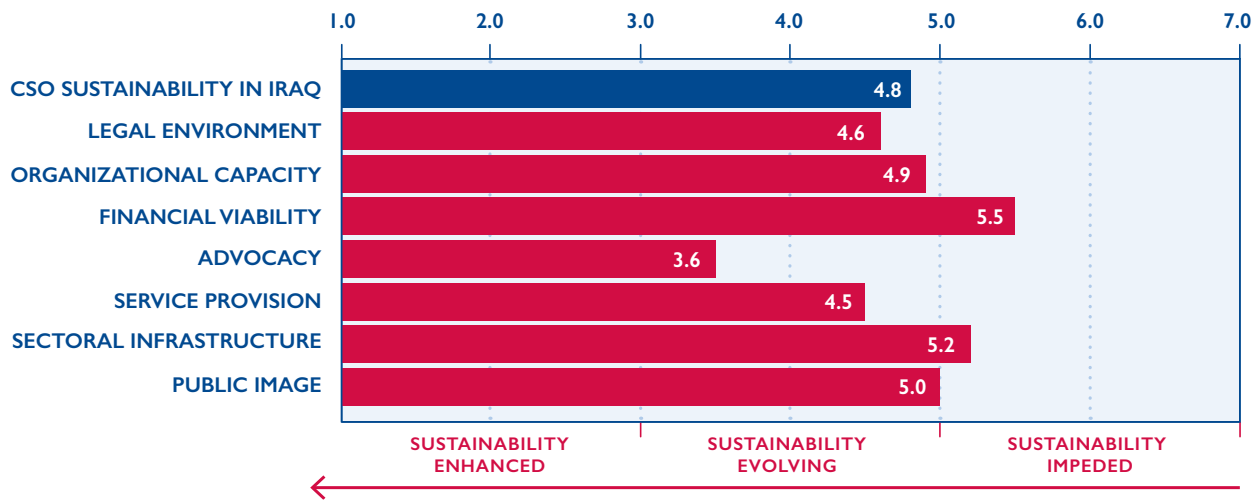
When CSOs raise issues about human rights or good governance, politicians and government officials counter CSOs by questioning their sources and uses of funding. In general, the government appreciates service-providing CSOs more than advocacy-oriented CSOs. Political loyalties are also a significant factor in government perceptions of CSOs. CSOs that support the ruling government party receive various benefits, while supporters of opposition parties encounter harassment. The government uses many of its media channels to promote the country's development successes without recognizing the contribution of CSOs, which may further impact public perceptions of CSOs.

Many journalists cover CSOs and conduct research or write analyses out of personal interest. Most CSOs have their own websites to showcase their activities and demonstrate transparency. The media also considers these websites as reliable sources of information. CSOs also use social media platforms such as Facebook and Twitter to reach out to peers and stakeholders.

CSOs are legally required to submit annual programmatic reports and submit them to the government, and most CSOs meet this requirement. Only larger organizations publish annual reports with financial statements. Most CSOs still have not adopted a code of ethics or concept of self-governance.



## OVERALL CSO SUSTAINABILITY: 4.8



Iraq faced ongoing security and political challenges in 2017, including attacks on civilians by the Islamic State and other militants, and conflict between the federal government of Iraq and the Iraqi Kurdistan Region (IKR). In this context, the overall sustainability of CSOs remained impeded.

During much of 2017, Islamic State militants continued to wage lethal attacks in Iraq, resulting in widespread destruction and loss of life. Iraqi, Kurdish, and allied forces continued their campaign against Islamic State militants throughout the year. The city of Mosul, controlled by the Islamic State since 2014, was liberated in July. By November, following major campaigns by the Iraqi army and its allies in Anbar, Kirkuk, Salahuddin, and Diyala provinces, nearly all areas had been liberated, and in December, Iraqi Prime Minister Haider al-Abadi announced victory over the Islamic State. The liberation of these areas made it possible for CSOs to deliver aid and assistance to parts of the country that were previously inaccessible. CSOs provided food, clean water, clothing, and blankets among other goods to individuals displaced by the conflict; they also helped to rebuild some areas and facilitated the return of displaced individuals.

CSOs were also affected by political tensions around the IKR's referendum on Kurdish independence, which took place in September despite strong Iraqi and regional objections. The Kurds overwhelmingly voted for independence, leading the federal government to respond with retaliatory measures including a military operation to seize Kirkuk—a disputed territory previously held by Kurdish forces. Following these measures, IKR offered to freeze the referendum results and entered into dialogue with the federal government, and IKR President Masoud Barzani stepped down in November. CSOs from the IKR and other regions of Iraq assisted Kurdish residents who were displaced during these events.

The sustainability of Iraq's CSO sector remained stable overall in 2017. CSOs faced some new legal obstacles—largely in the form of improper implementation practices by authorities—and they struggled to stay financially viable in the face of shifting donor priorities. Nonetheless, they maintained their overall organizational capacity and achieved significant advocacy successes in key human rights issues. CSOs' expanded delivery of goods and services to areas once under Islamic State control, including their efforts to rebuild destroyed homes and support displaced persons, also helped to improve CSOs' public image.

CSOs in Iraq predominantly comprise registered non-governmental organizations (NGOs). By late 2017, there were 3,154 NGOs registered with Iraq's Federal NGO Directorate – an increase from 2,844 in 2016. Kurdistan's NGO Directorate reported that there were 3,011 registered NGOs, up from 2,850 in 2016.

## LEGAL ENVIRONMENT: 4.6

The legal framework governing CSOs in Iraq grew somewhat more restrictive in 2017. Organizations faced new challenges related to the government's improper implementation of the law, including authorities' imposition of extralegal processes and requirements.

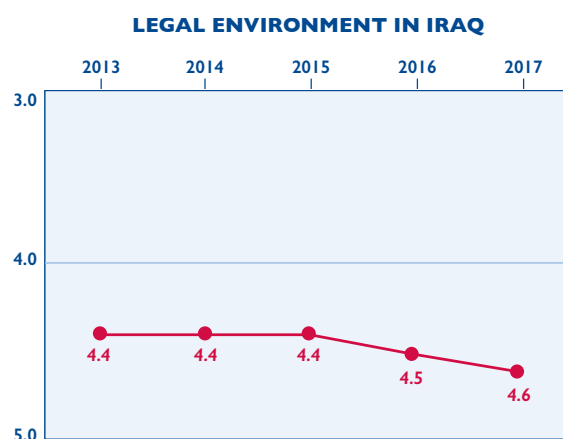
The Law on Non-Governmental Organizations (Law 12 of 2010) remains the primary law governing CSOs in Iraq's federal regions other than IKR; CSOs in IKR operate under the Law on Non-Governmental Organizations in the Iraqi Kurdistan Region (Law 1 of 2011). The implementing regulations for Law 12 provide that CSOs must register before they may operate. In Kurdistan, CSOs are not required to register; however registration is generally necessary in order for CSOs to receive donor funding and to carry out more than small-scale initiatives. CSOs already registered in IKR but seeking to operate throughout Iraq must register with the Federal NGO Directorate in Baghdad, as well.

CSOs often face obstacles when seeking to register, including the time-intensiveness and complexity of the process as well as the imposition of extralegal requirements. CSO registration under Iraq's federal law usually takes three to four months. While registration in IKR is generally faster and takes an average of one to two months, the process poses other challenges. It is often difficult to register an organization if the director is not of Kurdish origin, for instance; additionally, registration officials do not always accept registration materials that are in Arabic. Throughout the country, organizations that are not supported by an influential political party are less likely to register successfully.

Other registration challenges continued or increased in 2017. As in prior years, authorities in all areas often required that CSOs provide additional documents beyond those mandated by law when they attempted to register. For instance, in Mosul, CSOs were required to present a letter from the Mosul Security Agency and a letter from the Mosul Governorate, among other documents, as part of their registration materials. CSOs in IKR, meanwhile, were requested to provide extralegal documentation including security forms filled out by their employees along with the employees' photos and family information. In 2017, Kurdistan's NGO Directorate also required some CSOs to complete an annual re-registration, despite the law's requirement that organizations register only once; CSOs were unable to carry out activities or visit government offices in IKR without a certificate confirming their annual renewal of registration. Late in the year, authorities halted registration altogether for several months in IKR and in central and southern Iraq, including Baghdad, due in part to the security situation.

Both Iraq's Law 12 of 2010 and IKR's Law 1 of 2011 generally allow CSOs to carry out activities that fall within the organizations' objectives. Iraq's Law 12 of 2010 specifically prohibits illegal and unconstitutional activities, profit-making activities to benefit the organizations' members, and activities to fund political candidates. Neither law imposes significant restrictions on organizations' internal management, and both provide for a limited role for government in oversight and control of CSOs. CSOs have minimal reporting obligations under the laws, for instance.

As a matter of practice, however, government officials do intervene and interfere in CSO operations. For instance, in 2014 the IKR government established three coordination boards to deliver services to Syrian refugees and internally-displaced people (IDPs): the Joint Crisis Coordination Center in Erbil, the Joint Crisis Coordination Center in Sulaymaniyah, and the Board of Relief and Humanitarian Affairs in Dohuk. These coordination boards were



established under the supervision of the Interior Ministry to dispense international funds and harmonize the delivery of humanitarian aid and services by local CSOs. According to local CSOs, however, in 2017 the government boards began excluding from funding CSOs that did not have political party affiliations or connections to the government. Local CSOs also cited the practice of government officials forming CSOs with their family members, and leveraging their government connections to obtain international funding that might otherwise go to independent organizations. Despite such incidents, in general CSOs and their representatives in all regions of Iraq are allowed to work freely, including on contentious issues and on activities that involve criticism of the government.

The law allows CSOs to earn income by charging fees for the goods and services they provide to the public, by establishing social enterprises, or by forming not-for-profit companies. They may also raise funds through campaigns for donations. By law, CSOs are allowed to compete for government contracts and procurements, for example, of foodstuffs, blankets, agricultural materials, and medicines. CSOs are allowed to accept funds from foreign donors, provided they clarify the sources of these grants to the security authorities.

Under the Iraqi federal NGO law, only CSOs with a “public utility” purpose are exempt from paying income taxes, VAT, customs duties, and sales taxes. To enjoy these tax benefits CSOs must apply for and obtain public utility status by a decision of the Council of Ministers. Corporate and individual donors do not receive deductions or other benefits for donations to CSOs. By contrast, IKR’s Law 1 provides that all CSOs, their funds, and properties are exempt from taxes and customs duties. This law faced implementation problems in 2017, however: In November, Kurdistan’s Council of Ministers issued Decision No. 4698, imposing an additional tax on CSOs and warning that organizations’ registrations would not be renewed if the taxes were not paid.

CSOs in Iraq face a shortage of trained lawyers with competence in the laws governing local, regional, and international organizations.

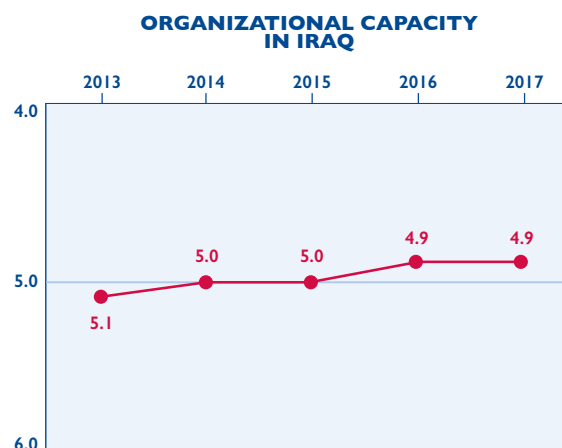
## ORGANIZATIONAL CAPACITY: 4.9

The organizational capacity of CSOs generally remained low, though stable, in 2017. Despite the large numbers of registered organizations throughout the country, many exist in name only, without offices or projects and only a couple of staff members. In Dohuk, for instance, there are roughly 300 CSOs registered under IKR’s Law 1 of 2011, however only a few of those organizations have funds and carry out activities.

Organizations that receive grants from foreign and international donors tend to have greater organizational capacities, as the grants are often accompanied by capacity-building training or other efforts on the part of the donor to support the organization’s sustainability. As a corollary, the organizations working to provide humanitarian aid and relief services tended to have higher organizational capacities in 2017 as a consequence of the large amounts of international donor funding supporting such activities and the capacity building that accompanied the funding. By contrast, organizations working in, for instance, economic development generally had lower capacity. This had begun to change by late in the year, however, as donor funding and capacity building began to shift to rural and economic development projects as large numbers of IDPs returned to their homes.

Most CSOs seek to identify and develop relationships with constituencies and potential beneficiaries within the framework of their objectives. In general, however, few have clearly defined strategic plans and tactics. For the most part, organizations only develop strategic plans as a condition of funding from international donors.

Most CSOs continue to lack strong administrative structures and clear divisions of responsibilities between their boards of directors and executive officers. Organizations are often managed only by their director, which limits transparency



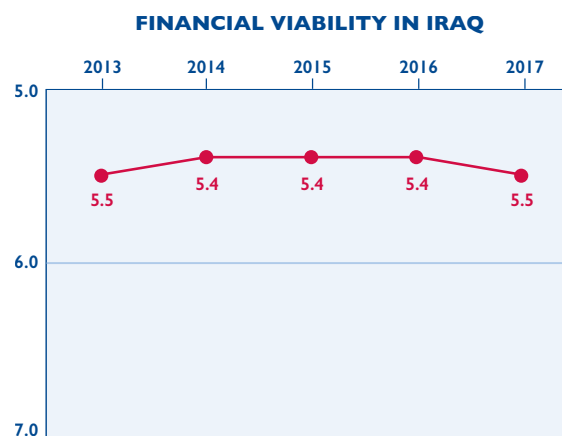
and prevents shareholders and supporters from verifying the use of organizational funds. CSOs generally do not have written policies to govern their internal operations.

Larger organizations—particularly those affiliated with or favored by political parties and government—tend to have more sophisticated internal management systems. These include organizations such as the Civil Development Organization (CDO), Youth Activities Organization (YAO), Barzani Charity Foundation, Harikar, and Representative of Nineveh Voluntary of IDPs. Organizations in Kurdistan tend to have more years of experience and thus stronger performance in organizational and financial management. In general, however, organizations struggle to retain permanent staff or recruit volunteers, and generally place insufficient emphasis on skills development. Human resource practices such as contracts, job descriptions, and payroll and personnel policies are also generally weak. CSOs rarely have access to professional services such as accountants, lawyers, or IT managers.

Nearly all CSOs are able to access the Internet, and most use modern equipment and information communication technology, such as Whatsapp, Viber, Telegram, and Facebook Messenger, in their day-to-day work. Organizations increasingly maintain their own Facebook, YouTube, and Twitter accounts to reach their constituents and publicize their activities.

## FINANCIAL VIABILITY: 5.5

CSOs' financial viability declined in 2017, as funding from foreign donors decreased to CSOs in IKR but remained stable for CSOs elsewhere in the country. The CSO sector overall depends substantially on external funding and foreign grants, most of which continued to be directed towards supporting humanitarian aid in 2017. International donors maintained roughly the same funding levels for local CSOs in Mosul, Kirkuk, Salahuddin, and Anbar among other places. By contrast, donor funds for CSOs in IKR declined, as the security situation stabilized and international organizations began implementing programs and services directly rather than funding local CSOs to do so. For instance, the International Organization for Migration (IOM) directly implemented projects related to livelihoods and agricultural and rural development in IKR, while it funded local CSOs to carry out similar projects in governorates elsewhere in Iraq—particularly areas continuing to be affected by conflict. Other international organizations and donors such as the International Rescue Committee (IRC), Norwegian People's Aid, and Danish Refugee Council, likewise continued to fund local CSOs to carry out humanitarian projects in parts of Iraq other than IKR.



Organizations generally do not have access to multiple and varied sources of funding to support their operations over the long term. Local support—including charitable donations as well as local corporate philanthropy—is rare and generally limited to organizations affiliated with political parties or politically influential people. Such organizations include, for instance, Civil Development Organization (CDO), Barzani Charity Foundation, Nour University, and Mustafa Foundation for Relief. The capacity of organizations to raise funds from local communities remained weak in 2017, as the country continued to lack a culture of philanthropy for non-religious purposes. On the other hand, certain religious CSOs have a sustainable flow of funds from charitable donations. These organizations tend to provide charitable services such as care for orphans and the hungry.

Some organizations collect fees from their members, but these do not contribute significantly to their revenue. In 2017 employees of CSOs in Sulaymaniyah, Kirkuk, Diyala, Baghdad, and elsewhere were effectively forced to pay fees or donations, as part of their salaries were regularly withheld and directed to the organization's operational budget.

CSOs—especially non-partisan organizations that do not receive financial support from political actors—actively seek to increase the support they receive from their constituencies and local communities. Fundraising campaigns and other

activities to mobilize resources, such as sporting events and cultural festivals, are rare, but happen on occasion. For instance, following a major earthquake that occurred on the border with Iran in November, organizations in Kurdistan including Crazon, CDO, and Barzani Charity Foundation helped raise funds for the injured and displaced, which the organizations used to buy and distribute tents, food, fuel, and other goods. CSOs generally do not utilize information communication technology for fundraising purposes. Online crowdfunding is not possible, for instance, because the banking system is not sufficiently secure to support electronic transactions.

Governmental support for CSOs remains insignificant, as both the Iraqi federal and IKR governments ceased funding CSOs in 2016 due to deteriorating economic conditions. Political parties continue to provide funding, however; the Kurdistan Democratic Party supports the Nishtiman Youth Network and Women's Rehabilitation Organization, for instance, while the Sadrist Movement provides support to the Volunteer Doctors Organization in the southern and central governorates of Iraq.

Few organizations receive revenue from their services or products, or rent from their assets, and few seek to establish social enterprises. Local businesses rarely contract with CSOs for services.

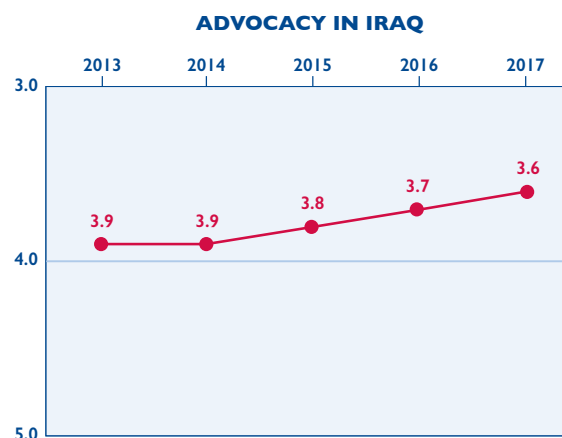
CSOs generally lack strong financial management systems such as specialized software, applications, and other technological tools. Organizations tend not to audit their financial accounts or publish annual reports and statements unless requested or required to by foreign donors.

## ADVOCACY: 3.6

Despite ongoing security threats and weak or absent channels for communication with the government, CSOs undertook robust advocacy campaigns and achieved some notable successes in 2017. Particularly in Baghdad, groups of CSOs formed networks that included public figures and activists, and engaged in demonstrations and protests on rights issues and other public matters. These CSO networks included the Civil Platform and the Iraqi Social Forum.

CSO advocacy at the local and national levels successfully influenced some legislative initiatives in 2017, such as halting the enactment of amendments to Iraq's personal status law that would have allowed child marriage. CSOs carried out a range of activities aimed at defeating the amendments. The Organization of Women's Freedom in Iraq (OWFI), Iraqi Women Network, HerVoice Network, Iraqi Al-Amal, and others organized large public rallies against the amendments in Baghdad's Tahrir Square and in front of parliamentary offices in Sulaymaniyah and elsewhere. CSOs also held joint press conferences to express opposition to the amendments, such as one in Baghdad organized by the Iraqi Women Journalists' Forum (IWJF) and joined by ninety other organizations.

CSOs also conducted trainings and workshops to inform key stakeholders about restrictive draft legislation and support their advocacy efforts. For instance, the Iraqi parliament developed a draft law on freedom of expression which contained obstacles to free speech, including a limitation on the size of permissible assemblies and protests. In October, the Mesopotamian Youth Group, Article 38 Coalition, and Iraqi Social Forum held a seminar on the draft freedom of expression law, to inform journalists and activists about the proposed restrictions in order to support their advocacy efforts against the draft law. Similarly, in November, the Information Center for Research and Development together with the Iraqi Network for Social Media held a two-day training for online activists on a restrictive draft law on cybercrimes. The training aimed to educate the participants on the risks posed by the draft law's provisions, particularly related to social media, and to engage the participants in advocacy actions.



Some organizations were able to discuss issues and voice concerns with decisionmakers in 2017. Representatives from IWJF and OWFI, for instance, met with a member of parliament on the Family Committee, and representatives of the Civil Society Solidarity Initiative met with parliamentarians on the Human Rights Committee and Culture Committee. In general, however, the lines of communication between CSOs and policy makers at the national and local levels remained weak, indirect, and informal in 2017. CSOs sought to form a “consulting committee” to serve as a formal mechanism for dialogue between parliamentarians and CSO representatives, but the idea did not come to fruition during the year.

There were no significant advocacy efforts around legal reforms to benefit CSOs and local charities at the federal level in 2017. However in IKR, Humanitarian Help Hands held several bilateral meetings with government officials, including from the NGO Directorate and Social Security Department, to advocate for better implementation of regulations affecting CSOs.

During 2017, some organizations received advocacy training, generally with support from foreign and international donors. The National Endowment for Democracy, for instance, trained CSOs across Iraq on advocacy related to women’s empowerment, freedom of the press, public participation, and combatting hate speech. Norwegian People’s Aid provided advocacy training for local CSOs on strengthening minority rights. The Center for International Private Enterprise (CIPE-Iraq) also provided CSOs with advocacy training in 2017.

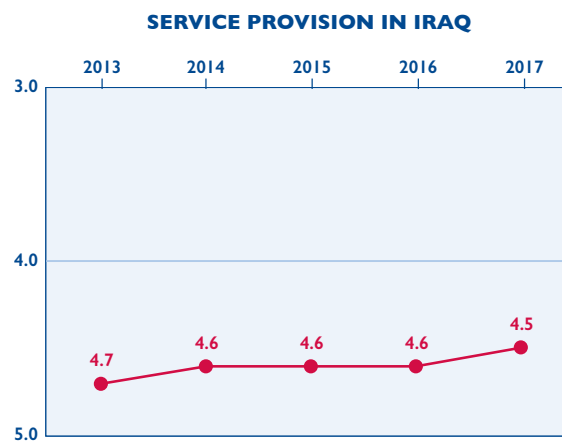
## SERVICE PROVISION: 4.5

CSOs’ provision of services improved during 2017 as the liberation of provinces formerly controlled by the Islamic State allowed organizations to provide aid and assistance to areas that were previously inaccessible. CSOs continued to provide a variety of goods and services, ranging from relief and humanitarian aid to educational assistance, as well as legal and advocacy defense for women and children. On the relief and humanitarian front, CSOs provided live-saving emergency support, facilitated cash voucher programs, built shelters, delivered water, provided sanitation and hygiene services, and served in child protection.

For the most part the goods and services provided by CSOs reflect the needs of their constituencies and communities. Barzani and CDO provided assistance to IDPs from conflict zones, for example; they also provided humanitarian relief such as temporary housing, food, and fuel to those affected by the earthquake on the border with Iran. CSOs often design services for beneficiaries according to the requirements of funding opportunities from foreign organizations, or based on their observations in the environment in which they operate. It can be difficult for CSOs to collect data and information to demonstrate their contributions to local needs, however, because the relevant authorities and stakeholders do not facilitate the sharing of such information.

In some cases, CSOs provide goods and services to non-members. For instance, they may share publications, hold workshops, or contribute expert analyses for distribution or marketing to other organizations, academia, or the private sector. The Kurdistan Economic Development Organization (KEDO), for instance, helped the IRC to hold classes on English and computer skills, including by providing a venue and temporary offices. Because CSOs generally offer these goods and services free of charge, however, they must rely on project budgets to recover the costs.

Both the federal and regional-level governments recognize and appreciate the value that CSOs can add to the provision and monitoring of basic social services, although the state generally does not contribute financial support to sustain CSOs’ efforts. In 2017, for instance, CSOs contributed significantly to the return of IDPs to the



areas liberated by the forces from the Islamic State. Organizations—particularly those in the Mosul, Salah, Ramadi, and Salahuddin regions—played a role in reconstruction and restoring basic services such as water and electricity. For instance, Ninevah Civil Society Organization Network, comprising several CSOs, launched a campaign in conjunction with international organizations to recruit hundreds of volunteers to deliver humanitarian aid to people in need in the Nineveh Plains. The Omar Al-Mukhtar Organization rehabilitated homes in Mosul, while the Al-Tahrir Organization drilled new water wells and distributed food- and non-food items. These efforts were widely acknowledged by the government and public.

## SECTORAL INFRASTRUCTURE: 5.2

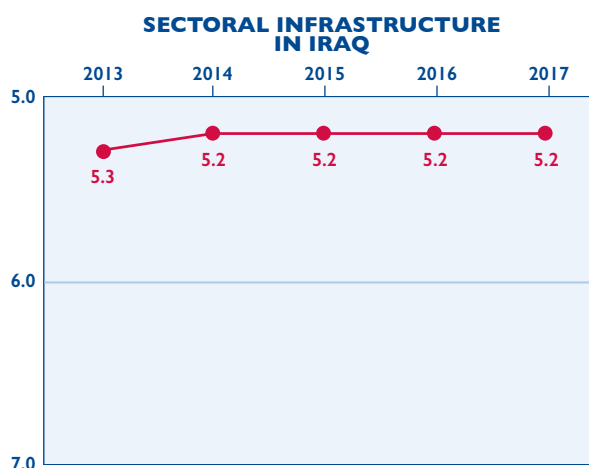
The infrastructure supporting the CSO sector in Iraq did not change significantly in 2017. Only very few intermediate support organizations (ISOs) such as CIPE-Iraq serve CSOs in Iraq, for instance by providing training, technology, managerial support, and grants. Because of limited operational income, such centers are unable to meet the full needs of local organizations.

The NGO Coordination Committee in Iraq (NCCI), which was established by the Iraqi government, provides information to CSOs about available grants and trainings; these come predominantly from international organizations. CSO experts cite the shortage of access to information, technology, and training as a significant obstacle to CSOs' sustainability.

Some organizations share information or engage in alliances for specific purposes or objectives, such as helping displaced persons and others. There were some examples of effective CSO networks in 2017, however, including Zhyan Network in Sulaymaniyah, comprising ten CSOs, and Iraqi Women's Network in Baghdad, consisting of dozens of organizations. In general, however, communication and networking among CSOs throughout Iraq is weak and organizations rarely share their experiences or implement joint projects.

Numerous international organizations and agencies provide training to local CSOs. Trainings range from substantive, topical issues to organizational and administrative matters. For instance, the World Health Organization and World Food Program provided training to CSOs in Nineveh, Salahuddin, Kirkuk, and elsewhere focused on health, and the Food and Agriculture Organization trained CSOs on sustainable agriculture. FHI360 provided training to local CSOs in Basra, Baghdad, and Kirkuk on strategy development, grantwriting, and monitoring and evaluation. Mercy Corps organized a three-day training course on human resources, attended by local CSOs Youth Activity Organization (YAO), KEDO, and Public Aid Organization (PAO) among others. Where available, training materials are largely in English, with some in Arabic; training in Kurdish is much less common.

Intersectoral partnerships are rare, and there is a general lack of awareness of the benefits of building such partnerships. CSOs affiliated with political parties tend to have stronger relationships, if not formal partnerships, with companies or media outlets. Al Hakim Foundation, for instance, is affiliated with the National Wisdom Movement (NWF) political party; it has partnerships with media and other private sector entities that are backed by NWF officials. The Wameth Organization in Basra receives support from oil companies for humanitarian projects. In general, however, the private sector, the media, and other potential stakeholders lack awareness of the benefits of partnerships with CSOs.



## PUBLIC IMAGE: 5.0

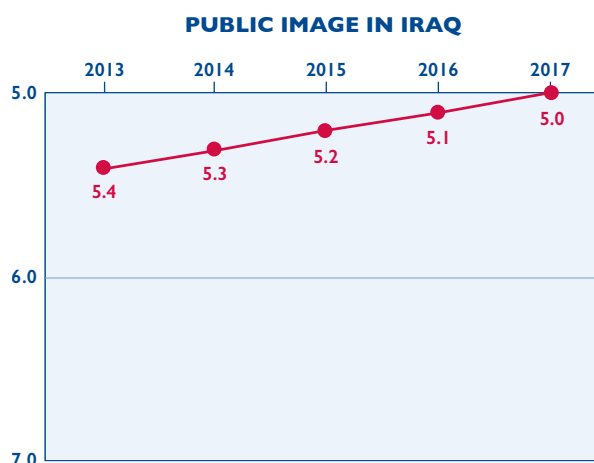
While the public image of CSOs in IKR dimmed somewhat in 2017, in other parts of the country the perception of CSOs became more positive and led to an improved public image overall. The negative change in the image of CSOs in IKR correlated with other challenges faced in IKR, such as corruption and government inertia. CSOs in IKR were perceived as unable to productively counter these issues, decreasing public trust in the sector. By contrast, the public image of CSOs in newly-liberated areas of Iraq dramatically changed for the better. In Mosul, for instance, prior to 2014 CSOs were viewed as agents of foreign powers and often had difficulty opening offices. After the attacks on Mosul by the Islamic State, however, CSOs were welcomed and praised for their role in delivering aid to IDPs in camps during the conflict, and to people after the city's liberation.

In general, the public supports CSOs and their activities, especially those that provide goods and services to communities in need. In 2017 the public was also largely supportive of CSOs' campaigns against the restrictive freedom of expression draft law and the draft amendments that would allow child marriage.

In 2017, the media—including newspapers, radio, and television—widely and favorably covered CSOs' advocacy campaigns on rights issues and their role in service delivery. Other examples of positive media coverage included a Sumaria TV program on election law reform, in which personnel from CSO Middle East Research Institute participated. The Alhurra TV station broadcast a report on CSOs' role in humanitarian aid provision in Iraq. CSOs throughout the country were able to employ their relationships with journalists to encourage positive coverage; networks such as the Iraqi Women Journalists Forum, consisting of ninety CSOs and female journalists from across Iraq, also helped to maintain good relations between CSOs and media.

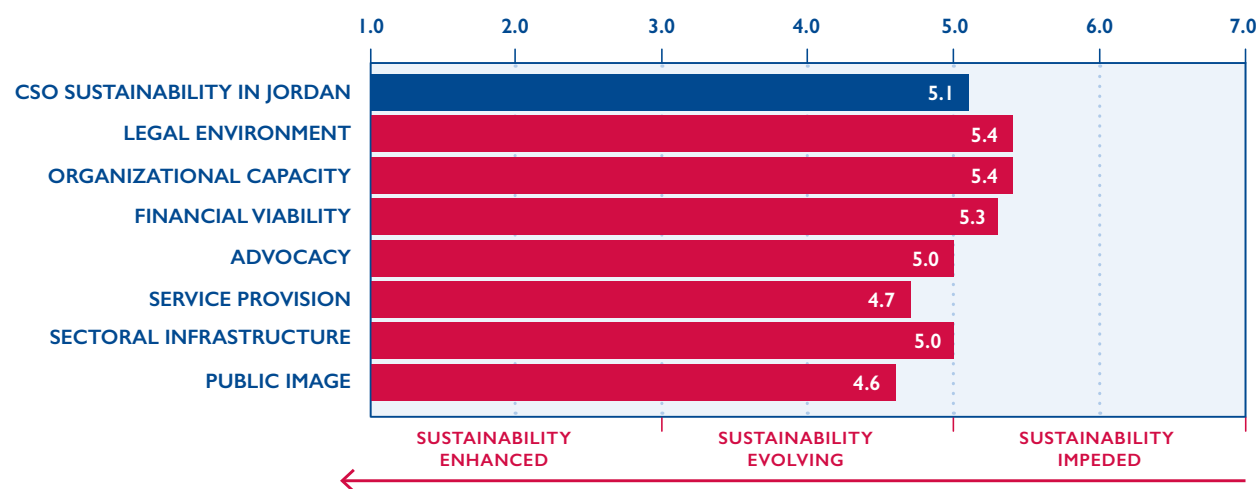
The private sector and government officials at all levels tend to have positive perceptions of CSOs that are involved advocacy, service delivery, research, and other areas. Government officials such as Vice President Ayad Allawi and certain members of parliament explicitly show their support to CSOs by occasionally attending CSO activities. The private sector generally favors CSOs' activities, particularly those focused on anti-corruption and government accountability.

Both Iraqi federal and IKR law require that CSOs submit annual and monthly reports to the respective NGO Directorate, but very few organizations publish these reports or make them available to the public. In general, only those organizations required to do so by foreign donors publish their annual reports and take other measures to demonstrate transparency in their operations.





## OVERALL CSO SUSTAINABILITY: 5.1



Jordan continued to be severely impacted by the conflicts in neighboring Syria in 2017. With an estimated 89 refugees per 1,000 inhabitants, according to the UN High Commission on Refugees (UNHCR), the resource-scarce nation faced growing pressures on the supply of water, health, and educational services, and the economy. The presence of a large refugee population had implications for CSOs as well, many of which serve refugee or displaced populations.

Jordan's economy continued to struggle, with an annual GDP growth rate of just 2 percent. Rising oil prices and high inflation resulted in higher prices for goods and services, while the tourism sector has remained stagnant due to the continuing instability in the region. In order to build individuals' economic agency, including within the refugee population, CSOs increasingly support small-scale initiatives such as micro-loans and vocational skills development.

Jordan, a constitutional monarchy with the king and his cabinet serving as the executive authority, implemented several political reforms in 2017 to advance transparency and democratic participation. The 2017-2025 National Strategy for Integrity and Anti-Corruption aims to strengthen the capacity of the Anti-Corruption Commission as well as enhance education, training, and coordination around efforts to fight corruption. In addition, in August Jordan held elections for mayoralties, municipal and local councils, as well as—for the first time—governorate councils. The governorate councils are representative entities established by the 2014 decentralization law; their election provides CSOs with an additional way to engage local decisionmakers. Nonetheless, barriers to political participation remain, particularly for women.

Jordan also implemented significant human rights reforms in 2017. Following a decades-long campaign by women's and human rights groups, parliament approved the abolition of Article 308 of the Penal Code, which had allowed perpetrators of sexual assault to escape punishment if they married their victims. Parliament also amended Article 98 of the Penal Code, which protected perpetrators of honor crimes by acquitting them or reducing their sentences if they claimed "mitigating circumstances" such as "severe rage."

Other significant legal reforms backed by CSO advocacy included a new law to protect the rights of persons with disabilities, and a new criminal procedures law to ensure proper representation and timely due process.

Jordan's CSO sector overall maintained the same level of sustainability in 2017. The legal environment for CSOs remained impeded, as organizations continued to face challenges related to registration and access to funding, as well as instances of state harassment. The CSO sector in Jordan is still relatively nascent—particularly compared to regional neighbors such as Lebanon, Palestine, and Egypt—and the majority of organizations lack significant capacity; this remained true in 2017. CSOs' financial outlook worsened along with Jordan's struggling economy, and CSOs seeking government approval for foreign funding faced longer delays and a higher likelihood of rejection. Despite funding and legal constraints, CSOs' advocacy efforts persisted, and as described above several significant campaigns achieved their goals during the year. CSOs continued to provide a diverse range of goods and services, as well. The infrastructure supporting the sector remained relatively weak, with few improvements as far as CSOs' access to training, CSO networks, or intersectoral partnerships. As in 2016, the public image of CSOs was mixed.

The majority of CSOs in Jordan are registered as societies under the Law on Societies (Law 51 of 2008); these organizations are the focus of this report. At the end of 2017 there were 5,718 societies registered with the Ministry of Social Development (MoSD), up from 5,294 reported as registered in 2016. These include both national-level organizations based in the capital, Amman, and community-based organizations (CBOs) throughout the country. Most CSOs are charitable organizations, many of which only operate during Ramadan and other religious holidays. The sector has grown considerably in recent years and continues to develop and diversify. In addition to societies, there are approximately 600 civil, not-for-profit companies, which register under Law 73 of 2010 on Companies and are supervised by the Ministry of Trade and Industry and Supply, rather than the MoSD. There are also approximately ten Royal Non-Governmental Organizations (RINGOs). These organizations, some of which receive governmental funding or are considered quasi-governmental, do not register under a particular ministry.

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## LEGAL ENVIRONMENT: 5.4

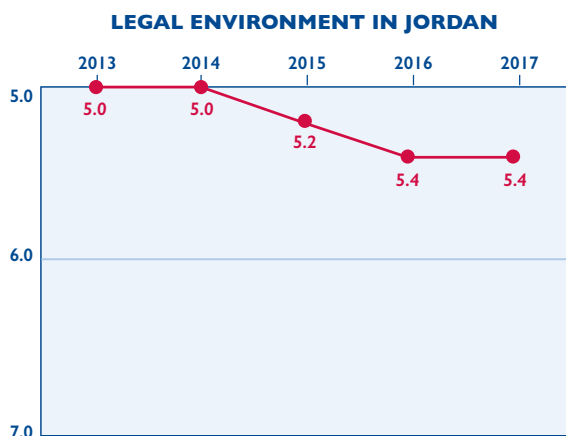
The legal environment for CSOs remained impeded in 2017. As in 2016, CSOs faced challenges related to the registration process as well as incidents of administrative harassment.

The Societies Law 51 of 2008 continues to be the primary law governing CSOs. Law 51 requires that CSOs register with Jordan's Registry Council within the MoSD in order to operate in Jordan. This process, as implemented, has become increasingly challenging for CSOs. First, registration applications face a significant backlog. Applications for registration used to be reviewed by the Registry Council twice a month, however the Council began meeting less frequently in 2017 and as such applications accumulated for longer periods. According to the law, the government must respond within sixty days from receiving an application, but CSOs have no means of holding officials accountable when they take more time. CSOs indicated that waiting times grew even longer in 2017; one organization said it waited nine months before receiving a response to its application.

Other challenges to the registration process persisted in 2017. CSOs complain about the lack of legal background and professionalism among the government staff who work on societies' registration. The registry application requires that all founders include a certificate of non-criminal record, which also contributes to delays in the process, as minor issues such as a returned check or family dispute in a founder's history may prevent or delay them from obtaining the required certificate. Finally, Law 51 provides that organizations that are refused registration have the right to appeal the decision before a high court, but does not require the government to provide justification when it rejects a registration application. The government rarely provides this information, leaving CSOs without a basis to argue for an appeal if their applications are rejected.

Under Law 51, organizations must apply for and obtain government approval before they may receive foreign funding. A 2015 administrative directive further complicated this process by requiring CSOs to submit an extensive application form to the government providing details on the source and intended use of the foreign funds.

The government approves very few of the funding requests it receives. According to the Commission on Human Rights Report for 2017, as of August 30, the Council of Ministers had only approved 124 of the 8,280 applications for foreign funding that it had received. Lengthy administrative delays in processing the application result in substantial hardship to CSOs. In 2017, Arab Women Organization (AWO) submitted the required application form to the Council of Ministers for approval to receive a grant from a non-Jordanian source. The Council's response was delayed beyond the thirty days allowed by the law, making it difficult for AWO to plan its



programming, and the funding was ultimately rejected, preventing AWO from accessing the funds and starting the new project. Organizations seeking to access foreign funds for activities related to Syrian refugees must satisfy an additional requirement: they must submit a separate application form and receive approval from the Ministry of Planning and International Cooperation (MoPIC).

According to CSOs and media reports, a number of organizations faced harassment and other challenges related to the government's implementation practices in 2017, particularly with regards to foreign funding. The Center for Defending Freedom of Journalists (CDFJ), an organization advocating for the rights of journalists and media freedom, was one example. Since 1998, CDFJ

has been registered as a civil, not-for-profit company, a legal form that does not require it to apply for approval to receive foreign funding. In September 2017, the Jordanian Companies Control Department, a trade regulatory body, publicly accused CDFJ of receiving foreign funds without government approval and failing to maintain proper records. CDFJ denied all the accusations against it, saying that it had complied with all registration and reporting requirements and that the investigation was part of a larger government crackdown on civil society in Jordan. CDFJ had recently issued a series of reports documenting the rise of government censorship in Jordan and criticizing authorities for failing to uphold press freedom.

In other instances of state harassment, the Registry Council pursued some CSOs with questions about funding, while the MoSD interfered in some CSOs' registration processes, for instance by requiring organizations to change their stated goals and objectives before approving their registrations. MoSD officials also required CSOs to obtain prior approval to hold events in private spaces such as hotels, which is not required by law.

There were no changes to the tax law affecting CSOs in 2017. CSOs registered as societies are exempt from paying income tax. However, only those that are specially designated by the Council of Ministers can benefit from tax-deductible donations. Further, CSOs are only exempt from paying sales tax and other duties if they have applied for and obtained "public interest" status. Public interest CSOs are those whose activities serve a clear group of beneficiaries, including groups working with orphans and individuals with disabilities. According to CSOs, however, some organizations struggle to obtain the status due to different interpretations of what constitutes the "public interest."

Neither Law 51 nor other laws restrict CSOs from earning income by providing goods and services. CSOs are allowed to compete for government contracts, and certain ministries contract with CSOs to provide specific services, such as providing care for orphans. In addition to requiring prior approval for foreign funding, Law 51 requires CSOs to apply for and obtain licenses before they may collect public donations for charity. CSOs can apply for up to two licenses a year to organize charitable fundraising events such as bazaars.

CSOs in Jordan face a shortage of lawyers who are trained in the CSO legal framework including Law 51. In 2017, organizations trained in CSO law provided some free or low-cost legal assistance to CSOs, but the Bar Association argued that these organizations were limiting employment opportunities for lawyers.

The CSO sector's organizational capacity remained steady in 2017. Some CSOs exhibited stronger strategic plans and better-defined organizational structures, written policies, and procedures; however, many registered CSOs still have very nascent skills and lack technical and administrative capacities.

The organizational capacity of CSOs in the capital, Amman, continues to be far stronger than that of CSOs outside the capital and in remote areas. This is due to the fact that many donors operate in Amman and support national-level activities. There were efforts to address this imbalance and develop the capacity of organizations in the governorates in 2017. Hayat Center, for instance, worked with fifteen organizations in the governorates on developing their internal regulatory policies and monitoring mechanisms. In addition, the National Center for Human Rights and the West Asia-North Africa (WANA) Institute introduced programs that focused on developing CSOs' organizational capacities through the implementation of good governance practices.

Most organizations have clearly identified constituencies. CSOs' interaction with their constituencies has been enhanced by organizations' increased use of social media and other communications technologies. Most CSOs have Facebook pages, for instance, which they use to engage with their constituents and publicize their activities.

In 2017, some foreign donors focused on helping organizations develop strategic plans. For instance, following training and institutional assessments as part of a USAID program, forty-two community-based CSOs developed five-year strategic plans. Some donors also require as a condition of funding that CSOs adopt good governance principles such as delineation of duties and clear structures of authority. Donors may require evidence of this during pre-grant assessments or audits.

Funding constraints contribute to high rates of turnover among CSO staff, as organizations are sometimes forced to dismiss staff members after the completion of a project. Further, some CSOs recruit staff who are less qualified in order to respond to the demands of donors who want projects implemented and results achieved as soon as possible. Many organizations rely on volunteers. On occasion, donors seek to include experts in the implementation of projects, but CSOs' budgets are not always sufficient to support experts' salaries. Large CSOs and RINGOs often have more financial flexibility and are able to retain staff for longer terms; as a result they tend to attract and maintain higher-qualified individuals. Policies and practices among CSOs are weak with regard to the inclusion of women, minorities, and people with disabilities.

Funding constraints also limit CSOs' ability to access equipment. Nonetheless, CSOs' access to modern office equipment and new communication technologies generally expanded in 2017. This has enhanced communication among CSOs, benefiting them through the exchange of ideas and experiences with other organizations.

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## **ORGANIZATIONAL CAPACITY: 5.4**

The financial viability of CSOs deteriorated slightly in 2017. Worsening economic indicators led to greater competition among organizations for funds, while requests for government approval of foreign grants faced longer delays and were more likely to be rejected.

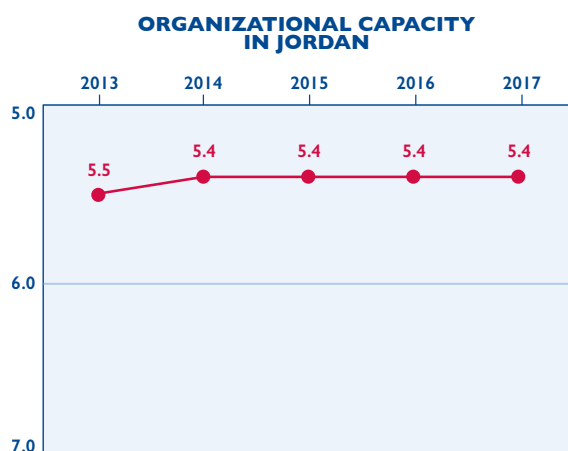
The lack of financial diversification continues to be a key issue facing CSOs in Jordan. Most organizations rely on funding from one or two sources, at least one of which is usually a foreign donor. Only a small share of CSOs, predominantly large CSOs and RINGOs, are able to diversify their sources of income. The government offers very limited financial support to certain CSOs to cover their basic costs, though RINGOs generally receive more government funding than other CSOs. There are no official figures on the amount of government funding that went to CSOs in 2017. A group of national institutions, such as The King Abdullah Fund for Democratic Empowerment, provide financial support for CSO activities. Some public and private entities also provide in-kind support for CSOs, for instance by allowing CSOs to use their facilities free of charge. These include the Ministry of Municipal Affairs, the telecommunications company Zain, and the pharmaceutical company Pharmacy One.

Takiyat Um Ali, the King Hussein Cancer Foundation, and other organizations that focus on charity and humanitarian assistance are generally the most successful at local fundraising. Small CSOs have also successfully raised money through local charity and relief activities. During Ramadan and other religious holidays, for instance, several organizations including the Islamic Center increase their outreach in campaigns to encourage charitable giving to the less fortunate. As noted above, CSOs can apply for up to two licenses a year to organize fundraising events such as bazaars, though these do not attract substantial funding. The King Hussein Cancer Center organized a public fundraiser in 2017, though it did not publicly announce the amounts raised.

CSOs charge nominal fees for services such as training sessions, or for renting their facilities; some also collect membership fees to increase their revenue.

The limited number of funding sources for local organizations is due in part to the entry of foreign and international organizations into Jordan. As more non-Jordanian organizations started working in the country, particularly in connection with the Syria crisis, they have absorbed funds that previously went to local organizations.

These international organizations must apply and receive formal approval to register to work in Jordan, but once registered they can use any funding they have to support their work, in contrast to local organizations, which must receive government approval to accept foreign funding. According to several CSOs, in recent years more and more foreign and international organizations have tended to work individually and compete against national CSOs, including for funding, rather than working in partnership with them.



Foreign donors remain an important source of funding for a large portion of the sector: In 2017, funds from foreign donors continued to target activities related to the Syria crisis, though local CSOs increasingly compete with INGOs for such funds. Foreign funding is concentrated in the capital Amman and areas where there are Syrian refugee camps. CSOs in other regions—especially in the south of Jordan in areas such as Karak, Ma’an, Tafila and Aqaba—suffer from a lack of funding opportunities. No official figures are available regarding the total amount of foreign donor support to CSOs.

However, the government has intensified regulations for charitable donations from non-Jordanians—which was already subject to prior government approval—out of

fear that funds might leak to terrorist organizations. In 2017, the government distributed a booklet containing new instructions on applying for approval of foreign funding. The booklet provides detailed instructions to CSOs on how to complete the extensive foreign funding application form, introduced in 2015, but it does not address the main obstacle that CSOs must overcome, as officials who review the form continue to issue arbitrary decisions and deny applications without providing justification. CSOs face new limitations on funding from the UN, as well: In 2017, UN organizations began to require that all CSOs seeking funding from the UN confirm that their work aligns with the themes and objectives laid out in the Jordan Response Platform for the Syria Crisis—the coordination mechanism for efforts by the Government of Jordan, UN agencies, and other donors to respond to the impact of the Syrian crisis on Jordan.

The delay in approvals for foreign funding can impede CSOs' ability to operate and carry out activities. For example, in 2017, AWO was forced to stop four projects because the government did not approve funding. CSOs report that it can take seven months or more to receive approval. The process of opening bank accounts or getting a checkbook has also become more complicated for CSOs. For example, under the new money laundering law, some banks are asking for proof of foreign funding approval before a CSO can open a new account for donor's funds. CSO representatives from the south and central parts of Jordan reported that certain banks have asked CSOs to close their accounts, under the pretext of international measures to combat terrorism. These measures have impacted funding streams that keep projects going smoothly.

The private sector provides a limited amount of support to CSOs through corporate social responsibility (CSR) programs, but CSOs saw a decline in this support in 2017. Rather than giving to CSOs, several major companies created or expanded their own initiatives and programs, particularly in the area of social entrepreneurship.

The telecommunications company Zain, for instance, operated the Zain Platform for Creativity (ZINC), which aims to foster startups and other entrepreneurial endeavors in Jordan and elsewhere in the region. UMNIAH and Orange, two other major telecommunications companies in Jordan, took similar steps. These initiatives partially replaced the companies' CSR grants to CSOs.

Some ministries, like MoSD, contract with CSOs to provide services to orphans and disabled people. In addition to collecting membership fees, some CSOs charge fees for health and social services, training, and legal consultancy, in order to help offset operational costs.

Law 51 requires that CSOs submit annual administrative and financial reports to their supervising ministries, and CSOs generally adhere to this requirement. Societies are increasingly expected to demonstrate financial transparency, and are subject to inspections by the Audit Bureau if their annual budgets exceed 3,000 Jordanian Dinars (approximately \$4,200). This increased demand for financial transparency led to some improvements in financial management systems in 2017, including stronger accounting systems. At the same time, a growing number of accountants are seeking training in nonprofit accounting.

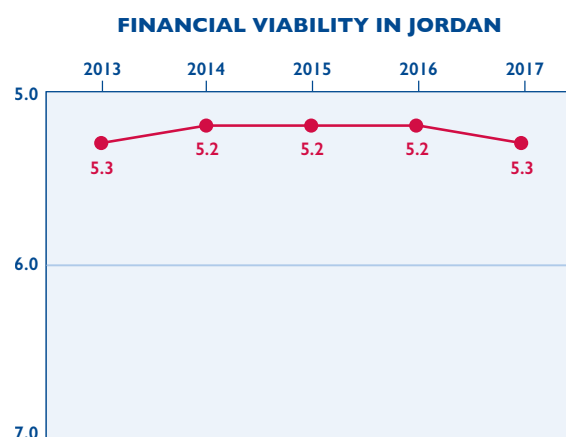
## FINANCIAL VIABILITY: 5.3

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The limited number of funding sources for local organizations is due in part to the entry of foreign and international organizations into Jordan. As more non-Jordanian organizations started working in the country, particularly in connection with the Syria crisis, they have absorbed funds that previously went to local organizations. These international organizations must apply and receive formal approval to register to work in Jordan, but once registered they can use any funding they have to support their work, in contrast to local organizations, which must receive government approval to accept foreign funding. According to several CSOs, in recent years more and more foreign and international organizations have tended to work individually and compete against national CSOs, including for funding, rather than working in partnership with them.



Foreign donors remain an important source of funding for a large portion of the sector. In 2017, funds from foreign donors continued to target activities related to the Syria crisis, though local CSOs increasingly compete with INGOs for such funds. Foreign funding is concentrated in the capital Amman and areas where there are Syrian refugee camps. CSOs in other regions—especially in the south of Jordan in areas such as Karak, Ma'an, Tafilah and Aqaba—suffer from a lack of funding opportunities. No official figures are available regarding the total amount of foreign donor support to CSOs.

However, the government has intensified regulations for charitable donations from non-Jordanians—which was already subject to prior government approval—out of fear that funds might leak to terrorist organizations. In 2017, the government distributed a booklet containing new instructions on applying for approval of foreign funding. The booklet provides detailed instructions to CSOs on how to complete the extensive foreign funding application form, introduced in 2015, but it does not address the main obstacle that CSOs must overcome, as officials who review the form continue to issue arbitrary decisions and deny applications without providing justification. CSOs face new limitations on funding from the UN, as well: In 2017, UN organizations began to require that all CSOs seeking funding from the UN confirm that their work aligns with the themes and objectives laid out in the Jordan Response Platform for the Syria Crisis—the coordination mechanism for efforts by the Government of Jordan, UN agencies, and other donors to respond to the impact of the Syrian crisis on Jordan.

The delay in approvals for foreign funding can impede CSOs' ability to operate and carry out activities. For example, in 2017, AWO was forced to stop four projects because the government did not approve funding. CSOs report that it can take seven months or more to receive approval. The process of opening bank accounts or getting a checkbook has also become more complicated for CSOs. For example, under the new money laundering law, some banks are asking for proof of foreign funding approval before a CSO can open a new account for donor's funds. CSO representatives from the south and central parts of Jordan reported that certain banks have asked CSOs to close their accounts, under the pretext of international measures to combat terrorism. These measures have impacted funding streams that keep projects going smoothly.

The private sector provides a limited amount of support to CSOs through corporate social responsibility (CSR) programs, but CSOs saw a decline in this support in 2017. Rather than giving to CSOs, several major companies created or expanded their own initiatives and programs, particularly in the area of social entrepreneurship. The telecommunications company Zain, for instance, operated the Zain Platform for Creativity (ZINC), which aims to foster startups and other entrepreneurial endeavors in Jordan and elsewhere in the region. UMNIAH and Orange, two other major telecommunications companies in Jordan, took similar steps. These initiatives partially replaced the companies' CSR grants to CSOs.

Some ministries, like MoSD, contract with CSOs to provide services to orphans and disabled people. In addition to collecting membership fees, some CSOs charge fees for health and social services, training, and legal consultancy, in order to help offset operational costs.

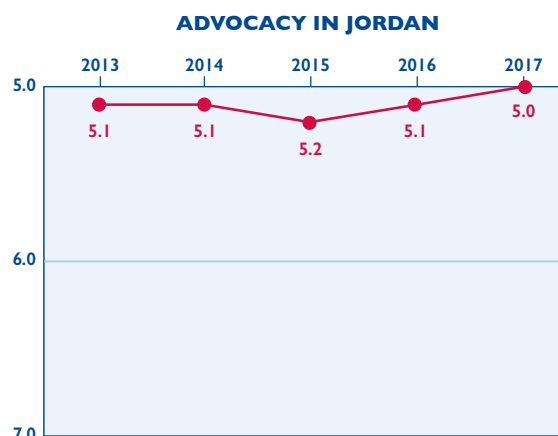
Law 51 requires that CSOs submit annual administrative and financial reports to their supervising ministries, and CSOs generally adhere to this requirement. Societies are increasingly expected to demonstrate financial transparency, and are subject to inspections by the Audit Bureau if their annual budgets exceed 3,000 Jordanian Dinars (approximately \$4,200). This increased demand for financial transparency led to some improvements in financial management systems in 2017, including stronger accounting systems. At the same time, a growing number of accountants are seeking training in nonprofit accounting.

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## **ADVOCACY: 5.0**

CSOs engaged in advocacy around a range of issues in 2017, and several notable advocacy campaigns achieved their goals during the year. In addition, CSOs' communication and cooperation with government officials increased. However, legal barriers remain to certain advocacy activities, and there are still a limited number of CSOs with strong advocacy skills. With the implementation of the decentralization law across Jordan, it has become increasingly crucial for CSOs to build this skillset so that they can voice the needs of individuals to different councils and decision makers.

The law prohibits CSOs from engaging in political activities, though neither Law 51 nor the Law on Political Parties defines the term “political.” As a result, there are few organized lobbying efforts or awareness of lobbying mechanisms among CSOs. Despite this, CSOs persisted in their advocacy efforts in 2017 and several CSO advocacy campaigns had notable successes in 2017. Following an extensive campaign by women’s and human rights CSOs and advocates, the Jordanian parliament revoked Article 308 of the Penal Code, which allowed rapists to avoid punishment if they married their victims. Alliance 308, a coalition of sixty-three CSOs primarily focused on women’s or human rights, led the campaign to repeal the article rather than amend it. Alliance 308 used social media to raise awareness and support around the campaign, and circulated an e-petition that garnered 5,000 signatures from the public in a single day. A similar coalition of individual women’s activists advocated for the repeal of Article 98 of the Penal Code regarding “honor crimes”; in 2017, parliament amended the article to eliminate mitigating circumstances for men who commit violent crimes against women.



Parliament also adopted a royal committee’s recommendations regarding reforms to the criminal procedure law that CSOs including the Arab Women’s Legal Network had long advocated for. The reforms included the creation of a legal aid fund to provide lawyers for indigent suspects, and limiting the use of pretrial detention to “exceptional” circumstances and for a more limited period of time. While CSOs had not consulted with the royal committee that issued the recommendations, the changes aligned with their advocacy agenda.

In addition, parliament endorsed a new law on the rights of people with disabilities (PWD) that was supported by disabled peoples’ organizations such as the I am a Human Society for Rights of People with Disability. The law sets forth clear anti-discrimination provisions and a broadened definition of disability, and is expected to dramatically change the way Jordan contends with issues facing PWD, who account for around 13 percent of the population.

In 2017, UNICEF and the National Council for Family Affairs (NCFA), a RINGO overseen by Queen Rania Al-Abdullah, launched a national campaign to eliminate all forms of violence against children in Jordan, called *Allem La Tallem*. In August, they convened a meeting of leaders and representatives of local media outlets along with civil society to discuss mainstream media’s role in supporting the campaign. *Allem La Tallem* received over 15 million views and 70,000 active participants in its social media campaign.

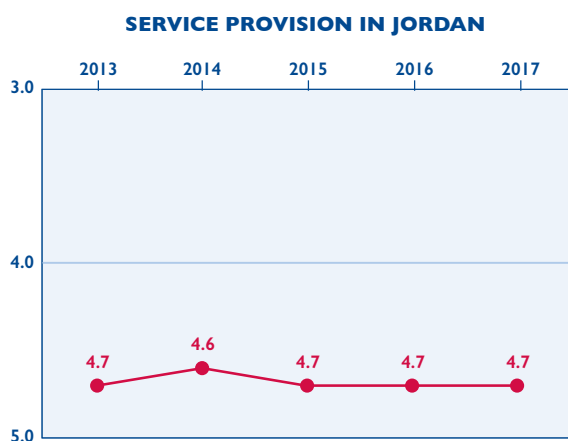
Communication between CSOs and government agencies at the federal and local levels improved, as well. The Intergovernmental Coordinating Group of the Prime Ministry engaged in unusually extensive communication with civil society in 2017, which CSOs viewed as a remarkable and positive development in CSO-government relations. The Ministry for Political and Parliamentary Affairs (MoPPA) worked in 2017 with local CSOs including the Arab World Center for Democratic Development to educate the public about the new decentralization law and governorate-level elections through workshops and conferences. MoPPA also, in partnership with the EU, launched a project to support civil society dialogue on strengthening democracy, civic engagement, and inclusiveness in Jordan, particularly with regard to the political participation of women and youth. In addition, MoPIC involved a group of representatives of RINGOs including the Jordan River Foundation, Noor Al Hussein Foundation, and the Jordanian Hashemite Fund for Human Development (JOHUD) in the development of a national strategy to combat poverty. Jordan’s Government Coordinator for Human Rights, established in 2014, continued to convene meetings and consultations between CSOs that are working on human rights issues and government officials in 2017.

There were no significant efforts in 2017 to advocate for reforms related to the CSO legal framework, including around amendments to Law 51.



## SERVICE PROVISION: 4.7

CSO service provision remained relatively stable in 2017. The CSO sector offers a diverse range of services. The majority of CSOs provide some kind of service, whether related to charity, education, health, culture, children, women, orphans, PWD, or Syrian refugees. CSO assistance to refugees in 2017 by groups such as the Institute for Family Health and JOHUD included medical care, shelter, psychological support, reproductive health services, food, clothing, and education. CSOs also provided some less-traditional services in 2017, such as grants to install solar systems for homes in small villages and remote areas; these were funded in part by the Jordan Renewable Energy & Energy Efficiency Fund (JREEEF), which was established to meet the Kingdom's needs for renewable energy.



In 2017, MoPIC introduced new requirements for donor funding that goes to CSO service providers. Per these requirements, in most cases half of all funding that goes towards Syrian refugees must also support Jordanian beneficiaries. This has helped local CSOs better serve their communities and at the same time increased community confidence in CSOs.

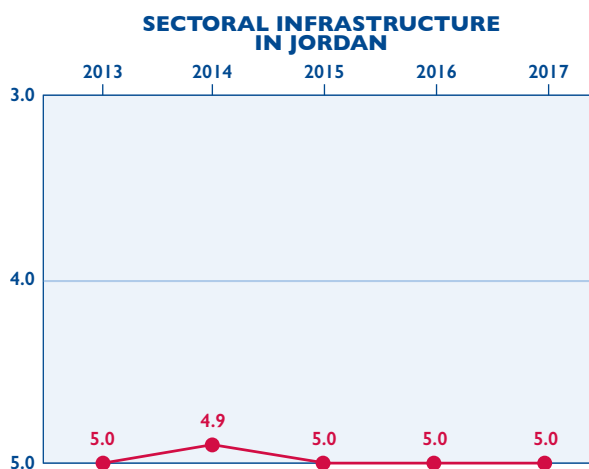
The role of CSOs in the provision of services related to health and justice continues to expand, as the government has reduced its delivery of such services due to budget constraints. CSOs' legal aid includes services such as free or reduced-cost legal assistance to people who cannot afford to pay for a lawyer; there are also CSO programs that pay for some court fees.

In 2017, government agencies continued to purchase some services from CSOs, especially to provide care for orphans and PWD. Other services provided under government tenders continued to include training, legal counseling, and administrative and fundraising consultancy.

## SECTORAL INFRASTRUCTURE: 5.0

The infrastructure supporting CSOs continued to be weak in 2017. CSOs receive some support from intermediary support organizations (ISOs), which provide a range of technical, financial, training, evaluation, and consultancy services to CSOs throughout the country. Most ISOs are RINGOs, including the Noor Al Hussein Foundation, King Hussein Foundation, King Abdullah Fund for Development, and JOHUD, but also include non-RINGO CSOs. ISO services are generally available in all governorates.

There are a few local grant-making organizations in Jordan, including Abdul Hamid Shoman. In most cases the funding for local grant-makers originates with the government or international donors. RINGOs frequently provide sub-grants to community-based organizations. Although most CSOs are aware of the importance of intersectoral partnerships, few currently exist. This did not change in 2017, though a new multisector coalition was formed during the year: the Beyond the Municipal and Decentralization Elections 2017 Coalition, which comprises civil society, parliamentarians, and city council representatives, seeks to increase women's political participation in Jordan.



The civil society members of the coalition include AWO and the National Center for Human Rights (NCHR). Among other activities, the coalition held an event to honor the 120 women who won seats in local councils and Parliament.

There is no overall umbrella organization or network that provides or facilitates information exchange or dialogue for the whole CSO sector. There are some topic-specific networks, such as the Jordanian Women's Union, but these are not sufficiently active to allow for frequent information exchange.

Jordan does not have permanent institutions that offer training on a regular basis to CSOs and their members and staff. International donors such as USAID and Oxfam fund training on various topics such as fundraising, strategic planning, and monitoring and evaluation. These trainings, which are delivered by national trainers, are available to all CSOs. In 2017, the Civil Society Organizations Empowerment Project in the Southern Badia and Ma'an Governorate, funded by the US State Department, offered significant capacity-building training, which focused on budgeting, networking, and monitoring and evaluation, to twelve organizations.

## PUBLIC IMAGE: 4.6

The public image of CSOs in Jordan remained unchanged overall. The media's relationship with CSOs is mixed: public media generally provide weak coverage of civil society issues, if any, focusing instead on the opinion of the government, whereas private coverage is more thorough and more positive. In 2017, private media provided significant coverage of CSO workshops and conferences related to the decentralization law and election of governorate councils, for instance. RINGOs usually garner more coverage than other CSOs by both public and private media. There is a need for more specialized media coverage by journalists who understand and interact with civil society.

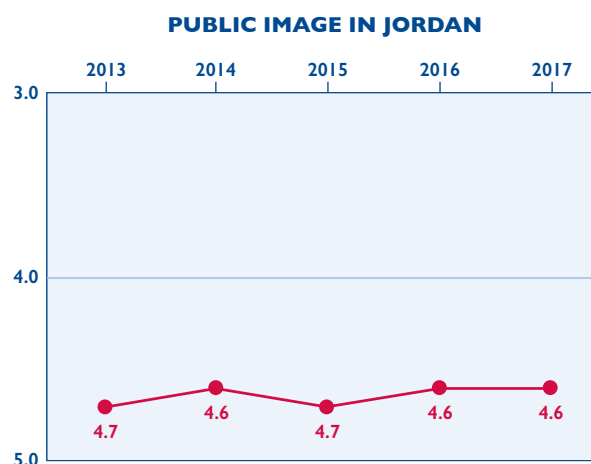
The public is suspicious of CSOs receiving foreign funding. The public also lacks awareness of the role of CSOs and the services they provide; this is especially true for Amman-based CSOs. Rural communities are more familiar with CSOs and their work.

The government supports the expansion of civil society to some extent, for instance by approving the registration of some new CSOs, but at the same time seeks to keep them aligned with government policies. Some government agencies draw on CSOs to facilitate their relations with local communities and assist in the implementation of projects focused on issues such as poverty alleviation.

Private sector entities largely refrain from explicitly supporting CSOs or publicly addressing issues such as freedom of expression, human rights, or political participation. However, they are more likely to support issues related to the environment, education, youth, and women's rights, as well as activities under royal patronage. For instance, Bank al Etihad sponsored three women artisans to join a 2017 initiative by the Jordan River Foundation to empower women through handicraft production.

Rather than reach the public through radio and television advertisements, which are cost prohibitive, CSOs often promote their work and advertise events through social media, particularly Twitter and Facebook. This is an especially effective mode of reaching constituents, as according to the Pew Research Center an estimated 75 percent of adult Jordanians use social media sites.

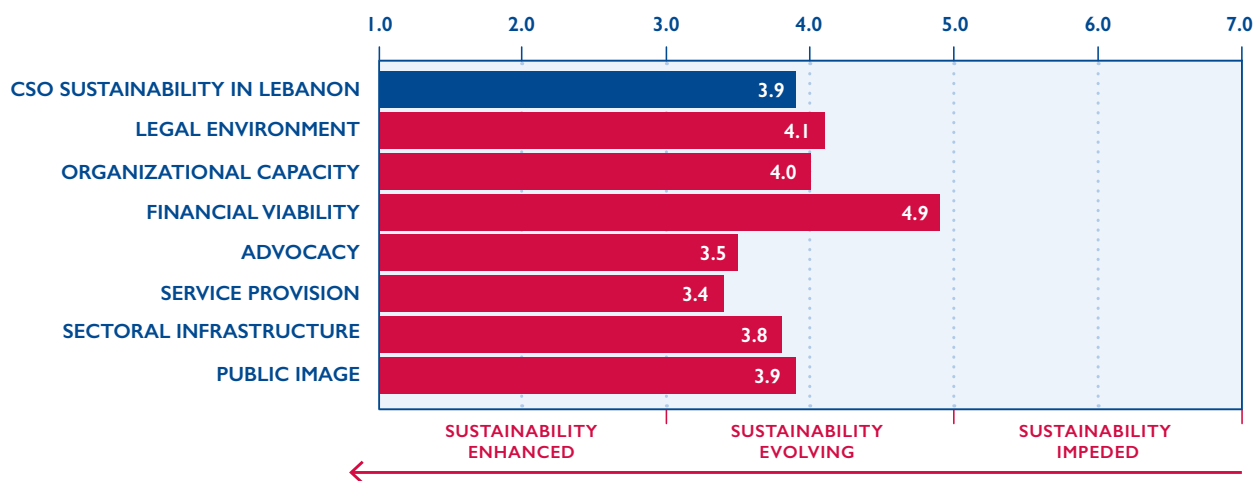
Many CSOs publish annual programmatic and financial reports, but so far there have been no efforts to draft a code of ethics for CSOs to self-govern their work.



# LEBANON

**Capital:** Beirut  
**Population:** 6,229,794  
**GDP per capita (PPP):** \$19,400  
**Human Development Index:** High (0.757)  
**Freedom in the World:** Partly Free (44/100)

## OVERALL CSO SUSTAINABILITY: 3.9



The government of Lebanon, led by a President and Prime Minister seated in late 2016, issued a number of key laws and reforms in 2017, but also suppressed certain fundamental freedoms while continuing to struggle with challenges related to the ongoing war in neighboring Syria.

According to UNHCR, the number of registered Syrian refugees in Lebanon dropped below one million for the first time since 2014. However, the UN also reported that the vast majority of the remaining 997,905 refugees were women and children, and that they became poorer and more vulnerable in 2017. Three-quarters of the refugees were living below the poverty line and more than half were living in extreme poverty according to a survey conducted by UNHCR, UNICEF, and WFP. Existing institutions and infrastructure in Lebanon remained unable to fully address refugees' needs. Moreover, international funding decreased and was not sufficient to fully fund relief efforts, creating new challenges for CSOs' financial sustainability.

In June 2017, parliament issued a new electoral law, introducing a proportional voting system for the first time in Lebanon's history. While civil society had long advocated for such a change, the new law omitted key reforms that CSOs had also called for, such as wider districts to reduce sectarianism and a quota for female candidates. Parliament extended its term for the third time since 2009 in order to prepare for local elections according to the new law. Parliament's third term witnessed increased legislative activity and additional opportunities for CSOs to lobby for legal reforms that had gone unaddressed for many years, including a new law on access to information, a law banning torture, and the elimination of a controversial Penal Code provision—all of which were adopted in 2017.

Nonetheless, Lebanon witnessed a number of assaults on fundamental freedoms in 2017, particularly freedom of expression. The cybercrime bureau and general prosecutors increasingly used criminal investigations and charges against activists and journalists whose social media posts criticized the president or were otherwise deemed defamatory or blasphemous. Authorities banned the public showing of several movies, largely based on content dealing with religion or sexuality, or the movie's ties to Israel. CSOs Maharat, Reporters Without Borders (RSF), and Human Rights Watch all issued statements of concern about the situation for freedom of expression in 2017, and Lebanon's ranking on RSF's freedom of expression index dropped.

The CSO sector's sustainability remained unchanged overall in 2017. While the legal environment grew more challenging for CSOs, with organizations facing increased difficulties during establishment as well as extralegal interference in their internal affairs, organizational capacity across the sector remained steady. The reduction of donor funding for Syria- and refugee-related programming in Lebanon hurt CSOs' financial viability, due to the continued reliance of many organizations on foreign funding. Nonetheless, CSO service provision overall remained steady, and the sectoral infrastructure was unchanged. Despite structural challenges to CSOs' advocacy, including a lack of meaningful opportunities to engage in policy making, advocates achieved major victories in 2017 with the passage of sought-after reforms. The public perception of CSOs continued to be mixed; many appreciate the role that CSOs play, particularly in service provision, but concerns about corruption remained.

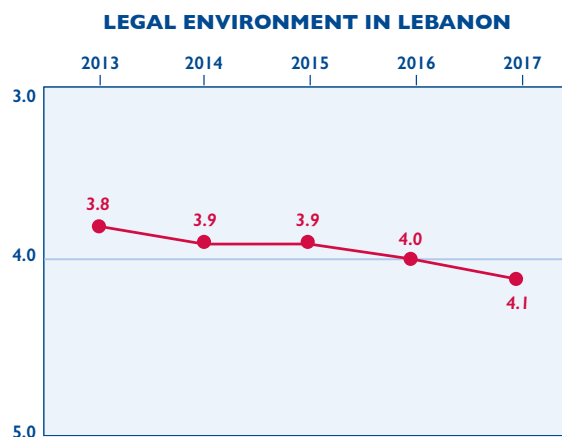
The Ministry of Interior and Municipalities indicated that there were at least 8,500 registered CSOs in Lebanon as of 2017, including at least 200 local branches of international organizations.

## LEGAL ENVIRONMENT: 4.1

The legal environment for CSOs deteriorated in 2017 due to the government's restrictive implementation of laws and regulations. Lebanese CSOs continue to be governed by the Ottoman-era Law on Associations. On paper, the law provides that an association can be easily established and does not require a government-approved license; in practice, however, CSOs depend on the state's consent to their establishment. The law requires a newly-formed association to notify the Ministry of Interior of its creation; the ministry is then legally bound to issue a receipt to the CSO, formalizing its establishment and allowing the CSO to prove its legal existence. Many CSOs struggle for years to complete the notification process and receive receipts, which among other things allows them to open bank accounts and receive donor funding. For instance, the Lebanese Internet Center (LINC), a multi-stakeholder body intended to assign Lebanon domain names, has not received its registration receipt despite having begun the process in 2014. According to LINC's founders, its file has been transferred to multiple ministries, and has most recently been delayed by the telecommunication ministry.

In 2017, CSOs experienced an increasing number of such restrictions on the establishment process. Four CSOs—human rights groups working on the reform of personal status laws, civil marriage, and LGBT issues—reported to Act for Human Rights (ALEF) that they did not receive notification receipts and thus were unable to finalize their notification processes. Helem, another CSO working to defend LGBT rights, has been awaiting its notification receipt since 2008. The Cultural Forum for Women in Ghaziyeh started the registration process two years ago and has still not received a notification receipt. Issues with registration are not limited to organizations working on sensitive issues. For instance, a CSO that works on local development in Shaath village in the Bekaa has not been able to receive its receipt. CSOs complain that the decisions of the Ministry of Interior are discriminatory and not transparent. CSOs have also noted incidents of bribe-taking and other corruption by ministry authorities during the registration process.

The legal framework for foreign CSOs is more complicated than that for domestic organizations, as the state generally only allows local offices of existing organizations that are registered abroad, such as MSF-Lebanon (Médecins Sans Frontières), to register and work in Lebanon. Registration as a foreign association requires a special government decree, so such offices generally register as local associations or civil companies instead. Palestinian and Syrian CSOs are barred from working or receiving funding in Lebanon altogether. Foreign CSOs are subject to more thorough investigations, usually involving General Security and other intelligence entities.



In 2017, authorities engaged in increasing extralegal interference in CSOs' internal affairs. In the Danniyyeh district, the Ministry of Interior cancelled the license held by the Lebanese Institution for Ahmadiyya, a faith-based organization that studies the Ahmadiyya religion; as a result, the organization could not conduct any activities. CSOs viewed this as a concerning and unprecedented application of the Ministry of Interior's authority. In another incident, the rights organization Proud was holding a series of events in May 2017 to commemorate the International Day Against Homophobia and Transphobia. Twelve hours before one of these events was to take place, General Security called the event venue, the Monroe Hotel in Beirut, and directed it not to host the event. Helem had the same experience with an event it sought to host at the Crowne Plaza hotel. When the CSO Lebanon Support organized a roundtable event to discuss the findings of a forthcoming study on the right to health services in Lebanon, the Ministry of Health called the founders and threatened them not to publish the study.

CSOs face other kinds of challenges related to their operations. For instance, Lebanese government and military authorities restrict activity in some regions and require prior authorization to enter certain areas, such as camps for Syrian refugees. During the clashes on the Syrian-Lebanese border in Eرسال, for instance, only the Red Cross and the Relief Agency along with a few journalists were allowed to access the conflict zone area. Some communities, particularly in the Bekaa governate and the South, are not open to foreigners even when they are trying to provide humanitarian relief and other support.

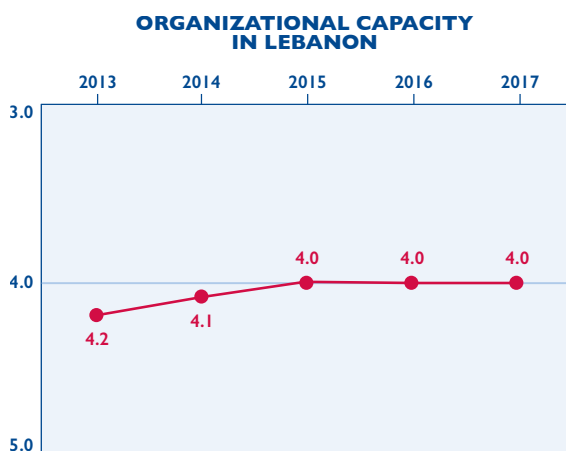
The law allows CSOs to accept funds from foreign donors, however, in practice banks have complicated the process by which CSOs may actually receive such funds. Many banks ask CSOs to provide agreement contracts from their donors and complete other bureaucratic requirements; according to CSOs, these requirements increased in 2017. There are no legal restrictions on CSOs' ability to engage in fundraising campaigns.

CSOs still lack knowledge on tax laws. Even though CSOs are exempted from VAT, only a few organizations successfully obtain the exemption. Few organizations declare their employees' incomes to the Ministry of Finance and few register their employees in the social security system. These processes are complicated and most CSOs prefer to stay out of the system, rather than spend scarce human and financial resources trying to navigate it. Decree number 144/59 provides that individuals and corporations may deduct any donations they make to CSOs from their overall revenues.

Legal expertise is available for CSOs but requires financial resources that might not be available to small CSOs.

## ORGANIZATIONAL CAPACITY: 4.0

The organizational capacity of CSOs remained steady in 2017, despite the impact of increasing financial challenges on planning and staffing. The capacity of individual CSOs continues to vary widely across the sector.



As in prior years, CSOs in Lebanon continued their efforts to engage their constituencies and communicate their work. Organizations increasingly contacted their constituents through social media—primarily Facebook and WhatsApp groups.

Many CSOs have well-defined missions and strategic plans; this did not change significantly in 2017. The strategies of smaller, grassroots organizations are often less clear, however, and their activities are instead reactive to emerging situations and funding. Further, funding shortages faced by many CSOs made it increasingly difficult to implement long-term plans in 2017. As CSOs rely heavily on project-specific funding, they must seek additional funds for follow-up or longer-term efforts once initial funding runs out. In order

to attract donor funds, moreover, some CSOs adopt broad missions that can encompass more diverse activities, but this practice undermines specialization and expertise in specific areas. Most CSOs also have policies to govern their organizational operations, but these are not always implemented.

Organizations with more resources, strong leadership, and more extensive experience are more likely to have strong, clearly-defined internal structures. New banking restrictions and other measures also affected the structure of organizations and their division of labor in 2017. International procedures to fight money laundering, for instance, mean that banks now require that an organization's president finalize certain transactions in person, whereas such tasks previously fell to the organization's financial officer. Such requirements interfere with an organization's division of labor and comprise an additional burden on CSOs' senior management.

Most CSOs in Lebanon are small, with ten or fewer employees, and many struggle to maintain permanent, full-time staff due to funding challenges. Most CSOs contract staff on a project-by-project basis. CSOs continued to attract an increasing number of volunteers—particularly young people—in 2017. However this is likely due to the high rates of unemployment in Lebanon and the small allowances that especially INGOs provide to volunteers.

CSOs have access to modern office equipment and increasingly use technology and database software, but in many cases organizations' resources do not allow for frequent software and equipment updates. Further, many CSOs are not fully aware of privacy issues and how to protect their data. For instance, UNHCR regularly shares data on refugees with the Relief Agency, but a Relief Agency employee who had access to the data provided it to an outside CSO in order to support the CSO's activities. When UNHCR discovered the data breach, the employee was forced to leave the Relief Agency.

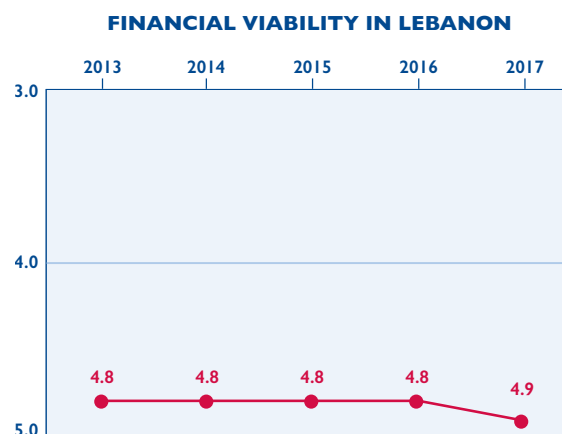
## FINANCIAL VIABILITY: 4.9

The financial viability of CSOs declined in 2017. Most CSOs continued to rely primarily on foreign funding, and many large donors reduced their funds for Syria- and refugee-related programming in Lebanon in 2017. According to the UN, donors pledged to contribute only \$1.2 billion of the \$2.75 billion requested to fully support the Lebanon Crisis Response Plan in 2017. Further, as of September, UN agencies and CSOs had received only \$557 million of the pledged funds, meaning that funding levels represented only 27 percent of the funds needed for the year—a decrease of one third compared to the funding received by mid-2016. The main foreign donors that provide funding to CSOs remain the EU, UN agencies including UNHCR and UNDP, and some foreign embassies.

CSOs require core funding in order to properly strategize rather than merely implement activities. Most CSOs operate on a project-by-project basis, and even well-known and well-structured CSOs struggle to forecast their finances even one year in advance. The funding situation is even more critical for organizations working on controversial or sensitive issues such as torture and prisoners' rights.

Smaller CSOs rely on membership fees and small personal donations, but in general local sources continue to represent a small share of CSOs' funding overall. While the law allows for fundraising, many CSOs do not have sufficient human resources or time to devote to fundraising events and activities. Bigger organizations such as the Lebanese Democratic Women's Gathering (RDFL) organize events such as fundraising dinners in order to support their sustainability. Although individuals and corporations may deduct any donations they make to CSOs from their overall revenues, few CSOs know about this provision or promote it when fundraising. The private sector does not significantly contribute to CSOs, largely due to suspicion and ignorance about CSOs' role and value. Further, CSOs tend not to solicit private donors out of concerns that their political affiliations will compromise CSOs' neutrality. No official numbers exist with regard to corporate social responsibility (CSR) programs.

Faith-based organizations are more likely to receive local funding. Eighty percent of the Relief Agency's budget, for instance, is from private local sources. This is largely due to the fundraising efforts of Dar Al Fatwa, Lebanon's Sunni authority with which the Agency is affiliated.



As a result, the Agency has been able to establish a kitchen in Ersal to feed 5,000 people as well as a pharmacy and medical services dispensary in Wadi Khalid.

Nonetheless, some CSOs in Lebanon have found ways to overcome their financial challenges and sustain themselves, including through measures like working from home and recruiting volunteers. ALEF, for instance, had almost no funding and was volunteer-based from 1996 to 2008, using the clinic of its founder as the organization's office. Until 2013, Lebanon Support was also a volunteer-based organization, and paid only for its headquarters. In 2017, many shared spaces emerged, providing affordable space and Internet services for CSOs to work; this is part of the trend to support start-ups in Lebanon but also served to help struggling CSOs.

Despite the generally weak knowledge among CSOs of sustainable funding models, such models do exist. For instance, some CSOs have income-generating restaurants, cafes, and pharmacies that contribute to their sustainability. Arcenciel is a development-focused CSO that among other activities operates an eco-friendly restaurant in the Bekaa, serving organic food from its agricultural program. The organization generates the majority (78 percent) of its own funding through such initiatives as well as by providing services such as living assistance to disabled persons and recycling. In 2017, Lebanon Support, a CSO that conducts research on civil society in Lebanon, began working on a study on ways that CSOs in Lebanon can increase their income-generating revenues.

Most larger, well-established CSOs have sound financial management systems and undergo external audits. This is especially common among organizations that receive international funding, as advanced financial management and audits are routinely required by foreign donors. Small organizations also try to maintain basic financial management systems, as they have to report to their members and constituents. CSOs regularly share their financial reports with donors, but rarely make them publicly available.

## ADVOCACY: 3.5

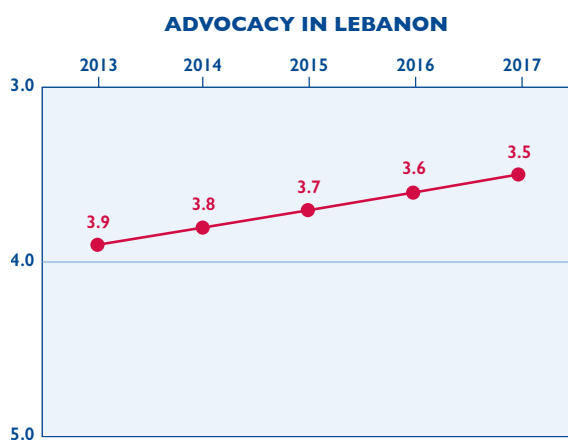
CSO advocacy achieved a number of important goals in 2017 in the form of long sought-after legislation.

After a long period of inactivity, the parliament resumed legislative sessions and passed three major laws that CSOs had advocated for over many years: an access to information law, which was passed in January; a law prohibiting torture, which was adopted in July; and the cancellation in August of Article 522 of the penal code, which protected rapists if they married their victims.

CSOs had advocated for the adoption of the access to information law since 2010, when a network of organizations working on freedom of expression, transparency, and good governance coordinated with a member of parliament to develop a draft law and submit it to the parliament. CSOs' advocacy had persisted since that time, undertaken by a number of organizations like the Lebanese Transparency Association, and achieved a significant victory with the law's adoption early in 2017.

Prior to the adoption of the anti-torture law, CSOs participated in an April 2017 session of the UN Commission Against Torture in Geneva. CSOs submitted a shadow report, documenting evidence of torture in Lebanon, and the Commission issued binding recommendations to the Lebanese delegation mandating the adoption of an anti-torture law before Lebanon's next review session in 2018.

The cancellation of Article 522 followed an advocacy campaign led by a number of CSOs including the organization Aaad. As part of this campaign, publicized on social media as #Undress522, CSOs erected billboards across the country and shared an awareness-raising video, using a white wedding dress to symbolize the issue of rapists seeking to cover-up their crimes through subsequent marriage to their victims.



The campaign led parliament to assign a commission to discuss the article, and ultimately abolish it.

Despite these victories, CSOs feel they are not driving the advocacy cycle, and attribute the passage of these laws largely to international pressure. Further, CSOs foresee a larger challenge in the implementation of the laws. The access to information law calls for the establishment of an anti-corruption commission, for example, that would monitor the implementation of the law in addition to the issuance of necessary executive decrees. That commission had not yet been formed by the end of 2017. As for the abolition of Article 522, other provisions of the Penal Code remain that fail to adequately protect young women and minors, including Articles 505 and 518.

CSOs face other structural challenges with regards to their advocacy. There is little official, state-gathered data, and until 2017 Lebanon had not had a national budget for twelve years. The lack of government statistics, spending plans, and policy strategies makes it very difficult for CSOs to develop evidence-based advocacy campaigns or advocate around official priorities. Even when CSOs cite public opinion, they cannot always influence public policies. There are no institutionalized mechanisms through which CSOs can engage in the policy-making process; rather, when CSOs are able to participate, it is usually because of personal connections to parliamentarians. Meetings of parliamentary committees are closed to the public, so CSOs are not able to attend unless they are invited, in which cases they are often allowed only to observe and not participate. Nonetheless, some CSOs such as the Beirut Bar Association enjoy greater access to lawmakers, and provide feedback and advice during parliamentary committee meetings.

There are few sustained, collaborative efforts in CSO advocacy, and even when CSOs take the same position on a certain issue they tend to act primarily on their own. Advocacy efforts are also often project-based rather than thematic, which limits their effectiveness. For example, an advocacy campaign for women immigrants in 2016 ended when the project concluded, despite the fact that it had not yet achieved its goals.

Recognizing the effectiveness of international influence, CSOs have successfully lobbied international donors to put pressure on the Lebanese government to further CSOs' advocacy objectives. This tactic proved effective in the cases of the access to information law, anti-torture law, and abolition of Article 522. CSOs also exert pressure on the state to reform by presenting shadow reports as part of the Universal Periodic Review and other UN processes, as was also the case with the anti-torture law, though this is only an option every five years.

In most cases, CSOs' advocacy focuses on changing social behavior and values rather than changing laws. For instance, CSOs have actively advocated as part of the Right to Know campaign for official information on individuals who disappeared during the Lebanese civil war. Although a draft law on missing persons has not progressed due to lack of political will, the campaign is widely viewed as successful in changing the public's perception and has garnered the support of the president and thirty-five parliamentarians. CSOs have acquired better understanding of the importance of social media to influence debates and agendas, as well, and more frequently use social media to spread awareness.

There were no significant advocacy efforts by CSOs in 2017 to reform the legal framework for CSOs.

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## **SERVICE PROVISION: 3.4**

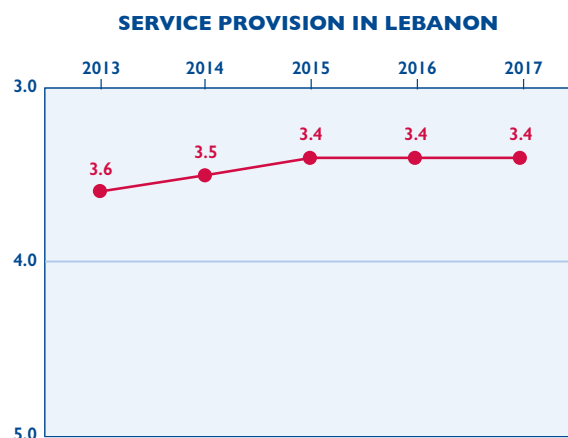
CSOs continued to play a role in responding to the needs of local constituencies in 2017, and CSO service provision overall remained steady, even as international donor support to service providers in Lebanon declined. CSOs continued to provide significant relief services to refugees and IDPs although, according to UNHCR, surveyed households indicated that they receive only 36 percent of the aid they needed.

CSOs provide a diverse range of services covering different sectors. Most organizations provide basic social services such as health, education, and relief, in some cases filling gaps in the public services provided by the government. Religious organizations such as Al Mabarrat Charity Association provide basic services for orphans and the elderly such as education, housing, and health care, for instance. Other organizations provide services for other CSOs such as capacity building on specialized topics and training in good governance.



In 2017 there was also an increase in CSOs providing training and other services related to information and communication technology (ICT) and entrepreneurship, in response to the high unemployment rate in Lebanon.

Many CSO services target displaced and refugee communities, particularly Syrians and Palestinians. When facing funding challenges, CSOs try to remain responsive and to utilize volunteers or even other CSOs to ensure there are no disruptions in services. Another major issue for local CSOs is related to their partnerships with INGOs. Local CSOs are often frustrated by the subordinate role they play in these partnerships, in which they receive little information and are limited to project implementation, but are subject to extensive oversight and management by INGOs.



CSOs share their products including publications and trainings through partnerships with universities or other CSOs. In 2017, universities including the American University in Beirut, Notre Dame University, and Lebanese American University organized CSO fairs on their campuses to encourage students to build relations with civil society. These fairs provided a forum for CSOs to share their publications and to advertise their events and training opportunities among students. Furthermore, CSOs increasingly use social media to share their products, such as ecotourism services and agricultural training. In general, the government appreciates and is accustomed to the role that CSOs play in providing services.

Most CSO services are free, particularly those provided by relief agencies and CSOs supported by religious entities. Few CSOs sell their products to generate income. Arcenciel is one example of an organization that provides services based on the income it earns from selling its products, including organic foodstuffs and ceramics.

## SECTORAL INFRASTRUCTURE: 3.8

The infrastructure supporting the CSO sector remained generally unchanged from 2016. Intermediary support organizations (ISOs) provide some support to local CSOs, particularly advice on CSOs' internal governance and organizational capacity. Such ISOs include Lebanon Support and Mehanna Foundation, among others. Lebanon Support, for instance, maintains the Civil Society Incubator, a program that provides mentoring to fledgling CSOs on issues ranging from organizational management to web development. In general, the support ISOs provide on a variety of issues meet many of the sector's needs, however most provide their services with relatively high costs that cannot be covered without the support of donors.

A number of faith-based organizations as well as political parties support CSOs with grants in order to serve their local communities. This includes Hezbollah organizations and Mohammad Hussein Fadlallah organizations, which primarily conduct social activities for their respective Shiaa communities. The Lebanese Forces, a political party, maintain a program called Antami which supports community organizations as well.

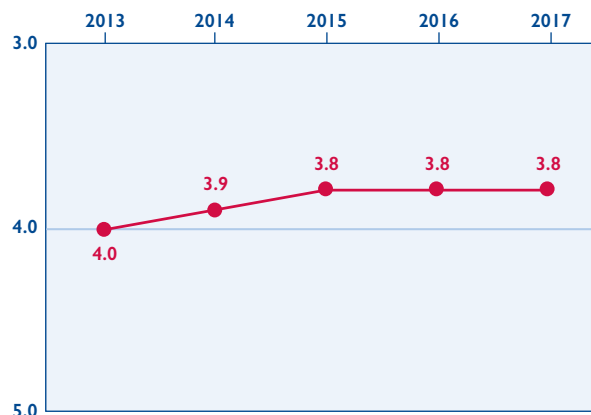
There is no umbrella network to facilitate information sharing among CSOs in Lebanon. Cooperation among CSOs remains the exception and funding challenges have contributed to an environment that is more competitive than collaborative. A few CSO coalitions proved the exception to this rule in 2017. The Coalition of the Lebanese Beach, for example, was formed in 2017 with the goal of protecting Dalyeh Beach in Raoucheh. The coalition of women's CSOs, which aims to reform religious custody laws, also persisted in 2017, though it did not carry out a combined campaign and its member organizations instead mostly advocated on their own.

CSOs are increasingly aware of the need for capacity-building and other support that is responsive to their organizations' needs. As a result, training for CSOs has becoming more tailored and effective.

Training opportunities are available for most CSOs and there are many programs supported by donors, but they are not always adapted to the local context. For instance, a monitoring and evaluation program implemented in Africa may be carried out without adapting it to the situation of Lebanese CSOs. On the other hand, many programs were successfully adapted to the context, size, and capacities of CSOs; these were often based on needs assessments conducted by donors. There is no accreditation system in Lebanon for certified trainers, but some trainers have proven their competency through work experience and therefore their services are in high demand. Their fees are very high, however, and not accessible to all organizations.

CSOs rarely engage in partnerships with the private sector or government.

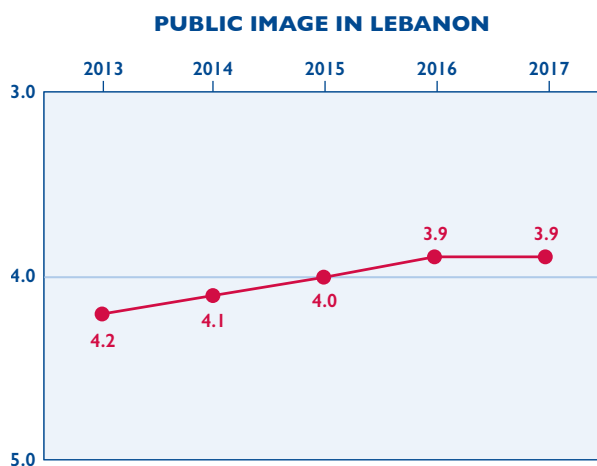
### SECTORAL INFRASTRUCTURE IN LEBANON



### PUBLIC IMAGE: 3.9

The public image of CSOs remained stable in 2017. Social media has helped CSOs influence the agendas of traditional media (such as TV, radio, and print), which frequently cited CSOs as information sources in 2017. On the other hand, traditional media did not generally cover civil society activities unless they were organized by large CSOs or the media had personal connections to the organizations.

The public image of CSOs remains mixed. The Lebanese public continues to acknowledge that CSOs play an influential and important role in providing services, support, and resources. However, stories of corruption and other bad practices within INGOs abroad including Oxfam, UNICEF, and Save the Children affected the Lebanese public's perception and served to tarnish the image of the sector as a whole in 2017. In addition, some members of the public believe that CSOs provide more services to Syrians than to Lebanese which fosters negative feelings. There is also confusion about the relationship between CSOs and political entities and individuals, particularly when CSO representatives or leaders become political candidates.



The government has recognized CSOs' role in service provision and demonstrated positive perceptions of civil society—particularly as municipalities and ministries

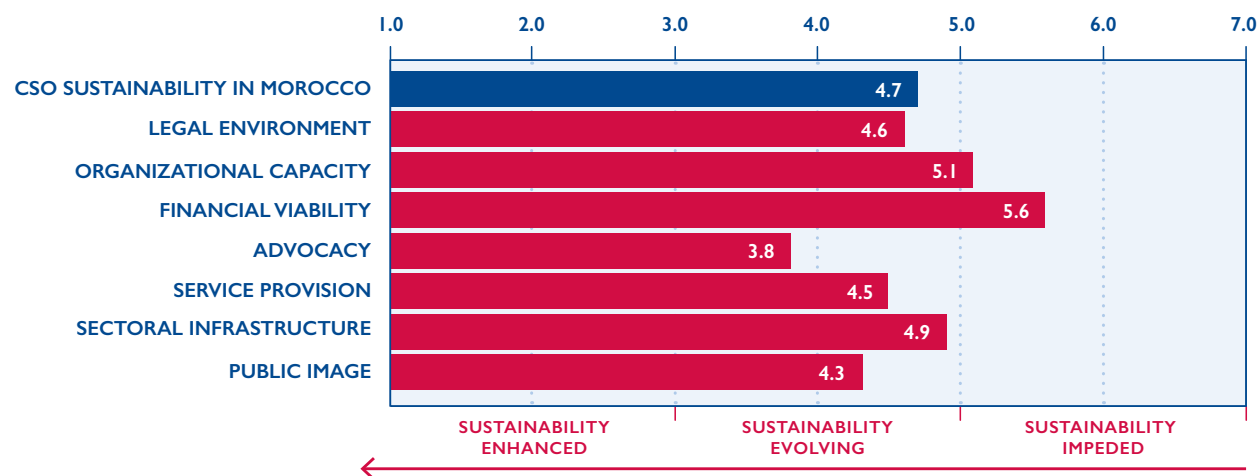
rely on CSOs for capacity-building programs, trainings, and other services that support their administrations. But officials also disparage CSOs as divided. For instance, in response to the YouStink movement, which remained somewhat active in 2017, politicians argued that environmental CSOs were divided and did not have a coherent strategy or vision for dealing with waste issues, and therefore did not present a viable alternative. This negatively impacted the image of an important civil society movement. In general, the level of collaboration with public entities varies depending on the type of work a CSO engages in; it tends to be greater with regard to information-sharing and coordination in relief matters and emergency scenarios. CSOs increasingly use social media and other tools to promote their organizations and activities. In 2017, CSOs also worked on building strategic partnerships with specific journalists known for their support of civil society.

Few CSOs publish their annual reports and budgets, and CSOs have not adopted a specific code of ethics.

# MOROCCO

**Capital:** Rabat  
**Population:** 33,986,655  
**GDP per capita (PPP):** \$8,600  
**Human Development Index:** Medium (0.667)  
**Freedom in the World:** Partly Free (41/100)

## OVERALL CSO SUSTAINABILITY: 4.7<sup>1</sup>



Social unrest that erupted in Morocco in late 2016 continued through the first half of 2017 at a level unmatched since the Arab uprisings of 2011. Particularly in the Rif region and the towns of Jerada and Zagora, protesters called for a range of reforms, including greater economic opportunities, improved living conditions, an end to official corruption, expanded individual rights, and greater environmental stewardship. Authorities initially tolerated the protests, but in May and June began arresting scores of protesters, activists, and others associated with the opposition. Among these, a well-known journalist and commentator was imprisoned on dubious charges related to inciting demonstrations.

Demonstrations were organized in many other cities, including Casablanca and Rabat, in support of the Rif protests. Some CSOs were involved in organizing or supporting these protests. Moroccan Association for Human Rights (AMDH), for instance, organized sit-ins in front of parliament that were violently dispersed by the police.

A new government was appointed on April 5, 2017, after six months of roadblocks and difficulties in forming a majority. Following the protests, the government prepared a socio-economic plan for the Oriental region aiming to address the region’s development challenges, specifically those in the Jerada province. The plan includes measures to meet public expectations in terms of employment, living conditions, social shifts, and environmental protection.

Meanwhile, the government took some steps to implement reforms related to decentralization and greater public participation. For instance, the Ministry of the Interior launched a program to implement a regionalization strategy from 2017 to 2021. The strategy aims to devolve power and resources to the regions and local governments, particularly regional councils. As per Article 139 of the Constitution, regional, prefectural, provincial, and municipal councils must prepare participatory dialogue processes to involve citizens in preparing and monitoring development programs. However, the law gives every entity the freedom to define these processes in its internal regulations, which creates a disparate variety of participatory practices across the country. The new government also continued reforms initiated under the previous government, including programs focused on social protection and employment, such as the National Employment Strategy (2015–2025).

<sup>1</sup>Please note that the overall sustainability score was erroneously published as 4.6 in the 2016 CSOSI for the Middle East and North Africa.

According to Morocco's High Commission for Planning (HCP), the economy grew by 4 percent in 2017, up from 1.2 percent in 2016. While rising oil prices and the need for primary materials continue to threaten the economy's sustainability, Morocco's economy benefited from growth in the agricultural sector and an uptick in industrial export activities, driven by increased demand. CSOs did not noticeably benefit from these developments, however.

CSO sustainability did not change significantly in 2017, with no score changes reported in any dimension of sustainability. CSOs continue to suffer from poor organizational capacity and to rely primarily on international funding, while struggling to attract sustainable local support. CSOs continue to engage in advocacy activities and had some successes in 2017. The government, private sector, and the public hold varying perceptions of different types of CSOs, with those providing services or aligned with the government receiving the most positive media coverage, while human rights associations that question state policies continue to be under threat.

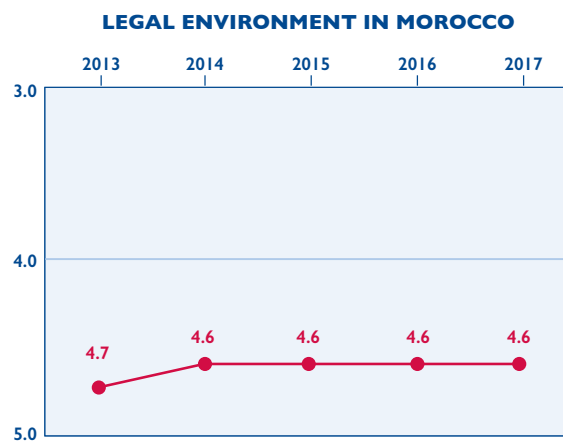
Associations are the primary legal form of CSOs in Morocco. According to the Ministry of the Interior, there were approximately 130,000 associations registered in Morocco in 2016. In an interview in 2017, Moulay Ismail Alaoui, Chair of the National Dialogue with Civil Society and Constitutional Prerogatives, which ended in 2015, estimated that there are now between 140,000 to 150,000 associations. CSOs in Morocco work primarily on social work, sustainable development, and professional sector support. There are very few human rights organizations. The regions with the most CSOs are the Casablanca-Settat region (19,562 associations) and the Souss-Massa region (15,879 associations).

## LEGAL ENVIRONMENT: 4.6

The legal environment in Morocco did not change significantly in 2017. The 2011 constitution acknowledges the role of civil society and provides for its ability to participate in the development and monitoring of public policies. In 2017, CSOs continued to be regulated primarily by the Dahir (royal decree) on the Right to Establish Associations (1-58-376 of 1958), as well as the Decree to Implement the Decree on the Right to Establish Associations (2-04-969 of 2005), which governs the formation of CSOs.

CSOs must formally notify authorities of their establishment. On paper, the notification process is relatively enabling, but in practice it functions much like a registration system because the government must effectively approve the notification. A CSO must submit its notification of establishment to the headquarters of the local administrative authority where the CSO is located. Decree 2-04-969 provides that the CSO should receive a signed and dated receipt within sixty days of submitting its complete notification; this receipt functions as proof of establishment and is required to conduct financial transactions such as receiving grants or other funding. As in previous years, however, in 2017 some CSOs never received their receipts or it took more than sixty days for the receipts to be issued. Different authorities impose different requirements, such as how many copies of an application or its composite parts must be submitted. In addition, in some cases, local authorities require CSOs to submit additional documents that are not required by law.

CSOs whose mission or members oppose the government are more likely to experience legal restrictions or restrictive implementation of the law. In 2017, authorities harassed those organizations affiliated with the political opposition or working on human rights issues, including AMDH. For example, as of late 2017, authorities had refused to accept the notification of establishment of the Tangiers chapter of AMDH. On July 8, authorities in Zaouiat Cheikh prevented AMDH from holding a public symposium on human rights by blocking access to the community center where the meeting was to be held. During the year, the president of the human rights association Freedom Now remained on trial on charges including "threatening state security" for promoting a mobile application for



citizen journalism that protected users' privacy. Authorities also harass community-based organizations that promote the rights of lesbian, gay, bisexual, transgender, and intersex (LGBTI) individuals and informal movements that would like to form associations, including the Union of Students for Changes to the Educational System (UECSE).

The law allows CSOs to engage in public fundraising, although they must apply for an additional license to do so. CSOs are able to receive funding from the government as well as from international organizations and individuals. As in past years, all international funding must be reported to the Secretariat General of the Government (SGG) within thirty days of receipt, along with information about the objectives of the project to be funded and the donor's identity, country of origin, and contact information. Additional administrative measures constrain CSOs' access to funds. For instance, CSOs throughout Morocco continue to face obstacles when opening bank accounts. Notably, pursuant to Circular 36/G of 2003 issued by the Governor of the Banque Al Maghrib, the Central Bank of Morocco requires a CSO to provide evidence of its legal status, along with copies of its statute and internal bylaws, scope of activities, meeting minutes, and personal details of the members responsible for managing the CSO, before it can open an account.

According to Dahir I-58-476, CSOs can apply for public benefit status in order to receive tax benefits and qualify for government funding. The application process is cumbersome, however, and requires that CSOs provide extensive, certified documentation. Moreover, authorities retain full discretion in granting such status. Only a few CSOs, generally with political connections, have successfully obtained the status; these include the Red Cross Morocco, Taher Sebti Institute, and the Association for the Protection of the Moroccan Family. Sports federations authorized under Article 17 of Law 06-87 on physical education and sports automatically receive public benefit status.

Only public benefit CSOs enjoy exemptions from income tax and the value added tax. CSOs are allowed to earn income from selling some types of goods.

When needed, CSOs use private-sector legal experts, or access legal services through their networks at the national level. In general, there is a lack of legal information and expertise at the local level.

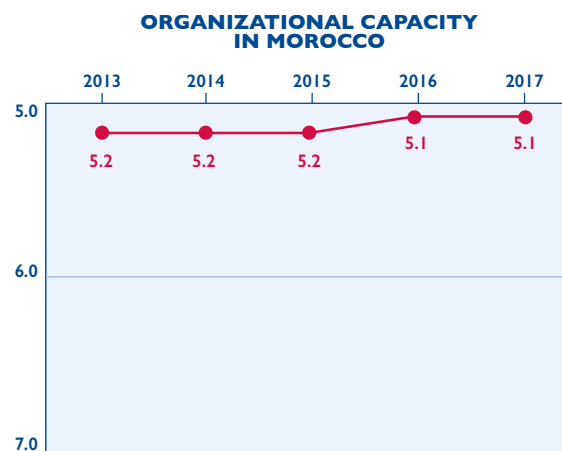
## ORGANIZATIONAL CAPACITY: 5.1

CSOs' organizational capacity generally remained unchanged in 2017. There continues to be a wide range of capacities within the sector, with CSOs that receive foreign funding generally having more advanced capacities than those that depend on local funding sources. This is due to the fact that donors assess their partners' technical and organizational capacities and ensure that they have transparent accounting systems to manage and monitor funds.

CSOs aim to involve target populations as stakeholders in their initiatives and projects. Participation can take various forms, ranging from information sharing, teaching and training, and joint decision making.

Many CSOs continue to lack well-defined strategies to accomplish their missions; they also have weak internal communications and lack professionalism. These internal obstacles continue to hinder the functioning of CSOs across the sector by, for instance, creating confusion and disagreement about an organization's plans or policy positions.

In 2017, some CSOs, such as the Moroccan Association for the Primacy of Law, took steps to strengthen their organizations' governance practices, including by emphasizing accountability and transparency in the use of funds, adding new members to their councils and executive committees, and creating management committees. Nonetheless, according to statistics from HCP, in 2017 more than 95 percent of CSOs were managed solely by an executive committee; only 3 percent had both a board of directors and an executive



committee. Of the 1,254 CSOs surveyed by HCP, two-thirds reported having a formal organizational chart with clear responsibilities. The majority of CSOs reported having rules of procedure approved by their general assemblies, and 80 percent of CSOs held their general assemblies in a timely manner:

CSOs largely rely on project-based funding, which hinders long-term planning and investment in human resources. Also, some donors do not fund salaries or support functions, such as financial management, administration, or training. As a result, CSOs generally struggle to maintain full-time employees. Many CSOs also lack qualified technical and administrative staff, which affects all aspects of their operations from communications to programmatic capacity. Across the sector, organizations draw on volunteers to support their work and activities. For example, Bayti Association is a professional CSO that works to combat violence against children; it has a clear and well-defined strategic plan and a management model for volunteers that values volunteers' contributions to the association. However Morocco lacks a legal framework for volunteer labor, such that the status and rights of CSO volunteers remain uncertain.

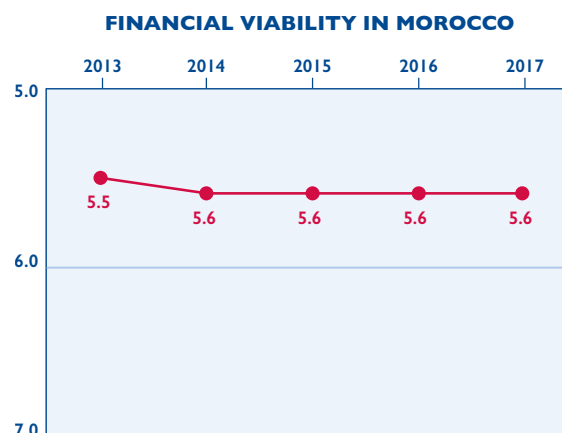
Most CSOs have access to modern office equipment and technology, although the quality and frequency of use varies from one organization to another. Some only use e-mail with their partners, while others—especially those that are primarily involved in advocacy—use social networks and social media to communicate about their activities. For example, the Forum of Young Moroccans uses social media outlets for its advocacy calls related to policy recommendations affecting youth in Morocco. CSOs are generally only able to purchase new equipment, such as computers or mobile phones, for specific projects with donor funding.

## FINANCIAL VIABILITY: 5.6

Across the sector, organizations' financial viability generally remained stable in 2017. CSOs continue to struggle to attract local donations. Activity-related revenue and members' contributions comprise a small portion of budgets and are insufficient to support CSOs' activities and ensure the sustainability of their work.

Some CSOs receive a significant amount of funding from the government. The overall level of public funding allocated to associations by ministerial departments, government establishments, and government enterprises is estimated at 6.423 billion dirhams (approximately \$681 million) annually, according to the minister for relations with parliament and civil society. The National Human Development Initiative (INDH) and the Ministry of Solidarity, Women, Family, and Social Development are among the largest distributors of government funds in Morocco. Organizations addressing social welfare issues receive the most government funding. When government institutions release calls for bids they are often specific to certain regions, preventing access by CSOs located elsewhere.

Given the constraints on government funding and limited funds from local sources, international funding remains crucial for many CSOs. Such funding comes primarily from three sources: the European Union (EU) and the Council of Europe, foreign embassies, and foreign foundations, including the Heinrich Böll and Friedrich Ebert Stiftungs. Support may be financial, technical, or institutional. The EU, for instance, directly supports at least twenty-seven CSO projects on various topics including democracy, human rights, migration, and gender issues, with a total contribution of nearly EUR 15.5 million. International funding opportunities reflect the donors' priorities, however, and are not necessarily consistent with local needs. Reliance on project-based international funding also limits the sustainability of CSOs' activities due to a lack of ongoing funding. In addition, international funding opportunities often have complex requirements that are difficult for some CSOs to meet. In part because of local CSOs' organizational weaknesses, a significant portion of international funding is absorbed by cooperating entities and international (or intermediary) bodies. In a number of projects funded by the EU, Oxfam, and UNESCO in 2017, for instance, the donors sought out international organizations to serve as the primary implementers; these entities then



looked for secondary implementing partners within civil society. This structure prevents Moroccan CSOs from being involved as true partners or contributing their own visions to the projects; instead, they end up providing services for international organizations whose employees absorb a large part of the funds, and their roles are often limited to administrative activities such as monitoring progress and issuing deadline reminders.

CSOs' ability to generate revenue from products and services remains limited due to their poor organizational capacities. In 2017, the Ministry of Tourism, Air Transport, Handicraft and Social Economy, in partnership with the UN's Food and Agriculture Organization (FAO), began drafting a framework law on the social and solidarity economy, which addresses the ability of CSOs to form social enterprises. This effort was ongoing at the end of the year.

Very few CSOs have accounting systems. Small organizations in particular tend to have simple accounting systems that allow them to monitor their revenues and expenses through daily entries in cash and bank journals. Those CSOs that receive international funds tend to have stronger, more transparent, and more efficient financial management systems due to the need to comply with donor requirements such as external audits of their accounts.

## ADVOCACY: 3.8

CSO advocacy did not change significantly in 2017. Some CSOs and networks have extensive advocacy experience at the national and local levels. Although there are formal mechanisms through which CSOs can cooperate with the public sector, these do not function efficiently. Therefore, CSOs' access to decision-making processes remains mostly informal or depends on personal networks.

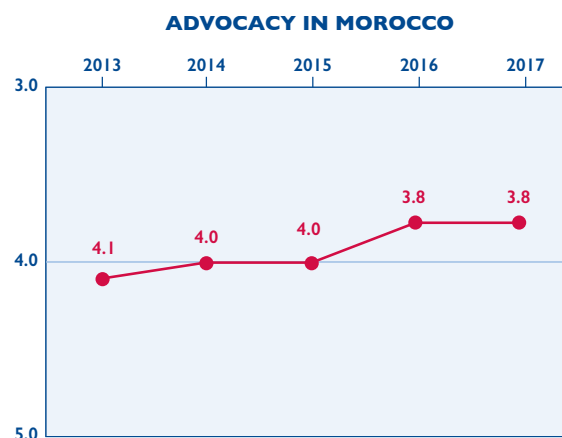
Organic Laws 113-14, 112-14, and 111-14—all adopted in 2015—establish the right of CSOs and citizens to submit petitions and motions to elected councils.

In practice, however, the process is complex and stakeholders often are not responsive. For example, in 2017 an association that prefers to remain anonymous followed the process for submitting a petition at the national level, which required collecting the signatures and national identity cards of 5,000 registered voters—a difficult process as Moroccans prefer not to show their national identity cards, regardless of the reason. In the end, this association collected 5,149 signatures and took all the necessary steps to submit its petition, but there has been no response from the government since the petition was submitted.

CSOs often engage in advocacy in response to current events, as opposed to being driven by action plans. For example, instead of creating an advocacy action plan to address violence against women, CSOs wait for a high-profile scandal, such as the death of a woman as a result of gender-based violence, and then initiate a public debate and advocacy on the topic.

Street protests continue to be an important advocacy tool. The protests organized in the Rif at the beginning of the year had some impact, including the dismissal of three ministers over the lack of progress in the development plan for the Rif. At the same time, however, the government cracked down on those who participated in these protests. From May onward, authorities deployed security forces in large numbers in the Rif region and conducted mass arrests. Peaceful protesters were detained, as were journalists covering the protests, and excessive and unnecessary force was used on some occasions. Many protesters were convicted on state security offenses in relation to the protests.

A growing number of CSOs with young staff are pursuing online advocacy activities. Associations that were created after the 2011 uprising, for instance, have conducted online advocacy campaigns alongside grassroots campaigns targeted directly at political stakeholders. Some of these efforts have targeted the international



community. For example, Ytto Foundation used its presence on social media to support petitions targeting women's rights, notably relating to the welfare of rural women.

One successful lobbying action in 2017 was "Article 8 bis will not pass." According to Article 8 bis of the 2017 Finance Bill, which was approved by the House of Representatives and then submitted to the House of Councilors, the central government's assets cannot be seized, meaning that even if a court rules in favor of an individual, the central government can overturn or ignore the ruling. Through press releases and an online campaign including a hashtag and photo petitions, associations including Prometheus and the bar association, as well as political parties, conducted successful social media and street campaigns protesting Article 8 bis. Before the end of 2017, the article was excluded from the 2017 Finance Bill.

Laws—including constitutional provisions—are often slow to be implemented, which sometimes obstructs reforms that would benefit CSOs. For example, Article 33 of the 2011 Constitution provides for the creation of a Consultative Council of Youth and Associative Action; however, the House of Representatives only passed Law 98-15 establishing the Council in 2017, six years after the constitution's adoption. Further, Law 98-15 states that the council becomes official only when its president is named and its members are formally appointed, which had still not taken place by the end of 2017.

Three years after the government council approved it in July 2014, the Committee on Justice, Legislation and Human Rights in the Moroccan Parliament finally revisited the Law on Access to Information (Draft Law 31-13) in December 2017, with plans to discuss and adopt it in the near future. The long-awaited law will allow civil society to monitor, oversee, and evaluate public policies. The department of the Ministry Responsible for the Reform of the Administration and Civil Service, in partnership with UNESCO, held a meeting on the right to access information in September 2017. At the meeting, civil society called for more details on the type of information to be covered by the law, and for a rigorous definition of the exceptions, particularly in terms of archived documents.

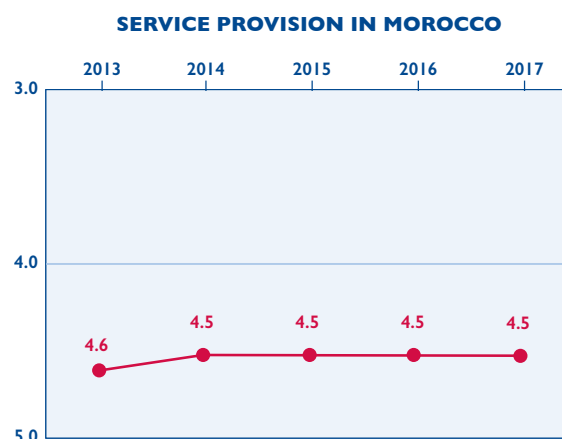
Advocacy for CSO law reform was not a priority in 2017. Such advocacy is also hampered by limited trust between CSOs, as well as competition and suspicions of ulterior—generally political—motives.

In 2016, the Economic, Social, and Environmental Council published an opinion that included recommendations to create an official status for volunteers and to distinguish them from paid volunteers, while specifying the rights and responsibilities of paid and unpaid volunteers. As of the end of 2017, this recommendation had still received no response.

## SERVICE PROVISION: 4.5

CSO service provision did not change significantly in 2017. CSOs continue to play a significant role in delivering social services, particularly health and education services, and have developed expertise in improving community living conditions. As service providers, CSOs offer integrated, community-based services that are driven by public interest rather than profit. CSOs' work is important because they can operate where the central government is minimally involved or not involved at all. In rural areas that lack health centers, for example, CSOs play a key role in raising awareness about reproductive health, family planning, and sexually transmitted diseases. Associations such as Al Amana also offer microloans.

Generally, CSOs in Morocco offer services to the public without discrimination. In some cases, CSOs' services target certain social groups including women, the disabled, children, and youth. CSOs also use gender-based approaches that aim to promote equality between women and men. Mutual aid organizations offer services only to their members.





Many CSOs focused on health, agriculture, and infrastructure are primarily active in rural areas, and are expanding their fields of expertise to include combatting poverty and discrimination against the poor. CSOs such as Happy Hour work directly on addressing the causes of poverty, and fight social and professional exclusion with a focus on education and health.

Although the law allows CSOs to peripherally engage in commercial activities or provide market-rate services by reinvesting their profits in non-profit activities, most CSO services are provided for free. Only a small number of CSOs—such as Tanmia.ma Association, which provides microloans—have become self-reliant through the provision of services and products.

The national government recognizes the role CSOs play in providing social services in rural areas. Rural governments also see CSOs as key players and preferred partners, in part because they use flexible and participatory approaches. Government funding for the social services provided by CSOs comes directly or indirectly from a multitude of institutional actors, specifically the Ministry of Family, Solidarity, Equality and Social Development, Entraide Nationale, INDH, the Mohammed V Foundation, the Social Development Agency, and local municipalities. However, CSOs' role and relationship with the central government continues to be a controversial issue, with some arguing that civil society should not substitute for the central government, but instead advocate for the central government to fulfill its responsibilities.

## SECTORAL INFRASTRUCTURE: 4.9

The infrastructure supporting the sector did not change significantly in 2017. Intermediary support organizations (ISOs) and resource centers provide services such as grant distribution, advocacy, training, and consulting services. Examples of ISOs include the Associative Space (EA), Alternative Forums Morocco (FMAS), Carrefour Associatif, and Tanmia.ma. Monasso.ma provides a database of CSOs and also offers trainings to its members. A few ISOs and resource centers operate nationally, including Tanmia.ma, but they are primarily active in urban areas.

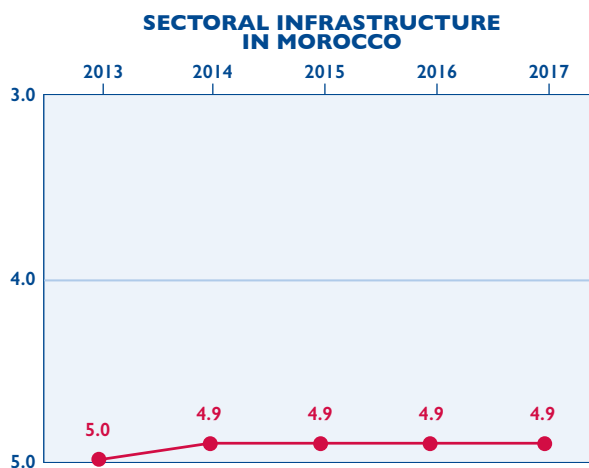
In part because of competition for funding, CSOs rarely share information among themselves. However, an increasing number of CSOs work in local networks that focus on issues such as sustainable development, the environment, women, and youth. For example, Anaruz Network includes over fifty counseling centers that address gender-based violence and women's rights.

Other coalitions include Spring of Dignity and the Moroccan Coalition for Climate Justice.

There are a few Moroccan foundations. Some of these, such as the Bouaabd Foundation, have public benefit status. These foundations usually provide seed grants to local CSOs depending on their thematic focus. For example, Hassan II Foundation for Moroccans Residing Abroad offers small grants to CSOs that aim to enhance the socio-economic rights of Moroccans abroad.

Although there is a limited amount of “à la carte” training, CSOs continue to lack access to specialized training. In general, training is offered in French or Arabic, with few trainings in Amazigh, and tend to rely on a mix of Moroccan and foreign experts.

Some of the organizations that funded trainings in 2017 include donors like Small Initiatives for Civil Society Organizations in North Africa (PPI-OSCAN), foreign non-profits including the International Republican Institute, Moroccan consultative bodies including the National Council on Human Rights, and CSOs including the EA. The Ministry for Relations with Parliament and Civil Society also invites CSOs to participate in targeted thematic trainings in areas related to the participation of civil society in the public policy making process. In 2017 the ministry announced the launch of an online platform to offer e-trainings to CSOs in the area of participatory democracy.

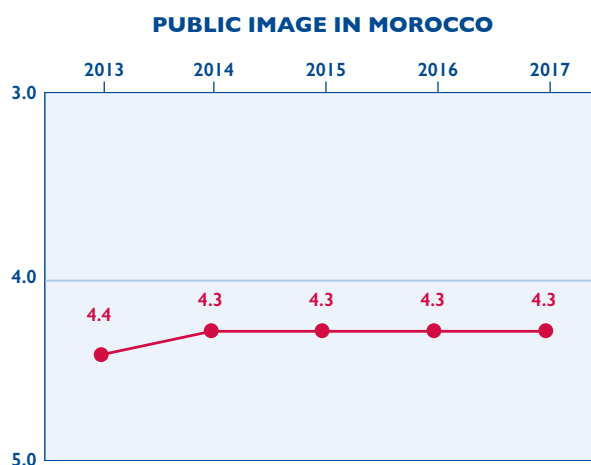


## PUBLIC IMAGE: 4.3

The public image of CSOs remained the same as in 2016. Coverage of CSOs in state-run media outlets like Al Oula TV is mixed. On the one hand, CSOs aligned with government positions or institutions such as INDH receive largely positive coverage. The situation is different, however, for human rights CSOs. For example, AMDH is frequently accused of representing radical views. Advocacy groups tend to receive more media coverage than groups that provide services. Online journalists, who are often more informed about the issues important to CSOs, have become key contacts for CSOs and key supporters of CSO causes.

CSOs enjoy a particularly positive image among the population in rural and peri-urban areas where they provide basic social services. Most beneficiaries appreciate the quality and flexibility of CSOs' work. Perceptions are more mixed in urban areas, where the public often distrusts the motives of CSOs involved in advocacy.

Decision makers likewise have mixed perceptions of CSOs. On the one hand, decision makers who speak at major forums often praise CSOs' work as serving social development and promoting the values of citizenship, democracy, and human rights. In addition, the government has stated that it supports forming partnerships with CSOs, as described in the head of government's circular 07/2003 concerning government partnerships with CSOs. In 2017, the Ministry for Relations with Parliament and Civil Society launched an award for CSOs and presented awards to the Association of Rural Development and Timssal Association for Sustainable Development. Individuals affiliated with the central government view CSOs associated with INDH in particular in a positive light.



On the other hand, some government officials have stated or insinuated that CSOs receive international funding in order to serve foreign agendas. This may explain the issuance of a memo by the Ministry of Foreign Affairs and International Cooperation (MAEC) in March asking "all diplomatic and consular missions, offices of international and regional organizations and development agencies to systematically report to the MAEC and consult with it prior to any interaction, agreement, or funding from government agencies, public institutions, or non-governmental organizations in Morocco." Although CSOs were outraged by the memo, it does not appear that any official steps were taken to enforce it during the year, nor is there evidence that entities complied with MAEC's request. The memo thus had little effect on CSOs' work in 2017.

The private sector is gradually increasing its partnerships with CSOs. For example, the OCP Group created the OCP Foundation to support community programs focused on human development in coordination with local CSOs. In 2017, these activities included agricultural caravans to improve income and living conditions for small farmers in Morocco.

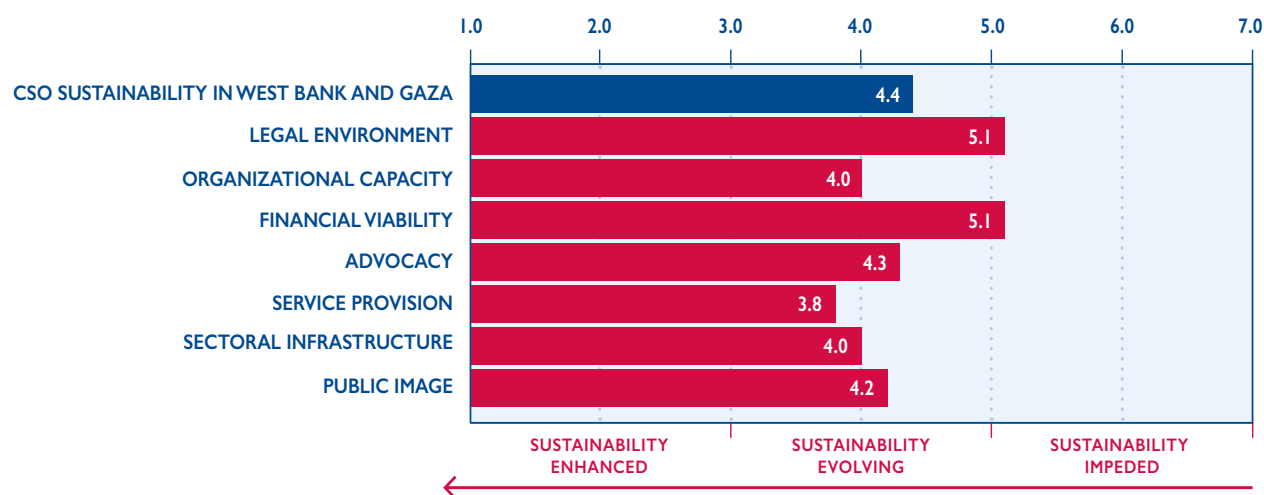
Donors encourage CSOs to develop communication strategies and expand the networks with which they publicize their work, rather than sending reports only to their partners and donors. CSOs like the Forum of Young Leaders and other youth-focused organizations are particularly reliant on social media tools for wider outreach to the public.

A growing number of CSOs published annual reports in 2017, although this practice is still largely limited to well-funded foundations such as Lalla Salma Foundation, or international CSOs with branches in Morocco like CARE Morocco. CSOs do not have codes of ethics.

# WEST BANK AND GAZA

**Population:** 2,747,943 (WB) 1,795,183 (G)  
**GDP per capita (PPP):** \$4,300  
**Human Development Index:** Medium (0.686)  
**Freedom in the World:** Not Free (28 (WB) 12 (G))

## OVERALL CSO SUSTAINABILITY: 4.4



The West Bank and Gaza continued to experience political, economic, and social challenges in 2017. Palestinians faced restrictive policies and practices by Israeli forces, including limitations on their movement and expansion of Israeli settlements. Israel maintained its decade-long blockade of Gaza, restricting the movement and access of people and goods in and out of Gaza and curbing electricity and water supplies due to issues associated with revenue transfers with the Palestinian Authority (PA). As a result of the blockade, Palestinians in Gaza have limited access to healthcare, opportunities for education outside Gaza, and economic opportunities within the territory. The PA government in the West Bank and the Hamas government in Gaza remain divided with the two governments operating each territory separately.

In December 2017, the United States formally announced that it would recognize Jerusalem as the capital of Israel and move the American embassy to Jerusalem. The US government asserted that this move did not presuppose the outcome of any final status issue, and that the final boundaries of Israeli sovereignty in Jerusalem would be left to the Israelis and Palestinians to decide. Nonetheless, the announcement was received with anger and frustration by many Palestinians, who also claim Jerusalem as their capital, and led to protests in the West Bank and Gaza.

Donor support to the Palestinian territories continued to decline in 2017, and despite the PA's improved fiscal performance, a financing gap still existed in the state budget. Funding shortages heavily limited CSOs' operations and abilities to achieve impact.

The PA continued to enact various laws without consulting with civil society. Among the most significant of these for civil society freedoms was the new Electronic Crimes Law, which President Mahmoud Abbas issued by executive decree in July 2017. The law, which applies in the West Bank, allows for restrictions to online expression based on vague terms such as "state security" and "social harmony." According to Palestinian human rights organizations, the law unduly constrains freedom of expression by granting the government vast authority to control online activity. During the year, both the PA and Hamas arrested activists for criticizing the government or its policies. Human rights organizations also documented mistreatment and torture of prisoners in 2017.

In this context, the sustainability of the CSO sector in the West Bank and Gaza declined in 2017. CSOs faced a more restrictive legal environment, with greater legal, regulatory, and practical constraints on their funding and activities. Organizational capacity remained relatively stable, though CSOs continued to struggle to build strong constituencies and execute strategic plans, and many dealt with high staff turnover. The decline in foreign donor support contributed to the deterioration of CSOs' financial viability, and led to the weakening of the sector's provision of goods and services as well. CSOs continued to advocate on a broad range of issues, though their advocacy efforts had few concrete achievements in 2017. Intermediary support organizations (ISOs), coalitions, and intersectoral partnerships persisted and the sectoral infrastructure overall was unchanged. The public perception of CSOs remained mixed.

The Ministry of Interior reported 3,213 registered CSOs in the West Bank and Gaza at the end of 2017, with 2,547 in the West Bank and 666 in Gaza. The majority of these operate on the local level and are concentrated in urban and administrative centers, such as Ramallah, Jerusalem, and Gaza City.

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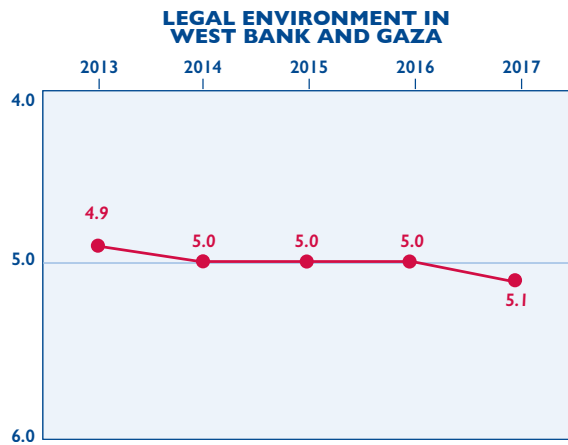
## LEGAL ENVIRONMENT: 5.1

The legal environment for CSOs deteriorated in 2017 due to increased regulatory and practical restrictions, as well as a new law restricting online expression. CSOs in both the West Bank and Gaza are governed by the Law on Charitable Associations and Community Foundations (Law 1 of 2000, hereafter "CSO Law") and its implementing regulation Resolution 9 of 2003. While the law is considered one of the most enabling in the MENA region, CSOs still face legal obstacles and constraints. On paper, the law provides simple procedures by which CSOs must register with the Ministry of Interior, as well as legal protection from arbitrary rejection of registration applications. Nonetheless, in recent years, the PA and Hamas have increased the burden on CSOs' registration, operation, and funding through regulations, ministerial decisions, and official practices.

In recent years, some charitable and community-based CSOs have formed nonprofit companies in order to carry out economic activities to advance their causes, such as social development and support for marginalized communities. These nonprofit companies are under the jurisdiction of the Ministry of National Economy (MoNE) and governed by the Jordanian Companies Law of 1964 and subsequent Decree 6 of 2008. In 2010, the Palestinian Council of Ministers issued a regulation setting forth the process for registering nonprofit companies. A 2015 update to the regulation included a procedural mechanism for nonprofit companies to accept and receive funds and donations, which requires the government's pre-approval of both foreign and domestic funding. According to MoNE, some nonprofit companies did not abide by the law and framework; in 2017, therefore, MoNE decided to halt the registration of new nonprofit companies, such that no new registration applications were considered, and established a committee to revise the framework governing these companies.

CSOs consider the government's pre-approval requirement for funding for nonprofit companies as well as the 2017 decision to freeze registration of new nonprofit companies as violations of the 2008 decree and the Palestinian basic law. Moreover, CSO stakeholders are worried that the prior approval requirement will allow nonprofit companies to be denied funding if their opinions or objectives are disfavored, giving the government substantial control over which CSOs and activities can be sustained. For instance, the nonprofit Center for Palestine Research and Studies in Nablus has published opinion polls and other research that are critical of the PA; the well-known organization is now running out of funds and in 2017 was denied requests to receive additional donations and grants. CSOs also faced other new restrictions on their access to financial resources in 2017. According to CSO experts, for example, some banks refused to allow organizations to transfer funds externally through their bank accounts, citing a Ministry of Interior regulation. The CSOs were unable to confirm this with the Ministry, however, or discover the reason for the regulation.

In June, the government passed the controversial new Electronic Crimes Law, which allows for restrictions on online expression based on vague terms such as "state security" and "social harmony." The law imposes sanctions of at least one year in prison or steep fines for violations. The government drafted and issued the Electronic Crimes Law by decree, without allowing an opportunity for CSOs or the public to provide feedback.



The Palestinian Non-Governmental Organizations Network (PNGO), which represents more than sixty CSOs, issued a statement condemning the law as it infringes on Palestinians' freedom of expression.

CSOs are legally allowed to earn income by providing services (such as health services, legal services, or subscription fees) or selling products. CSOs are also allowed to engage in fundraising campaigns, although they are required to obtain permission from the Ministry of Interior in advance. The law also allows CSOs to receive government funding in exchange for providing certain services, such as health and social services.

Political tensions between the administrations in the West Bank and Gaza continued to create additional legal and administrative challenges for CSOs. Authorities in one territory often exert quasi-legal power to obstruct the formation and operation of CSOs that are aligned with their political rivals in the other territory, whether by interfering in an organization's internal governance, requiring onerous security checks of staff members during registration, or freezing CSOs' and their members' bank accounts. For instance, in 2017 the PA government asked Publishers Union Society to replace two of its proposed board members (one in Gaza and one in Hebron) in order to register. It was finally registered after a six-month delay, and only after it replaced the board members.

Regardless of their affiliation, CSOs in both the West Bank and Gaza continued to face harassment by the state and state-aligned actors to an extent similar to that experienced the year before. The PA's security and intelligence agencies intervened in certain cases of CSO funding approval in 2017, according to several CSO representatives; on multiple occasions, security officials summoned employees of nonprofit companies for interviews that involved personal questions about staff members before allowing the company's funding applications to move forward.

Authorities in Gaza interfered in the registration of CSOs, as well as CSOs' opening of bank accounts, receipt of funds, and internal operations. As in 2016, in some cases, CSOs were required to obtain prior approval from the government before implementing any events, in clear violation of applicable laws. For instance, the Palestinian Bar Association–Gaza Center was required to coordinate with the Ministry of Justice prior to holding any event or meeting, and to have a representative from the ministry attend the event. Moreover, CSOs are not free to fully exercise the right to peaceful assembly: authorities in the West Bank and Gaza rely on remnants of the Jordanian and Egyptian Penal Codes to clamp down on unauthorized or unwanted gatherings. In July, for example, PA security forces cancelled a Palestinian Youth Forum that CSO Al-Sharq Forum had organized for young people to discuss research related to media, culture, and economics; the authorities said the cancellation was due to "security reasons."

Under the CSO Law, organizations are exempt from taxes and customs duties. In practice, however, they face challenges obtaining the exemption due to the division between the West Bank and Gaza governments. In 2017, many CSOs continued to pay taxes and registration fees to both governments in order to maintain their legal status.

CSOs often rely on legal aid, where available, to help navigate the maze of laws, regulations, and decrees. The ability to access legal aid depends largely on an organization's financial and administrative resources. Large organizations with extensive resources are usually better able to avail themselves of this protection than smaller, more financially insecure groups.

## ORGANIZATIONAL CAPACITY: 4.0

Organizational capacity across the sector remained fairly stable in 2017.

CSOs in both the West Bank and Gaza face difficulties related to constituency building. Some CSOs strengthened their ties to local beneficiaries through an increased focus on humanitarian assistance projects, particularly within Area C (under Israeli control).

But many CSOs find it difficult to sustain their connections to constituents after projects end as they operate on a project-by-project basis and projects tend to be transitory. In addition, funding constraints force CSOs to focus on external relations with potential donors in order to secure enough funds for their operations, rather than outreach and constituency building with local groups and beneficiaries.

CSOs continue to improve their capacities in strategic planning and performance management. However, since in many cases CSOs engage in strategic planning only to satisfy current or future donors, the planning often ends on paper, with limited translation into action. Further, the desire to please donors incentivizes CSOs to formulate their missions and strategic objectives in line with donors' interests, rather than the purposes and values the CSOs were established to achieve. Limited funding also impacts CSOs' achievement of the goals and objectives set forth in their plans. However, some CSOs do work towards operationalizing and implementing their strategic plans, and some have strong performance management systems and indicators.

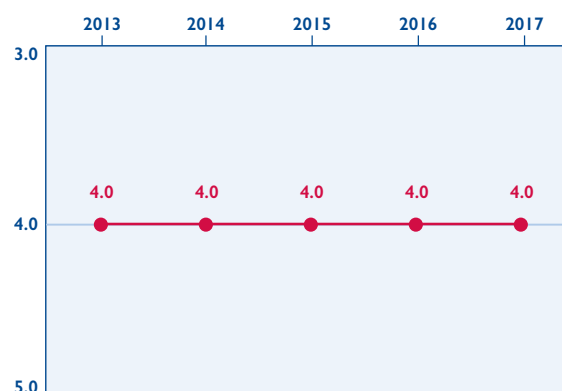
For instance, an external auditor helped Taawon, a welfare association, certify its quality management system to ISO 9001:2015, an international quality standard.

Although the CSO Law stipulates that board members must be elected, CSOs do not always adhere to this requirement. CSOs often select their board members based on personal connections—particularly to potential funding sources—rather than their vision or ability. As a result, in many organizations, the management has assumed some of the powers legally allocated to the board of directors, while board members do not actively engage in the organization's governance. An organization's bylaws and internal policies generally govern this division of labor but they are not always adhered to, leading to conflicts of interest and lack of transparency and accountability.

CSO experts observe that mobility of staff between and among organizations has increased, with high staff turnover across CSOs. This is likely a result of organizations' reliance on sporadic, project-by-project funding, which limits their ability to maintain full-time staff. Moreover, CSOs' low salaries, especially in comparison to INGOs, make many organizations less competitive in attracting talent. Due to scarce employment opportunities, especially in Gaza, young people continue to volunteer with CSOs to gain work experience and in the hopes of being employed if an opportunity arises.

Almost all CSOs have access to modern office technology including Internet access, smartphones, and office software, though smaller organizations find it more difficult to invest in regular upgrades and other improvements to their technology. An increasing number of organizations use social media, which serves as a valuable alternative to traditional communications platforms such as newspapers, radio, and television. Sharek Youth Forum, for instance, used social media to disseminate information to and conduct activities for young people and other audiences in 2017.

**ORGANIZATIONAL CAPACITY  
IN WEST BANK AND GAZA**



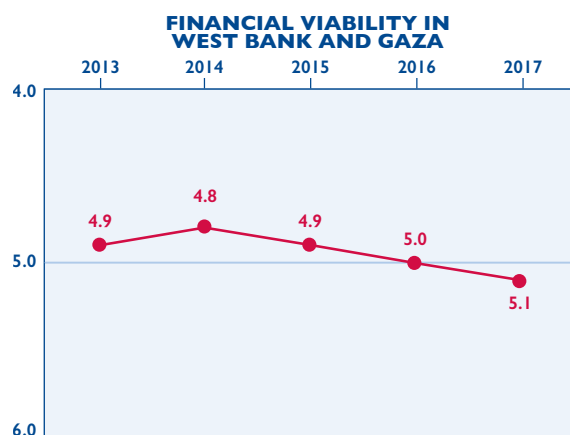
## FINANCIAL VIABILITY: 5.1

CSOs' financial viability deteriorated in 2017. Most organizations are unable to fully sustain themselves on local funding, and foreign funds remain subject to the shifting priorities of international donors.

Local funding is an irregular and often inadequate means of covering CSO expenses. The private sector provides some funding to CSOs through corporate social responsibility (CSR) initiatives. Private sector entities that support CSOs include large banks and companies such as the Bank of Palestine, Palestine Telecommunication Company, and Palestine Cellular Communication Company (Jawal). Philanthropic contributions from wealthy individuals and foundations also provide some support to CSOs and CSO projects, though to a lesser degree.

Charitable societies in the West Bank and Gaza, as well as other small CSOs, also rely on local support through fundraising events and zakat giving. Atfaluna Society in Gaza, for example, launched a fundraising campaign in 2017 to make up for diminishing international funds and avoid closing a classroom for its deaf students. Other examples include Inash Alusra Charitable Society, Al-Ihsan Charitable Society, and Al-Sadeq Al-Taeb Society, which usually host events such as charitable dinners or launch fundraising campaigns during religious holidays that encourage *zakat* and other charitable giving. Many CSOs also rely on membership fees and contributions, although these usually serve as additional sources of income and are on their own insufficient to sustain an organization.

In the absence of substantial local private sector funds or charitable contributions, Palestinian CSOs rely largely on project funding from international donors. As a result, CSOs' fortunes are often tied to donors' priorities; reductions in funding or shifts of funds to different issues can leave organizations without vital revenue. Continuing a 2016 trend, a number of major international donors reduced their assistance to the Palestinian Territories in 2017, leading to a decline in the amounts reaching CSOs. Support from the UK's Department for International Development (DFID), for instance, declined from 68.7 million British pounds in 2016 to 54 million pounds in 2017 (approximately \$89 million to \$70 million), while funding from the EU declined from EUR 252 million to EUR 220 million (approximately \$292 million to \$255 million) over the same period.



Moreover, several foreign governments increased vetting procedures and other controls on the funds that go to the West Bank and Gaza, in particular restricting funding to groups that support the Boycott, Divestment, Sanctions (BDS) movement. The Norwegian government cut its funding to a Palestinian CSO that advocates for BDS and declared that it would implement a tougher vetting process for the funding of Palestinian CSOs in the future. Norway and Switzerland reversed their decisions to fund the Human Rights and International Humanitarian Law Secretariat, a joint mechanism that had supported CSOs that were linked to the BDS campaigns. The Danish government's review of its funding to the West Bank and

Gaza concluded that the government should likewise strengthen its vetting procedures.

The reliance on donor funding results in financial insecurity among Palestinian CSOs, with those that cannot secure sufficient funding left financially vulnerable. In 2017, funding shortages led many CSOs to scale back their core budgets, activities, and staffing. In Gaza, for example, Yaboos Charitable Society in Rafah and five other CSOs had to close in 2017 due to lack of funds.

The CSO Law requires organizations to file annual financial reports with the Ministry of Interior. In order to comply with this requirement, CSOs maintain basic financial management systems, and among other things, archive contracts, receipts, and paystubs. Many use accounting software or rely on the services of professional accountants. CSOs' annual financial reports often reflect their overall organizational and technological capacities. Large organizations with an active online presence regularly publish reports in Arabic and English, while smaller organizations with less technological capacity struggle to keep up. Even among established organizations, however, it is not uncommon for financial reports to be one or two years out of date.

## ADVOCACY: 4.3

The environment for CSOs' advocacy efforts generally stayed the same in 2017, despite some indications of greater CSO-government cooperation. The PA announced in 2017 that it was committed to partnering with civil society, for example, and included provisions on CSO participation in public policy and law-making processes in the National Policy Agenda 2017-2022.

CSOs in the West Bank are occasionally invited to participate in policy discussions and conferences, such as the conference to discuss the 2017 budget or discussions around the 2017-2022 Social Development Sector Strategy. In general, however, CSOs in the West Bank still struggle to cooperate with the PA government. CSOs' advocacy role continued to be limited by the ongoing absence of the legislative council, as well, to which CSOs would otherwise raise law- and policy-related concerns and submit requests for change.

In Gaza, cooperation between CSOs and the Hamas government or the PA is even more complex, particularly as some donors have policies restricting participation of Hamas government officials in CSO activities. For instance, the Belgian government, a donor to the CSO Palestinian Housing Council in Gaza, requested that no government officials attend the Council's opening of a new public garden—an event that the Belgian government funded.

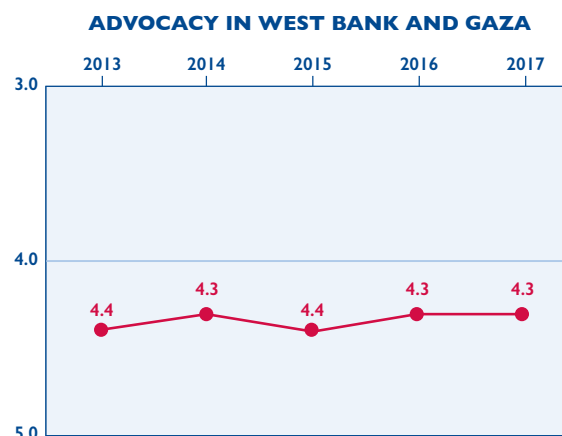
While cooperation with national-level authorities generally remains relatively insubstantial, CSOs coordinate more extensively with local bodies. CSOs regularly serve as advisors, responsible for providing input on municipal planning, service delivery, and policy development.

Several Palestinian CSOs engage in monitoring and advocacy related to human rights, both locally and internationally. The Coalition for Integrity and Transparency (AMAN), the Palestinian affiliate of Transparency International, publishes reports on corruption within the Palestinian Territories. Al Haq and the Independent Commission for Human Rights regularly advocate around rights issues and publish reports on rights and freedoms, while the Palestinian Center for the Independence of the Judiciary and the Legal Profession (Musawa) engages in advocacy related to the judiciary and separation of powers. Other CSOs, such as the Applied Research Institute – Jerusalem (ARIJ) and Palestinian Academic Society for the Study of International Affairs (PASSIA), provide academic and research services. Civil society advocacy groups are particularly active and visible on the international front. The activities of such CSOs largely focus on advocacy for human rights and freedoms in the context of the Palestinian-Israeli conflict, such as the BDS Campaign, led by a broad coalition of CSOs, and organizations such as Stop the Wall and Defense for Children International–Palestine.

Throughout 2017, CSOs also advocated against the government's issuance of new special legislation, though CSOs' advocacy efforts did not result in any changes during the year. Such laws are passed by decree, often without public consultation or opportunity for CSOs' review. These included the High Criminal Court Law by Decree and the Law by Decree Amending the Law on the Supreme Constitutional Court, both of which were met with widespread, vocal opposition by CSOs due to their perceived infringement on the competences and independence of the Judicial Authority as well as guarantees of a fair trial. The government also passed by decree the controversial new Electronic Crimes Law, likewise with no opportunity for CSOs or the public to provide feedback. Soon after the law's passage, it was used as the legal basis for the arrest of several civil society actors including Issa Amro, activist and co-founder of the CSO Youth Against Settlements, and five journalists who worked for Hamas-affiliated media outlets in the West Bank.

CSOs carried out substantial advocacy efforts around the 2017 local elections. Organizations involved in these efforts included PNGO and the Palestinian Human Rights Organizations Council (PHROC). While CSOs' advocacy in favor of holding elections in Gaza as well as the West Bank was unsuccessful, they played an important role in raising awareness about and monitoring the polls. They partnered with the Central Elections Committee, issued official statements in favor of the elections, conducted public campaigns, and monitored polling places.

CSOs continued to have limited ability to influence laws governing their operations. In 2017, CSOs advocated against the new framework for nonprofit companies, mentioned above.

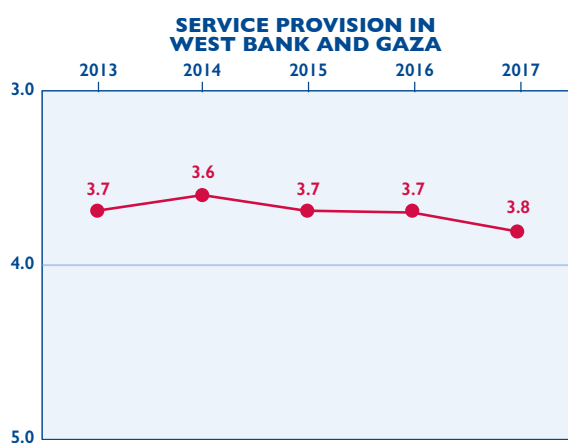




CSOs also called for shifting the oversight of CSO registration from the jurisdiction of the Ministry of Interior to the Ministry of Justice, and to limit the authority to suspend a CSO to the courts rather than the Ministry of Interior. None of these campaigns resulted in changes in 2017, however.

## SERVICE PROVISION: 3.8

CSOs continued to offer a diverse range of goods and services, though their provision of services declined in 2017 largely due to political turmoil and funding shortages. Most CSOs involved in service delivery are dependent on international aid. Increasing uncertainty as to the future of a Palestinian state and a decline in support from international donors weakened CSOs' ability to provide services, as many were forced to downsize projects or saw projects end without renewal. In 2017, for instance, DFID halted funding to Palestinian CSO partner Ma'an Network—a nonprofit media organization; the funding cut-off resulted in an end to the What Works to Prevent Violence against Women and Girls Program, an initiative to provide media programming to prevent gender-based violence. Remaining CSO services continue to fill critical gaps in service provision by the



state, especially in areas like mental health, education, humanitarian aid, and the rights of women and youth. In Gaza, CSOs continue to offer humanitarian services linked to crisis management and post-conflict aid, such as medical and psychological assistance.

In 2017, some CSOs including the Center for Youth Economic Empowerment provided diverse projects and programs largely comprising small initiatives carried out over a short period of time, as opposed to large projects over longer periods of time. The shrinking size of projects combined with the need of CSOs to take on more varied projects in order to remain solvent contributed to a growing decline in specialization among CSOs in 2017.

CSOs in the West Bank and Gaza provide goods and services to their own constituencies as well as other beneficiaries. When programming allows, CSOs distribute and market resources, publications, and expert analysis to the public at large and sometimes to the private sector. They also consult and provide support for academic, religious, and government institutions. CSOs continue to provide goods and services without discrimination in regard to race and ethnicity. Some have also streamlined gender- and youth-sensitive approaches into their service delivery.

For the most part, the goods and services that CSOs provide reflect the needs and priorities of their constituents and communities. CSOs in the West Bank and Gaza follow two approaches to service delivery: either a bottom-up approach, based on qualitative and quantitative data collection to assess a population's needs, or a top-down approach which is determined beforehand by the CSO and/or a donor. The priorities of local government officials where CSOs operate may also affect their approach to service provision and delivery, particularly in Gaza.

Many CSOs in the West Bank provide services under government contracts. For instance, the Ministry of Social Development contracts CSOs to provide social services such as rehabilitation for people with disabilities, elderly care, mental health services, and early childhood development; since 2014 the Ministry has increased its procurement of CSOs' services from 2.5 to 7.5 million NIS (approximately \$694,000 to \$2.1 million). Such funding is not always reliable, however. The Al-Makassed Islamic Charitable Society Hospital, for example, provides health services to citizens covered by government insurance, but the government's payments are usually delayed due to the PA's financial difficulties.

CSO cost recovery is minimal and most CSOs provide services without charging fees. Only a few CSOs require their beneficiaries to pay, but those that do usually distinguish between paying and non-paying groups. For instance, several CSOs including the Palestine Agricultural Development Association (PARC) and Palestine Medical Relief Society (PMRS) provide services and collect fees based on recipients' abilities to pay, and may charge no fee or only a minimal amount if the recipient cannot afford to pay. While CSOs are sometimes criticized for their dependence on aid and lack of responsiveness to the community, the government generally recognizes and values their work through its public statements.

## SECTORAL INFRASTRUCTURE: 4.0

The infrastructure supporting the CSO sector remained stable overall in 2017, with some strengthening of CSO coalitions and networks.

Several intermediary support organizations (ISOs) in the West Bank and Gaza continued to provide support to CSOs in 2017. These include PNGO and PNGO-Gaza, the Palestinian General Union of Charitable Societies (PGUCS), and the Palestinian National Institute of NGOs (PNIN) and the General Palestinian Union for NGOs in Gaza (GPU). ISOs continue to disseminate and coordinate information among CSOs, and provide particularly useful support to CBOs that work in remote areas and areas under Israeli control with additional laws and restrictions. Despite their access to a large pool of resources represented by the knowledge, capacity, and financial resources of their member organizations, however, ISOs suffer from inadequate human resources: most of their staff are part-time, which limits the organizations' abilities to engage consistently.

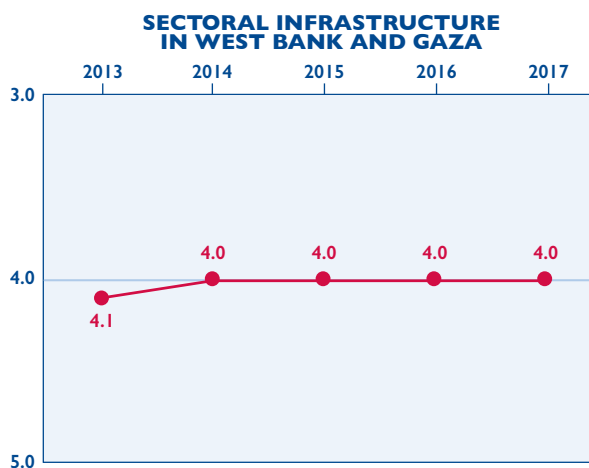
Coalitions exist throughout civil society and are generally effective at coordinating CSO efforts.

They are generally focused on a specific sector, campaign, or geographic area. Coalitions that were active in 2017 included PHROC, Palestinian Women National Coalition of 1325, the Coalition for Climate Justice, and the Coalition for Economic and Social Rights. In most cases, however, the sustainability of CSO coalitions depends on the urgency and importance of the issue they were formed to address, as well as whether they have a strong organization to lead them. CSO coalitions maintain an informal status, as the law does not provide for formal registration of coalitions or networks; accordingly, when a coalition achieves its purpose or if it fails to do so, it may easily dissolve.

In 2017, ISOs and coalitions continued to be active, particularly in advocacy efforts. During 2017, coalitions convened on multiple occasions to discuss and take action on various matters, including the PA's policy regarding Gaza, the growing number of decree-laws such as the Electronic Crimes Law, and harassment by security officials.

A small number of domestic organizations engaged in grant making in 2017, but these tended to be affiliated with or funded by international bodies. For instance, in 2017 the Palestinian Central Elections Commission, with funding provided by the EU, provided fourteen CSOs with grants to conduct various activities aimed at enhancing political participation in local elections.

CSO training is available in both the West Bank and Gaza and organizations generally perceive it to be effective. Some CSO experts believe that training has become redundant in terms of the topics offered, as well as the organizations and the individuals who attend the trainings. Many CSOs that are based in Gaza rely on remote training, due to the challenges they face when trying to send personnel abroad for training or to receive trainers from abroad into Gaza.



CSOs continue to partner with entities in other sectors. For instance, Palestinian CSOs have partnered with international development agencies, private companies, and individual investors in a project called Al Bayyara Parks Project to establish hundreds of new parks for children across the West Bank and Gaza. The partnership includes the nonprofit Taawon, Bank of Palestine, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the nonprofit United Holy Land Fund, and the Muna and Bassem Heshmeh Foundation.

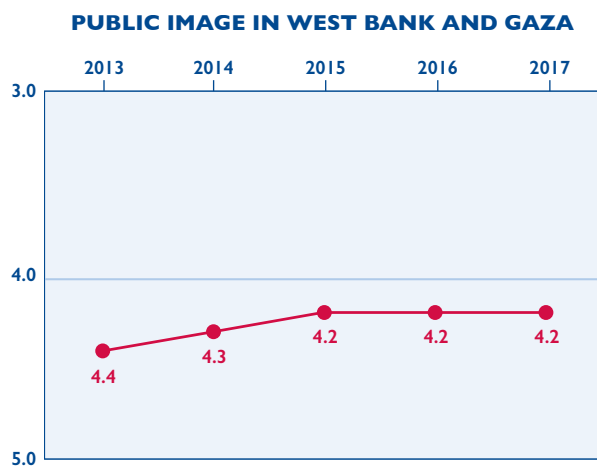
## PUBLIC IMAGE: 4.2

CSOs' public image remained generally unchanged in 2017. In the West Bank, journalists are often willing to cover CSOs' engagement in national-level advocacy. This is particularly true when CSOs are advocating around issues in line with media interests, such as freedom of expression and government censorship. According to CSO experts, the media in Gaza does not play as positive a role in covering CSOs' role and activities.

In both the West Bank and Gaza, media outlets are often affiliated with certain political factions, which has an impact on their independence and media coverage. Because government-aligned stations do not seek out civil society leaders for interviews or programs, organizations focus on developing relationships with local TV and radio stations. Relationships with these outlets allow opportunities for CSOs to gain media exposure while connecting more directly with constituents.

The public maintains an appreciation for the role of CSOs in Palestinian society—particularly those organizations that provide valuable public services such as medical and social assistance. This positive image mainly exists among the beneficiaries of such services. Negative public perceptions of CSOs are largely based on perceptions of external influence by foreign donors or the government. CSOs are increasingly perceived as contractors of large, international donors and agencies that solely implement external actors' projects and programs.

Government officials in both the West Bank and Gaza administrations remain wary of civil society's objectives—particularly those of advocacy and human rights organizations. CSOs' opposition to several laws such as the Electronic Crimes Law has heightened suspicion and animosity by the state, which occasionally manifests in government harassment and obstruction of CSOs.

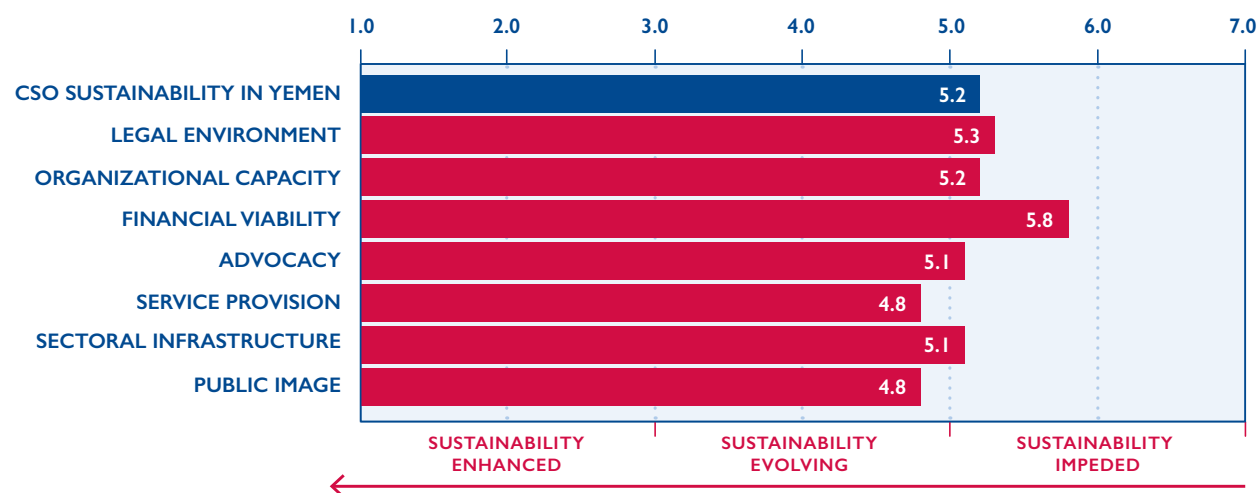


By contrast, CSOs that provide services generally enjoy better relations with the government and a more positive image among officials. In the West Bank, the relationship between CSOs and the private sector is generally positive, and several large banks and companies have CSR practices that support CSO projects and activities. Leading CSOs promote their public image and raise awareness about their activities through the efforts of communications and public relations staff, on organizational websites, and via social media channels. Smaller CSOs such as societies and small nonprofit companies focus on social media, especially Facebook, to promote their image and activities.

Some leading CSOs publish annual reports on their websites for the public to access, however, in many cases such reports are delayed, and many CSOs do not publish them at all.

CSOs developed a code of conduct in 2008 and updated it in 2015 to help CSOs meet established standards. As of 2017, the code had been endorsed and signed by 630 organizations. The NGO Development Center supported this trend in 2017 by providing technical assistance and certification to CSOs that complied with the code.

## OVERALL CSO SUSTAINABILITY: 5.2



In 2017, Yemen remained embroiled in a civil war exacerbated by international actors. Domestically, the conflict persisted between the internationally recognized government led by President Abdu Rabbu Mansour Hadi on one side, and the Houthi rebels on the other. A multinational coalition led by Saudi Arabia and the United Arab Emirates (UAE) continued its aerial and ground offensive on Houthi territory. The ongoing conflict has resulted in significant civilian casualties and deteriorating economic, political, and security conditions in the country. According to Humanitarian Response, by the end of the year more than 22 million people in Yemen needed some kind of humanitarian assistance—a 10 percent increase from the end of 2016. The conflict continued to limit access to Yemen’s sea, air, and land ports, preventing the distribution of aid by international organizations as well as access to commercial imports; this contributed to a growing food security crisis in 2017. Yemen was among the six worst countries in the world for malnutrition and child mortality, according to the International Food Policy Research Institute’s 2017 Global Hunger Index. The grave security situation also presented serious challenges for CSO personnel, including by restricting their ability to move freely around the country to accomplish their work.

Yemen’s economy continued to weaken in 2017. The nation’s GDP contracted by 10.9 percent while the value of the Yemeni riyal continued to fall against the US dollar. Lower public revenues resulted in less funding in 2017 for the provision of basic public services such as education, health, water, and electricity, and local and international CSOs struggled to provide sufficient services to make up the difference. Furthermore, the government was unable to consistently pay salaries to public sector employees, which account for about a quarter of Yemen’s population, or social security programs.

2017 also witnessed continued political turmoil. The Houthis and supporters of former President Ali Abdullah Saleh joined together to form the National Salvation Government in 2016, however the coalition unraveled in late 2017. Ensuing conflict between the Houthis and Saleh supporters escalated into armed clashes, ending with the death of Saleh and many of his allies in December. The Houthis consolidated their authority over political, economic, and social institutions in areas under their control—mainly northern cities such as Sana’a, Ibb, and Al-Hudaydah.

In areas controlled by the internationally recognized Hadi government, including Aden and Taiz, disagreements between government forces and forces backed by the UAE escalated into armed confrontations. CSOs throughout the country faced discrimination and harassment based on their perceived political affiliation. In some cases, CSOs' humanitarian aid efforts were obstructed as a result of their perceived or actual connections to a certain party or faction, as well.

In 2017, CSOs experienced a deteriorating legal environment, as authorities from both governments increasingly applied the laws and regulations governing the sector in arbitrary and restrictive ways, and created new governing bodies that added more bureaucracy and confusion into the already confused administrative environment in Yemen. Organizational capacity across the sector remained challenged, with few organizations adopting and implementing strategic plans or adhering to clear management systems. CSOs faced new financial challenges, as well, with new conditions placed on foreign funds at the same time that individual, private sector, and government sources of funding declined. Space and opportunities for CSO advocacy decreased due to the political environment. CSOs continued to provide a range of goods and services, though these remained dominated by relief and humanitarian services for internally displaced persons (IDPs). Sectoral infrastructure did not change significantly, though many CSO alliances grew weaker and intersectoral partnerships declined. Media coverage of CSOs was politicized and authorities waged negative campaigns against organizations affiliated with their political opponents, leading to the deterioration of CSOs' public image.

The security and economic situation led to the closure of many organizations, but new organizations also emerged. The Ministry of Social Affairs and Labor (MoSAL) unofficially estimated that 12,000 CSOs operate throughout Yemen, the majority of which are based in Sana'a.

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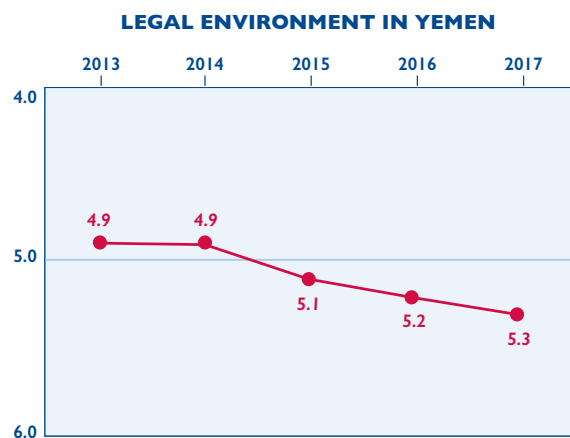
## LEGAL ENVIRONMENT: 5.3

The legal environment for CSOs in Yemen deteriorated in 2017 as a result of authorities' increasingly arbitrary and restrictive application of the laws and regulations governing the sector. Although the legal framework for CSOs is generally considered enabling on paper, implementation practices and procedures have become more complex, particularly with two governments claiming authority.

CSOs are governed primarily by the Law on Associations and Foundations (Law 1 of 2001). According to the law, CSOs must register to gain legal status and be permitted to work. While the provisions of the law do not impose significant restrictions on CSOs, their implementation creates numerous obstacles and difficulties. The registration process in particular has become more complex and often requires personal connections and bribery; registering a new CSO usually takes at least a month, but can take much longer depending on the type of organization and political affiliations. Human rights organizations, for instance, are generally unable to register unless they are loyal to the authorities controlling the areas where they are located. After registration, a CSO's operating license must be renewed every year.

CSOs throughout the country encountered extralegal practices that impeded the registration and license renewal processes during the year. Some CSOs reported that, as in prior years, authorities forced them to pay bribes to get their licenses renewed. Authorities also began requiring CSOs seeking to renew their licenses to submit financial reports approved by chartered accountants. Although the law stipulates this procedure, it has only recently been enforced—again, in some cases with a bribe as the only alternative. The licenses of some CSOs located in Aden were also suspended during 2017. For example, Health and Education Association for Development (SAWT) had its work permit suspended because authorities claimed it had worked with unaccredited health centers.

Though not required by law, authorities also increasingly mandate that CSOs obtain additional permits to carry out specific activities, even if they already have operating licenses. Organizations often have to pay bribes to obtain such permits quickly, as they are often delayed. In addition, permits often take more time or are not awarded if the activities are not directly related to relief work. In 2017, authorities in Hudaydah and Aden suspended some activities of the Youth Leadership Development Foundation (YLDF), for instance, because it had not obtained permits. A workshop carried out by Mwatana Organization for Human Rights in Ibb was likewise interrupted because it had not obtained an activity permit.



In addition, Women Leaders for Peace, a project implemented by Hudaydah Girls Social Development Foundation, was suspended for several months because of a lack of activity permits. The extralegal requirement of receiving activity permits presented a new obstacle that substantially hampered and delayed CSOs' work in 2017.

While CSOs in areas controlled by the internationally-recognized government including Aden, Marib, and Taiz generally enjoy greater freedom compared to those in areas controlled by Houthis, they also face bureaucratic delays and other implementation issues. The creation of new government entities in 2017 increased the bureaucratic requirements for CSOs throughout the country, while also creating new opportunities for

authorities to bribe and blackmail organizations. In 2017, the Ministry of Planning and International Cooperation (MoPIC) established a special department to supervise local organizations—a role previously held only by MoSAL. Furthermore, in 2017 all organizations were additionally required to coordinate with the newly-established National Authority for the Management and Coordination of Humanitarian Affairs and Disaster Recovery (NAMCHA). As a result, Yemeni organizations were subject to oversight by multiple entities and faced delays in their operations as they needed to seek various approvals.

In 2017, many organizations were forced either to close temporarily or altogether as a result of government harassment, including requests for bribes. Kheprat Foundation for Studies and Governance in Sana'a and ABJAD Center for Studies and Development in Thamar both stopped their activities temporarily due to official harassment and security constraints during 2017. The Studies and Economic Media Center (SEMC) had to close its Sana'a office and move to Taiz. International organizations were also affected. Authorities in Sana'a closed the INGO Forum, which had served to coordinate and enhance cooperation among international NGOs (INGOs) and their local partners. The Forum's closure reduced the efficiency of local and international CSOs' relief efforts in 2017.

The law does not restrict CSOs' ability to receive funds from local individuals or entities. For funds from a foreign individual or entity, Law 1 of 2001 requires that CSOs notify MoPIC before submitting funding proposals, for instance to international organizations or agencies, and provide detailed information about the source and purpose of the funds. CSOs must also obtain MoPIC's approval before they can enter into an agreement with a foreign entity.

While the law provides tax and customs exemptions for local organizations, enforcement of the law is uneven. Customs authorities, for example, often refuse to grant customs and tax exemptions to goods imported for organizations' income-generating enterprises; they base such refusal on the fact that such exemptions are not provided for in the customs law, even if they appear in the CSO law. In 2017, tax authorities demanded that some institutions including Resonate! Yemen and Holool Foundation pay payroll taxes for permanent staff. This is provided for by law but historically has been largely ignored; its implementation at a time when organizations are suffering financial hardships created additional challenges to their sustainability.

Most CSOs, especially recently-established organizations, do not realize their rights and duties under the law. There are also very few local lawyers and legal experts who are familiar with the laws governing CSOs and who can support organizations in navigating legal issues. The few with such expertise are often located in the cities, and charge high fees that deter most organizations from seeking their assistance.

## ORGANIZATIONAL CAPACITY: 5.2

The organizational capacity of CSOs remained largely unchanged in 2017, and organizations continued to face challenges similar to those faced in previous years.

CSOs continue to struggle to identify local constituencies. Government approval is required before conducting needs assessments for relief activities. Partly as a result of this, international organizations and the government often determine the beneficiaries of services provided by relief-focused CSOs. For example, the Hudaydah Girls Social Development Foundation, Khadija Development Foundation, and SAWT all rely on international and public sector determinations of target beneficiaries. CSOs involved in development and training, by contrast, have slightly more autonomy to identify their own target groups, although their capacities are still weak. Across the sector, it is rare for CSOs to form long-term relationships with their beneficiaries—largely due to the absence of long-term strategies.

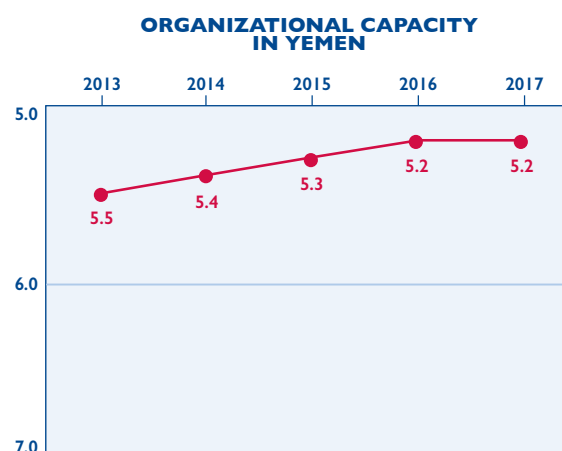
While CSOs increasingly recognize the importance of strategic planning, their ability to adopt and implement strategic plans remains very weak. The unstable security environment makes long-term planning impractical, and CSOs tend instead to develop and implement only short-term plans. Most local CSOs' complete reliance on foreign funding poses an additional impediment to the adoption of effective strategic plans, as strategies remain constrained by donors' perspectives, agendas, and programs. Since the onset of conflict in 2015, many CSOs have been forced to abandon their strategies and shift to relief work, both in response to the humanitarian situation and to ensure funding. This was the case, for instance, with the Yemeni Midwives Association, Islah Charitable Society (ICS), Muath Organization, Tamdeen Youth Foundation (TYF), Yemen Family Care Association (YFCA), and Akon Foundation for Rights and Freedoms. In 2017, most local organizations worked according to contingency plans or short-term operational plans commensurate with their short-term funding.

Nonetheless, a few CSOs began developing strategic plans in order to improve their performance and attract funding; these included AlAtta for Relief and Development, Yemen Peace School Organization, and Mwatana Organization for Human Rights.

CSOs' administrative structures are often linked to their size and experience. Large organizations such as the National Foundation for Development and Humanitarian Response (NFDHR), SOUL for Development, and the Yemeni Women's Union have developed and implemented administrative systems that define the lines of authority and responsibilities of all their members and staff. In contrast, small organizations, whether in cities or rural areas, tend to have unclear management systems. For example, the head of the institution often serves as the chief financial officer as well. Furthermore, in most CSOs the boards of trustees are not active but exist largely to satisfy registration and renewal requirements. Many institutions do not know how to utilize their boards of trustees to help with fundraising or troubleshooting challenges.

Acquiring and retaining long-term professional staff continues to be a challenge for all CSOs, as employees often move to international organizations that generally provide higher salaries. As a result, the overwhelming majority of CSOs utilize volunteers. Particularly given the country's high unemployment rate, individuals are very often willing to volunteer with CSOs in the hope that it will lead to a paid position.

Over the past three years, the ability of local organizations to adopt technology to manage resources and project implementation has weakened as funding support has declined. Nonetheless, many CSOs in both cities and rural areas use solar power systems to access electricity and the Internet. CSOs also use social media effectively to communicate with their beneficiaries and market their projects and activities. Organizations may also use social media channels to conduct large-scale surveys. For example, in 2017, Resonate! Yemen carried out an online survey in partnership with more than twenty-five organizations around the country to measure the youth perspective on ending the conflict in Yemen.

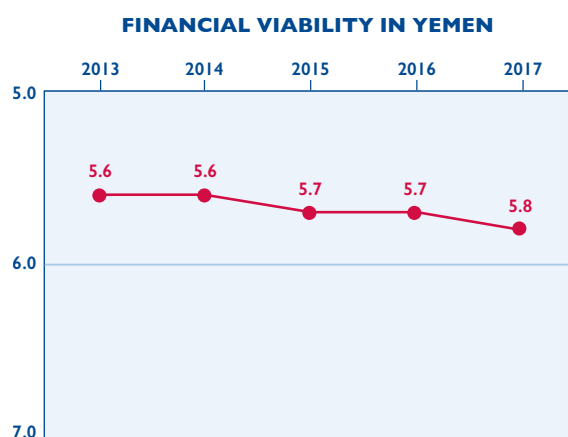


## FINANCIAL VIABILITY: 5.8

CSOs' financial viability deteriorated in 2017. Foreign funding continued to focus primarily on relief activities and was increasingly competitive, while government bodies and the private sector were increasingly unable to support organizations. CSOs also faced considerable challenges to carrying out earned-income projects. By the end of the year, many CSOs faced severe financial vulnerability.

CSOs rarely have multiple and diverse sources of funding; most have long relied on foreign donors as their primary funding source and continued to do so in 2017. This reliance on foreign funds was exacerbated further due to the economic recession in Yemen that peaked in 2017. While the number of foreign funding opportunities increased slightly in 2017, competition for the funds also increased. Most foreign funding is structured as short-term support, reflecting a new approach adopted by donors to deal with the unstable security situation. This has affected the financial viability of CSOs significantly, including by impacting their ability to recruit and train staff.

Reliance on foreign funding created additional challenges for local CSOs in 2017. Some international organizations, such as ACTED, INTERSOS, and Médecins Sans Frontières (MSF) began to work directly with Yemeni beneficiaries, instead of funding local organizations to carry out activities. For those local organizations that did secure international grants, many donors including UNICEF began making formerly discretionary funding for operating expenses or overhead conditional on its alignment with the donors' vision. A few international organizations including OXFAM and UNICEF also began paying grants in Yemeni riyal rather than Euros or US dollars, leading the value of grants to continually decline against the price of the goods and services necessary to carry out activities, further impacting local organizations' ability to implement projects in 2017.



CSOs' earned-income projects have been adversely affected by the economic downturn in the country.

In 2017, only a few well-developed organizations earned income through their activities. YLDF and AlAtta for Relief and Development, for instance, market their training and consultancy services, while the Khadija Development Foundation sells traditional products including furniture and clothing. Other CSOs closed their earned-income projects altogether in 2017 due to their unprofitability.

Private sector funding to local organizations also declined in 2017. Companies such as Yemen Mobile, MTN, Sabafon, and PetroMasila reduced their support to CSOs as compared to 2016, due to the ongoing economic decline. CSOs in Hadramout traditionally rely more on local private sector funding than on foreign funds, and some of the Coordinating Councils of Community Organizations in Hadramout and the Hadramout Society to Combat Unemployment closed in 2017 as a result of funding shortages.

The government's ability to provide funding to local organizations likewise declined significantly in 2017 as a result of a drop in public revenues. Neither government in Yemen was able to pay public sector salaries in 2017, let alone provide support to local CSOs.

Most organizations lack the ability to attract funds from multiple sources. Many of them also struggle to write compelling proposals for new projects, and rely on professional help to do so. Large organizations such as Khadija Development Foundation and Volunteers Foundation in Hadramout, and those with ties to the private sector such as Yemeni Women's Union and Food Bank, are generally more capable of attracting funds, whether from the private sector or through public fundraising activities.

CSOs' financial management remained weak in 2017, yet improved somewhat compared to prior years due to donors' continued pressure for transparency. Organizations increasingly adopt transparent financial procedures to satisfy donors' requirements.



On the other hand, many CSOs avoid publishing financial reports as there have been some instances of government officials using information about CSO salaries and operational budgets to extort or otherwise harass organizations. As an illustration of this point, in 2017 the Yemeni Observatory for Human Rights and the Social Center for Mitigating Illegal Earning attempted to gather information on the financial performance of CSOs involved in relief efforts to include in reports on social accountability; in many cases, however, they were unable to obtain the information.

## ADVOCACY: 5.1

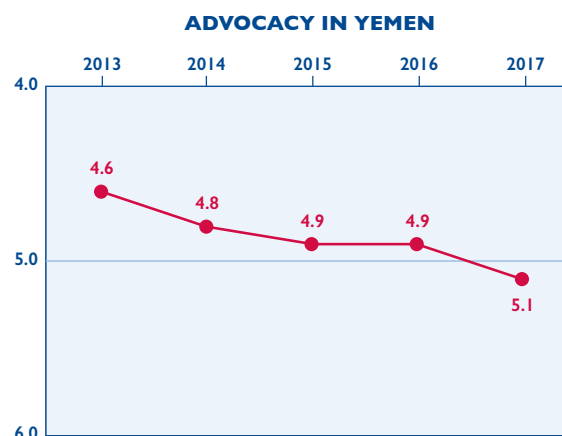
CSOs' advocacy declined significantly in 2017. Political turmoil among all parties to the conflict substantially reduced the space available for CSOs to participate in policy making and advocacy. At the same time, the existence of multiple authorities overseeing the CSO sector led to new restrictions on CSOs' advocacy activities and expression.

Neither government tries to engage the CSO sector in public decision-making processes, even on issues in which CSOs play a major role, such as humanitarian response plans. Cooperation between the two sectors tends to be limited to implementation. For example, the National Salvation Government developed a Reproductive Health Strategy in collaboration with international organizations, but only involved local CSOs beginning in the launching phase. In Hadramout and Aden, on the other hand, a culture and custom of greater participation means that CSOs enjoy relatively more access to policy-making processes. Coordinating Councils of Community Organizations in Mukalla, for instance, works with MoPIC to plan and coordinate relief and development efforts in the governorate.

Throughout Yemen, CSOs are unable to carry out advocacy campaigns against the authorities in charge without risking claims that they are allied with the opposing side in the conflict. CSOs generally only feel secure lobbying or advocating around issues that serve the interests of the dominant parties where they are located. For example, some CSOs in Houthi-controlled areas carried out a large campaign calling for the opening of Sana'a airport, which was closed by the Saudi- and UAE-led coalition. By contrast, in late 2017, international organizations issued a joint statement denouncing the coalition's closure of the sea, air, and land ports, but CSOs in areas controlled by the internationally-recognized government felt unable to join the statement.

CSOs' advocacy around public issues varied from one region to the next in 2017. In Aden, for instance, organizations including the Sawasia Organization for Human Rights, the Foundation for Human Rights, Justice for Human Rights, and Wogood for Human Security carried out advocacy campaigns against forced disappearances, as well as against the government's suspension of salaries and failure to provide electricity. In besieged Taiz, the areas under control of the internationally-recognized government witnessed popular demands for the government to pay civil servants' salaries. CSOs in Taiz also organized a large march against hunger called the Empty Stomachs campaign. In Hajjah, Sa'ada, and Hudaydah, the scope of advocacy efforts declined as a result of the escalation in military clashes in 2017.

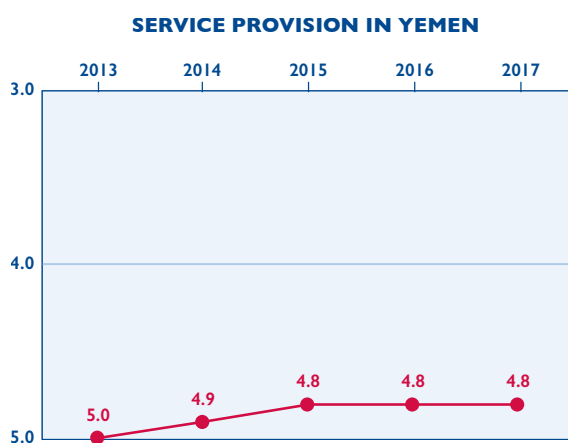
Despite security and political challenges, a number of CSOs continued to carry out advocacy activities related to public participation and government accountability. Resonate! Yemen and Yemen Will Triumph Organization (YWT) implemented several activities in 2017 aimed at empowering young people to participate in public policy in Sana'a, Hajjah, Aden, Hadramout, Marib, and Ibb. Awam Foundation and YLDF implemented the Women Leaders for Peace project, which aims to promote women's participation in politics in Hudaydah, Aden, Ibb, and Sana'a.



However, such advocacy is still sensitive. For example, the Marib Dam Foundation for Social Development set up a community accountability tent for decision-makers to meet with community leaders. The authorities, however, asked to replace the words “community accountability” on the tent with “dialogue,” due to sensitivity around the term “accountability.” In Dhamar, the Window Foundation for Social Development (WFSD) was referred to investigation for implementing advocacy activities that promoted women’s rights and political quotas.

## SERVICE PROVISION: 4.8

Despite financial, security, and political challenges, CSOs’ ability to provide services in 2017 remained steady. Organizations’ service delivery continued to focus on providing relief services and supporting IDPs, with relatively fewer efforts devoted to services in other areas such as development, economic empowerment, and education. In general, however, the need for services is greater than CSOs’ capacity to provide them, especially with the deterioration of state institutions providing public services.



In 2017, the more than 12,000 CSOs in Yemen provided a range of services. In addition to relief services, CSOs provided other services, many of which had largely halted in prior years as the conflict expanded. These included services related to women’s empowerment, conflict mitigation and resolution, community infrastructure repairs, micro-enterprise, public participation and dialogue, human rights advocacy, and education among others.

Many CSOs—particularly those working in relief and humanitarian aid—rely on international donors and the public sector to identify targeted beneficiaries and the services to be provided. This reliance has increased since the beginning of the war as a result of government restrictions on surveys and community

needs assessments; such activities now require numerous and complex permits. This situation has created some problems. Hudaydah Girls Social Development Foundation and SAWT, for instance, discovered fake names and names of individuals who were not in need on donors’ lists of target recipients for relief assistance.

Organizations providing developmental and social services are generally more successful at identifying new beneficiaries than those working in the relief field. Musanada Foundation for Development (MFD)-Hudaydah, for instance, was able to identify farmers in need of electricity and provided them with solar panels and guidance on how to use and maintain them.

Only a few organizations have earned-income projects and offer paid services. These include Khadija Development Foundation, Yemen Women’s Union, the Islah Charitable Society, SOUL for Development, YLDF, and the Small and Micro Enterprise Promotion Service (SMEPS). SOUL for Development, for instance, has a computer and technology center where it provides classes to the public for a fee, while Islah Charitable Society has various profit-earning projects including schools and training centers. Most income-generating services provided by CSOs face economic and security difficulties, however, that often prevent the full recovery of their costs.

The government’s recognition of the CSO sector’s contributions to service delivery did not significantly change in 2017. Both governments in Yemen may understand the importance of CSOs’ role in humanitarian response and the provision of services that public-sector institutions are unable to provide, but authorities continue to impose obstacles to CSOs’ work that impede those services—including permissions to conduct services, restrictions on advocacy, needs assessments, movement around the country, and other challenges described above. Organizations that implement government agendas are more positively recognized than those trying to work neutrally.

## SECTORAL INFRASTRUCTURE: 5.1

The infrastructure supporting the CSO sector remained stable overall in 2017. Networks and unions struggled to ensure their sustainability and continuity, however, while organizational development projects remained scarce.

There are still very few organizations or centers that provide training, technical, or institutional support services to CSOs. The few that exist include the Civil Strengthening Network, Yemeni Development Network for NGOs (YDN), Social Fund for Development, the Humanitarian Forum, and the CSO Coordination Council in Hadramout. These organizations and networks have been facing funding challenges since 2015, as CSO capacity building is no longer a priority in the current context. Some CSOs that do not specialize in capacity building also provide sectoral support services as part of their projects. For instance, Resonate! Yemen, which focuses on engaging young people in policy making, implemented an institutional capacity-building project for around ten CSOs in 2017. The Awam Foundation likewise works to build the capacity of organizations and projects in the fields of culture and development.

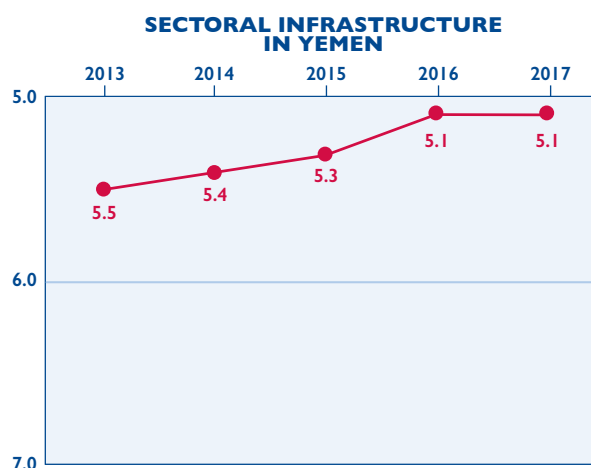
Local CSOs do not usually re-grant funds received from donors to other CSOs unless they have agreed with donors to do so. In some cases, the donor may request the CSO to partner with another organization that fills a gap such as geographical coverage, for instance. A limited number of organizations provide grants to beneficiaries. For example, SOUL for Development provides loans to beneficiaries to help them create income-generating projects through the Azal Microfinance Program.

In 2017, communication and coordination among CSOs involved in the provision of relief services improved as a result of the Inter-Cluster Coordination Groups (ICC) established by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) in 2016. However, areas under the control of the internationally-recognized government have seen less improvement, as coordination with OCHA there is not as strong.

A number of networks and alliances of CSOs persisted in 2017, including the Humanitarian Forum, the Civil Strengthening Network, the CSO Coordination Council, and YDN. Many of these alliances grew weaker during the year, however. The Civil Strengthening Network faced significant funding challenges, and as a result had to close its office and move to the building of one of its members. In many cases, alliances weakened due to member organizations being busy with their own activities. Many CSO alliances are no longer able to provide institutional and technical support services because of funding constraints.

While activities to improve the organizational and technical capacity of local organizations have decreased, INGOs and UN organizations such as UNDP and OCHA carried out capacity-building activities for CSOs carrying out activities, such as humanitarian crisis management, field surveys, training on minimum response standards (Sphere), and conflict-sensitive journalism.

The deterioration of the political, economic, and security situations in Yemen led to a decline in partnerships among CSOs as well as between CSOs and other sectors. Instances of partnerships between CSOs and government remained very rare, while CSO partnerships with the private sector deteriorated due to economic difficulties. Private companies such as Yemen Mobile, MTN, Petro Massila, Sabafon, and Pepsi no longer finance community programs in partnership with CSOs including YLDF, Hemmat Shabab, Khadija Development Foundation, and others. In Hadramout, however, some CSOs such as Alawn Foundation and Al-Sedeeq Association have maintained partnerships with the private sector to implement community projects.



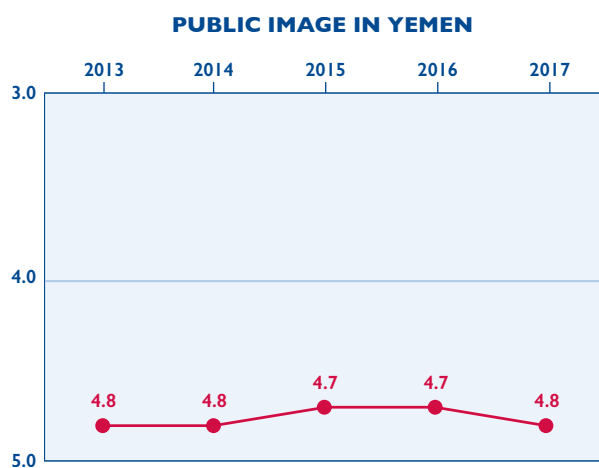
## PUBLIC IMAGE: 4.8

The public perception of CSOs declined in 2017 as a result of the politicization of CSOs' activities and the diminishing space available for expression and public outreach.

CSOs throughout Yemen increasingly sought to limit media coverage of their organizations and activities in 2017, as such coverage is often politicized and distorted. Some donor organizations even ask their local partners to avoid the media in order not to attract unwanted attention. In Yemen, political authorities substantially dictate the media's angle—including the sometimes negative portrayals of CSOs. Organizations that do align or affiliate with the relevant local authorities receive more positive coverage by private and public media.

In 2017, authorities publicly accused some organizations of corruption, including stealing relief aid in several cities. This harmed the public reputation of CSOs, reinforcing the negative image of CSOs as corrupt and self-interested, despite public recognition of the good works they perform.

Political actors waged other negative campaigns against certain CSOs affiliated with their political opponents. Some authorities accused organizations working in community development, women's and youth rights, and human rights of being aligned with foreign governments and following foreign agendas, or discouraging young people from participating in the fighting. For instance, Mwatana Organization for Human Rights, Tamkeen Foundation for Development, and other human rights organizations experienced harassment and distorted media coverage for reports they published on rights violations by parties to the conflict in Yemen. Tamkeen was forced to stop its activities in Sana'a as a result.



Some organizations, especially larger ones, have their own websites to advertise their services and activities. But in general social media tends to serve as CSOs' primary means of communicating with beneficiaries and community partners. Most organizations, including Resonate! Yemen, SAWT, Youth Without Borders, and Hudaydah Girls Social Development Foundation, use their social media pages—especially Facebook—to publish employment, partnership, and training opportunities. They find social media to be the cheapest and best way to reach their target audience, and generally more effective than traditional media for promoting their activities and services.

Most organizations lack the organizational capacity required to ensure high levels of transparency in their

operations and practices. Many also avoid publishing annual reports detailing their services, activities, and funding in order to avoid harassment by state authorities and negative media coverage.

# ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

## INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

### 2017 CSO SUSTAINABILITY INDEX

#### I. INTRODUCTION

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

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

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

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

## II. METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed by the IP to assemble the Expert Panel that will meet in person to discuss the status of civil society over the reporting year, determine scores, and prepare a country report for the 2017 Civil Society Organization (CSO) Sustainability Index.



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

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

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

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

**If there is a USAID Mission in the country, a USAID representative must be invited to attend the panel.**

USAID representatives that attend are welcome to provide some words of introduction to open the event, as it is funded by USAID, and they are welcome to observe and participate in the discussion. However, they will not have the ability to cast their vote in terms of scores.

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

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

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

In order to allow adequate time to prepare for the panel, distribute the instructions, rating description documents and a copy of the previous year's country chapter to the members of the Expert Panel a minimum of three days before convening the Panel so that they may develop their initial scores for each dimension before meeting with the other panel members. It is critical to

emphasize the importance of developing their scores and justifications before attending the panel. It is also important to remind panel members that the scores should reflect developments during the 2017 calendar year (January 1, 2017, through December 31, 2017). We also recommend you encourage panelists to think of concrete examples that illustrate trends, since this information will be crucial to justifying their proposed scores.

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

**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.*

These methods will be supplemented by brief satisfaction surveys that will be used to help evaluate the success of methodological and process innovations.

### 3. Convene a meeting of the CSO Expert Panel.

**3.a.** We do not require panelists to score individual indicators but only overall dimensions. For each dimension, allow each panel member to share his or her initial score and justification with the rest of the group.

(Note: If two or more representatives of the same CSO participate in the Panel, only one vote can be cast on their behalf.) Although scoring will not take place at the indicator level, please be sure that panel members discuss each indicator within each dimension of the CSOSI and provide evidence-based, country-relevant examples of recent or historical conditions, policies, and events within each of the dimension narratives. Please take notes on the discussion of each indicator and dimension, detailing the justification for all dimension scores, in the template provided in **Annex B**. These notes must be submitted to FHI 360 with the first draft of the narratives (they do not have to be translated to English if not originally written in English).

At the end of the discussion of each dimension, allow panel members to adjust their scores, if desired. Then, for each dimension, eliminate the highest score and the lowest score (if there are two or more of the highest or lowest scores, only eliminate one of them) and average the remaining scores together to come up with a single score for each dimension. Calculate the average or arithmetic mean<sup>1</sup> of these scores for a preliminary score for the dimension. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Use a table similar to the one provided below to track panel members' scores without personal attribution.

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

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

A change of .1 should generally be used to reflect modest changes in a dimension. A change of .2 is considered more significant and is appropriate when several indicators within a dimension improve or decline. Larger differences may be warranted if there are more significant changes in the sector. In all of these cases, the evidence to support the scoring change must be discussed by the panel and documented in the dimension narrative.

In addition, for each dimension score, review the relevant 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 the panel does not feel that the proposed score is accurate after these two reviews, discuss as a group to determine a more accurate score that fits the description for that dimension. Ultimately, each score should reflect consensus among group members.

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

<sup>1</sup> Arithmetic mean is the sum of all scores divided by the total number of scores.



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

**4. Prepare a draft country report.** The report should focus on developments over the calendar year 2017 (January 1, 2017, through December 31, 2017).

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

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

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

- CIVICUS Civil Society Index - <http://csi.civicus.org/index.php>
- CIVICUS Monitor - <https://monitor.civicus.org/>
- World Giving Index - <https://www.cafonline.org/about-us/publications>
- Varieties of Democracy (V-Dem) - <https://www.v-dem.net/en/analysis/analysis/>
- Media Sustainability Index - <https://www.irex.org/projects/media-sustainability-index-msi>
- Nations in Transit - <https://freedomhouse.org/report-types/nations-transit#.VdugbqSFOhI>
- Freedom in the World - <https://freedomhouse.org/report/freedom-world/freedom-world-2017>
- Freedom of the Press - <https://freedomhouse.org/report/freedom-press/freedom-press-2017>
- ITUC Global Rights Index - <https://www.ituc-csi.org/ituc-global-rights-index-2017?lang=en>
- ITUC Survey of Violations of Trade Union Rights - <https://survey.ituc-csi.org/>
- U.S. Department of State Human Rights Report - <https://www.state.gov/j/drl/rls/hrrpt/>
- ICNL Civic Freedom Monitor - <http://www.icnl.org/research/monitor/>
- Carnegie Endowment for International Peace - <https://carnegieendowment.org/regions>
- Afro-Barometer - <http://www.afrobarometer.org/>

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

While the individual country reports for the 2017 CSO Sustainability Index must be brief, implementers may write longer reports for their own use to more fully describe the substance of the panel meetings. Longer reports may include additional country context information or examples and could be used for a variety of purposes, including advocacy initiatives, research, informing project designs, etc.

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

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

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

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

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

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

### III. THE ROLE OF THE EDITORIAL COMMITTEE

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

The Editorial Committee has three main roles. It reviews all reports and scores to ensure that narratives are adequate and compelling from the standpoint of supporting the proposed score and to determine if the proposed change in score is supported by the narrative. A compelling narrative demonstrates that a score results from evidence of systematic and widespread cases and is not based on one or two individual cases. For example, a country environment characterized by a growing number of CSOs with strong financial management systems that raise funds locally from diverse sources is a compelling justification for an elevated financial viability score. A country in which one or two large CSOs now have the ability to raise funds from diverse sources is not.

The Editorial Committee also checks that scores for each dimension meet the criteria described in “Ratings: A Closer Look,” to ensure that scores and narratives accurately reflect the actual stage of CSO sector development. Finally, the Editorial Committee considers a country’s score in relation to the proposed scores in other countries, providing a regional perspective that ensures comparability of scores across all countries.

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

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## INSTRUCTIONS FOR CSOSI EXPERT PANEL MEMBERS

### I. SCOPE OF ANALYSIS

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

*Civil Society Organization (CSO):* Civil society organizations are defined “broadly as any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more.”<sup>2</sup>

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

*Legal Environment:* The legal and regulatory environment governing the CSO sector and its implementation.

*Organizational Capacity:* The internal capacity of the CSO sector to pursue its goals.

*Financial Viability:* The CSO sector’s access to various sources of financial support.

*Advocacy:* The CSO sector’s ability to influence public opinion and public policy.

*Service Provision:* The CSO sector’s ability to provide goods and services.

*Sectoral Infrastructure:* Support services available to the CSO sector.

*Public Image:* Society’s perception of the CSO sector.

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2. 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.

## II. PROCESS

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 dimensions.

**Step 1:** Please start by reviewing last year's report and other sources of information about sectoral developments from the last year that you are aware of. Then, rate 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.

When rating each dimension, please remember to consider each indicator carefully and make note of any specific, country-relevant examples of recent or historical conditions, policies, or events that you used as a basis for determining this score.

**Step 2:** Review your proposed score for each dimension to ensure that it makes sense in comparison to last year's score given sectoral and country developments. In addition, 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 last year's score and "Ratings: A Closer Look", you determine that the score does not accurately depict the situation, please determine a more accurate score that better fits with the historical score and the description for that dimension.

| Sustainability Enhanced |           | Sustainability Evolving |           | Sustainability Impeded |           |
|-------------------------|-----------|-------------------------|-----------|------------------------|-----------|
| 1.0 – 2.0               | 2.1 – 3.0 | 3.1 – 4.0               | 4.1 – 5.0 | 5.1 – 6.0              | 6.1 – 7.0 |

### Score Changes from Previous Year

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

- 0.1            Moderate change
- 0.2            Significant change
- 0.3 or greater    Cataclysmic and often unexpected change

**Step 3:** Once you have scores for each dimension, average these seven scores together to arrive at an overall country rating.

**Step 4:** Attend the Expert Panel discussion. Listen to other experts describe the justification for their scores. After discussing each indicator in a dimension, you will have the opportunity to revise your proposed score to achieve a consensus score for that dimension.

*It is very important that the discussion includes specific examples and information that can be used to justify the Expert Panel scores. Therefore, please come prepared to share specific evidence of examples to support trends you have noted during the year. If adequate information is not provided, the Editorial Committee has the right to adjust the scores accordingly.*

## SCORING SCALE:

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

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

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## SCORING: DIMENSIONS AND INDICATORS

### I. LEGAL ENVIRONMENT \_\_\_\_\_

#### REGISTRATION – Legal procedures to formalize the existence of a CSO

- Are there favorable laws on CSO registration?
- Do CSOs have to register in order to operate?
- In practice, are CSOs—no matter what their legal form or issues they focus on—easily able to register (i.e., are there significant barriers in terms of duration, cost, or bureaucracy)?
- Do some types of organizations have more difficulty with registration than others?

#### OPERATION – The enforcement of the laws and its effects on CSOs

- Do the laws clearly set out clear and limited rules for the internal governance of CSOs?
- Do the laws limit the scope of a CSO's permissible activities, for example, by restricting certain types of advocacy or expression by CSOs?
- Are CSO reporting and other accountability obligations clearly set out in the laws and are these burdensome to CSOs?
- Do the laws provide clear limits on government oversight over CSOs?
- Are the laws and regulations implemented consistently and in accordance with their terms?

### **STATE HARASSMENT – Abuses committed against CSOs and their members by state institutions and groups acting on behalf of the state**

- To what extent are CSOs and their representatives allowed to operate freely under the law?
- Are CSOs protected from the possibility of the State dissolving a CSO for political/arbitrary reasons?
- Are CSOs free from harassment by the central government, local governments, and tax police?
- To what extent do CSOs have legal recourse to contest government decisions (e.g., cancellation of a CSO's registration, suspension of an activity, or refusal to authorize a grant) in court?
- Can CSOs freely address matters of public debate and express criticism?
- Do CSOs have the right to assemble and participate in public protests?

### **TAXATION – Tax policies that affect CSOs**

- Do CSOs receive any sort of tax exemptions or deductions on income from grants, endowments, fees, or economic activity?
- Do individual or corporate donors receive tax deductions?

### **ACCESS TO RESOURCES – Legal opportunities for CSOs to mobilize financial resources**

- Are CSOs allowed legally to earn income from the provision of goods and services by charging fees, establishing social enterprises, or other means?
- Is a broad cross-section of CSOs allowed legally to compete for government contracts/procurements at the local and central levels?
- Are CSOs allowed to engage in fundraising campaigns?
- Are CSOs allowed to accept funds from foreign donors?

### **LOCAL LEGAL CAPACITY – Availability and quality of legal expertise for CSOs**

- Are there local lawyers who are trained in and familiar with CSO-related laws?
- Is high-quality legal advice available to CSOs in the capital city and in secondary cities?

## **II. ORGANIZATIONAL CAPACITY \_\_\_\_\_**

### **CONSTITUENCY BUILDING – Relationships with individuals or groups affected by or interested in issues on which CSOs work**

- To what extent do CSOs clearly identify potential constituents and beneficiaries and actively seek to develop relationships with them, for example by involving them in their activities or ensuring that their activities represent constituents' needs and interests?
- How successful are CSOs in these endeavors?

### **STRATEGIC PLANNING – Organizational goals and priorities for a set timeframe.**

- Do CSOs have clearly defined missions?
- Do CSOs have clearly defined strategic plans and incorporate strategic planning techniques in their decision-making processes?
- To what extent do CSOs follow their missions and strategic plans?
- To what extent do CSOs have metrics for measuring the success of their work?

## **INTERNAL MANAGEMENT STRUCTURE – Structures and processes to guide the work of CSOs**

- Do CSOs have clearly defined management structures, including a recognized division of responsibilities between the Board of Directors and staff members?
- To what extent do Boards actively engage in the governance of CSOs?
- To what extent do CSOs operate in an open and transparent manner, including allowing contributors and supporters to verify appropriate use of funds?
- Do CSOs have written policies or procedures to guide organizational operations?
- Do CSOs take appropriate steps to avoid conflicts of interest?

## **CSO STAFFING – Quality and management of human resources**

- To what extent are CSOs able to maintain permanent, paid staff?
- To what extent do CSOs develop the skills/competencies of their employees, including leadership skills as part of succession planning?
- To what extent do CSOs have adequate human resources practices for staff, including contracts, job descriptions, payroll and personnel policies?
- Do CSOs recruit and engage volunteers sufficiently?
- Do CSOs utilize professional services such as accountants, IT managers or lawyers?

## **TECHNICAL ADVANCEMENT – Access to and use of technology**

- Do CSOs' resources generally allow for modernized basic office equipment (relatively new computers and software, printers, cell phones, etc.)?
- To what extent are CSOs able to access the Internet?
- Are CSOs effective in using modern technology and information communication technologies (ICT), including social media tools like Facebook, WhatsApp, LinkedIn, and Snapchat, to facilitate their operations?

## **III. FINANCIAL VIABILITY \_\_\_\_\_**

### **DIVERSIFICATION – Access to multiple sources of funding**

- Do CSOs typically have multiple and diverse sources of funding to sustain their operations in both the short and long term?

### **LOCAL SUPPORT – Domestic sources of funding and resources**

- To what extent do CSOs raise their funding from local sources, including individuals, governments, businesses, and local foundations?
- Are CSOs able to draw upon a core of volunteer and non-monetary support from their communities and constituencies?
- To what extent do CSOs benefit from corporate philanthropy/corporate social responsibility (CSR) programs?
- Do governments (central and/or local) provide grants to CSOs in an open and transparent manner?

### **FOREIGN SUPPORT -- Foreign sources of funding and resources**

- To what extent does the CSO sector rely on foreign funding?
- Have shifts in funding levels or priorities of foreign donors affected CSOs?
- How diversified is the support CSOs receive from foreign donors, both in terms of number and types (e.g. private, government)?

## **FUNDRAISING – CSOs' capacity to raise funds**

- Do CSOs actively seek to raise support from their communities and constituencies?
- Do CSOs engage in any sort of membership outreach, resource mobilization activities (sporting events, cultural festival, diaspora outreach, etc.) or philanthropy development programs?
- Do CSOs use new information communication technologies (ICT) to raise funds?
- Do membership-based organizations collect dues?

## **EARNED INCOME – Revenue generated from the sale of products and services**

- To what extent do CSOs earn revenues from services, products, or rent from assets?
- To what extent do CSOs establish social enterprises?
- Do government bodies or local businesses contract with CSOs for services?

## **FINANCIAL MANAGEMENT SYSTEMS – Processes, procedures and tools to manage financial resources and operations**

- Do CSOs typically have sound financial management systems in place?
- To what extent do CSOs have access to professional financial management services?
- Do CSOs typically operate in a transparent manner, including the use of independent financial audits and the publication of annual reports with financial statements?

## **IV. ADVOCACY \_\_\_\_\_**

### **COOPERATION WITH LOCAL AND CENTRAL GOVERNMENT – Access to government decision-making processes**

- Are there direct lines of communication or other avenues for collaborations between CSOs and policy makers at the central and local levels?
- Are these avenues informal and ad hoc or institutionalized into government decision-making processes?
- Do government policies or laws require public access to government decision-making processes, including requirements to have working groups, public hearings, etc.?

### **POLICY ADVOCACY INITIATIVES – Initiatives to shape the public agenda, public opinion, or legislation**

- Do CSOs—either individually or in issue-based coalitions—conduct broad-based advocacy campaigns aimed at shaping the public agenda, public opinion, or legislation?
- To what extent have these campaigns been effective, at either the local or national level?
- How do CSOs select policy advocacy initiatives and to what extent are other local CSOs and communities consulted in this process?

### **LOBBYING EFFORTS – Engagement with lawmakers to directly influence the legislative process**

- 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?

### **ADVOCACY FOR CSO LAW REFORM – Initiatives to promote a more favorable legal and regulatory framework for the CSO sector**

- Is there awareness in the wider CSO community of how a favorable legal and regulatory framework can enhance CSO effectiveness and sustainability?
- Have CSOs made efforts to promote legal reforms that will benefit CSOs, local philanthropy, etc.?



## V. SERVICE PROVISION \_\_\_\_\_

### **RANGE OF GOODS AND SERVICES – Variety of goods and services offered**

- 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" or services diversified?

### **RESPONSIVENESS TO THE COMMUNITY – Extent to which goods and services address local needs**

- Do the goods and services that CSOs provide reflect the needs and priorities of their constituents and communities?
- How do CSOs determine these needs?
- Do CSOs collect data to demonstrate their contributions to local needs?

### **CONSTITUENCIES AND CLIENTELE – People, organizations and communities who utilize or benefit from CSOs' services and goods**

- Do membership associations provide goods and services to individuals beyond their own members?
- Do CSOs offer, distribute, or market some products, such as publications, workshops or expert analysis, to other CSOs, academia, businesses, religious institutions, or government?
- Do CSOs generally provide their goods and services without discrimination with regards to race, gender, ethnicity, sexual orientation, etc.?

### **COST RECOVERY – Capacity to generate revenue through service provision**

- Do CSOs recover any of the costs of service provision by charging fees, creating social enterprises, signing contracts, etc.?
- To what extent do CSOs have knowledge of the market demand -- and the ability of distinct constituencies to pay -- for those products?

### **GOVERNMENT RECOGNITION AND SUPPORT– Government appreciation for CSO service provision**

- To what extent does the government, at the national and local level, recognize the value that CSOs can add in the provision and monitoring of basic social services through its public statements or policies and practices?

## VI. SECTORAL INFRASTRUCTURE \_\_\_\_\_

### **INTERMEDIARY SUPPORT ORGANIZATIONS (ISOS) AND CSO RESOURCE CENTERS – Organizations and programs that provide CSOs with training and other support services**

- Are there ISOs (organizations that provide access to training and technical support) that serve CSOs in the country?
- Are there CSO resource centers (places where CSOs can access information and communications technology), or other means for CSOs to access relevant information, technology, training and technical assistance throughout the country?
- To what extent 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?

### **LOCAL GRANT MAKING ORGANIZATIONS – Local institutions, organizations or programs providing financial resources to CSOs**

- Do local community foundations 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 – Cooperation within the CSO sector**

- To what extent do CSOs share information with each other or work together towards common aims?
- Are there networks or coalitions in place that facilitate such cooperation?
- Is there an organization or committee through which the sector promotes its interests?

### **TRAINING – Training opportunities available to CSOs**

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

### **INTERSECTORAL PARTNERSHIPS – Collaboration between CSOs and other sectors**

- Are there examples of CSOs working in partnership, either formally or informally, with the private sector, government, and the media to achieve common objectives?
- Is there awareness among the various sectors of the possibilities for and advantages of such partnerships?

## **VII. PUBLIC IMAGE \_\_\_\_\_**

### **MEDIA COVERAGE – Presence of CSOs and their activities in the media (print, television, radio and online)**

- Do CSOs—both those engaged in advocacy and service provision—enjoy media coverage at the local and national levels, in both government-controlled and private media, and in traditional (print, radio, TV) and online media?
- To what extent is this coverage positive?
- Do the media make a distinction 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 – Reputation among the larger population**

- Does the public have a positive perception of CSOs—both those engaged in advocacy and service provision?
- Does the public understand the concept of a CSO?
- Is the public supportive of CSO activity overall?
- How relevant is the mission of CSOs to community members?

### **GOVERNMENT/BUSINESS PERCEPTION OF CSOS – Reputation with the government and business sector**

- Do the business sector and local and central government officials have a positive perception of CSOs—both those engaged in advocacy and service provision?
- Do they rely on CSOs as a community resource, or as a source of expertise and credible information?

## PUBLIC RELATIONS – Efforts to promote organizational image and activities

- To what extent do CSOs raise awareness about their activities or promote their public image?
- To what extent do CSOs develop relationships with journalists to encourage positive coverage?
- Do CSOs effectively use social media for public outreach?

## SELF-REGULATION – Actions taken to increase accountability and transparency

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

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## RATINGS: A CLOSER LOOK

The following sections go into greater depth about the characteristics in each of the seven dimensions of the sector's development. These characteristics and stages are drawn from empirical observations of the sector's development in the region, rather than a causal theory of development. Given the decentralized nature of civil society 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 stages: Sustainability Enhanced, Sustainability Evolving<sup>3</sup>, and Sustainability Impeded. The Sustainability Enhanced stage, the highest level of sustainability and development, corresponds to a score between 1 and 3 points; the Sustainability Evolving stage corresponds to a score between 3.1 and 5 points; and the lowest level of development, the Sustainability Impeded stage, corresponds to a score of 5.1 to 7 points on the scale.

### LEGAL ENVIRONMENT

**Sustainability Enhanced (1–3):** The legislative and regulatory framework makes special provisions for the needs of CSOs, regardless of their affiliation or nature of activities, 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 (3.1–5):** CSOs, regardless of their affiliation or nature of activities, 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 (5.1–7):** The legal environment severely restricts the ability of CSOs, or certain types 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.

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3. The 'Sustainability Evolving' categorization does not assume a direct or forward trajectory. Dimension and Overall Sustainability scores that fall within this category may represent both improvements and regressions.

## ORGANIZATIONAL CAPACITY

**Sustainability Enhanced (1–3):** 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 (3.1–5):** 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 (5.1–7):** 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. At this stage, 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 (1–3):** 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 (3.1–5):** 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 (5.1–7):** 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. Government restricts access to resources—foreign or domestic—through legislative and other restrictions.

## ADVOCACY

**Sustainability Enhanced (1–3):** 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 stage of development will review their strategies, and possess an ability to adapt and respond to challenges by sector. A prime motivator for cooperation is self-interest: CSOs may form alliances around shared issues confronting them as nonprofit, nongovernmental organizations. Formal mechanisms exist and are utilized to allow a range of CSOs to participate in the various levels of government decision-making processes.

**Sustainability Evolving (3.1–5):** Narrowly defined advocacy organizations emerge and become politically active in response to specific issues. Organizations at the evolving level of development may often present their concerns to inappropriate levels of government (local instead of national and vice versa). Weakness of the legislative branch might be revealed or incorrectly assumed, as activists choose to meet with executive branch officials instead ("where the power truly lies"). Beginnings of alternative policy analysis are found at universities and think tanks. Information sharing and networking within the CSO sector to inform and advocate its needs within the government begins to develop. Formal mechanisms to allow for CSOs to participate in various levels of government decision-making processes may exist, however they are not effective or routinely used in practice.

**Sustainability Impeded (5.1–7):** Broad umbrella movements, composed of activists concerned with a variety of sectors, and united in their opposition to the Government fall apart or disappear. Some countries at this stage have not even experienced any initial burst of activism. Economic concerns are predominant for most citizens. Passivity, cynicism, or fear exist within the general public. 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 (1–3):** 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 (3.1–5):** 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 (5.1–7):** 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.

## SECTORAL INFRASTRUCTURE

**Sustainability Enhanced (1–3):** 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 (3.1–5):** ISOs and resource centers are active in major population centers, and provide services such as distributing grants, publishing newsletters, maintaining a membership database, running a library of 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' fora are formed to coordinate the financial support of international donors, and to develop local corporate philanthropic activities. The value of intersectoral partnerships has not yet been realized.

**Sustainability Impeded (5.1–7):** There are few, if any, active ISOs or resource centers, networks and umbrella organizations. Those that do operate work primarily in the capital city and provide limited services such as access to computer equipment, faxes, e-mail and meeting space. Local training and 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 (1–3):** This stage 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 (3.1–5):** 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 (5.1–7):** 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

## 2017 MIDDLE EAST AND NORTH AFRICA

■ Sustainability Enhanced    
 ■ Sustainability Evolving    
 ■ Sustainability Impeded

| Country            | CSO Sustainability | Legal Environment | Organizational Capacity | Financial Viability | Advocacy | Service Provision | Sectoral Infrastructure | Public Image |
|--------------------|--------------------|-------------------|-------------------------|---------------------|----------|-------------------|-------------------------|--------------|
| Egypt              | 5.6                | 6.7               | 5.6                     | 6.0                 | 5.6      | 4.9               | 4.3                     | 6.0          |
| Iraq               | 4.8                | 4.6               | 4.9                     | 5.5                 | 3.6      | 4.5               | 5.2                     | 5.0          |
| Jordan             | 5.1                | 5.4               | 5.4                     | 5.3                 | 5.0      | 4.7               | 5.0                     | 4.6          |
| Lebanon            | 3.9                | 4.1               | 4.0                     | 4.9                 | 3.5      | 3.4               | 3.8                     | 3.9          |
| Morocco            | 4.7                | 4.6               | 5.1                     | 5.6                 | 3.8      | 4.5               | 4.9                     | 4.3          |
| West Bank and Gaza | 4.4                | 5.1               | 4.0                     | 5.1                 | 4.3      | 3.8               | 4.0                     | 4.2          |
| Yemen              | 5.2                | 5.3               | 5.2                     | 5.8                 | 5.1      | 4.8               | 5.1                     | 4.8          |

## COUNTRIES RANKED BY SCORE

### Legal Environment

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 4.1 |
| Iraq                           | 4.6 |
| Morocco                        | 4.6 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| West Bank and Gaza             | 5.1 |
| Yemen                          | 5.3 |
| Jordan                         | 5.4 |
| Egypt                          | 6.7 |

### Organizational Capacity

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 4.0 |
| West Bank and Gaza             | 4.0 |
| Iraq                           | 4.9 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| Morocco                        | 5.1 |
| Yemen                          | 5.2 |
| Jordan                         | 5.4 |
| Egypt                          | 5.6 |

### Financial Viability

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 4.9 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| West Bank and Gaza             | 5.1 |
| Jordan                         | 5.3 |
| Iraq                           | 5.5 |
| Morocco                        | 5.6 |
| Yemen                          | 5.8 |
| Egypt                          | 6.0 |

### Advocacy

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 3.5 |
| Iraq                           | 3.6 |
| Morocco                        | 3.8 |
| West Bank and Gaza             | 4.3 |
| Jordan                         | 5.0 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| Yemen                          | 5.1 |
| Egypt                          | 5.6 |

### Service Provision

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 3.4 |
| West Bank and Gaza             | 3.8 |
| Iraq                           | 4.5 |
| Morocco                        | 4.5 |
| Jordan                         | 4.7 |
| Yemen                          | 4.8 |
| Egypt                          | 4.9 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |

### Sectoral Infrastructure

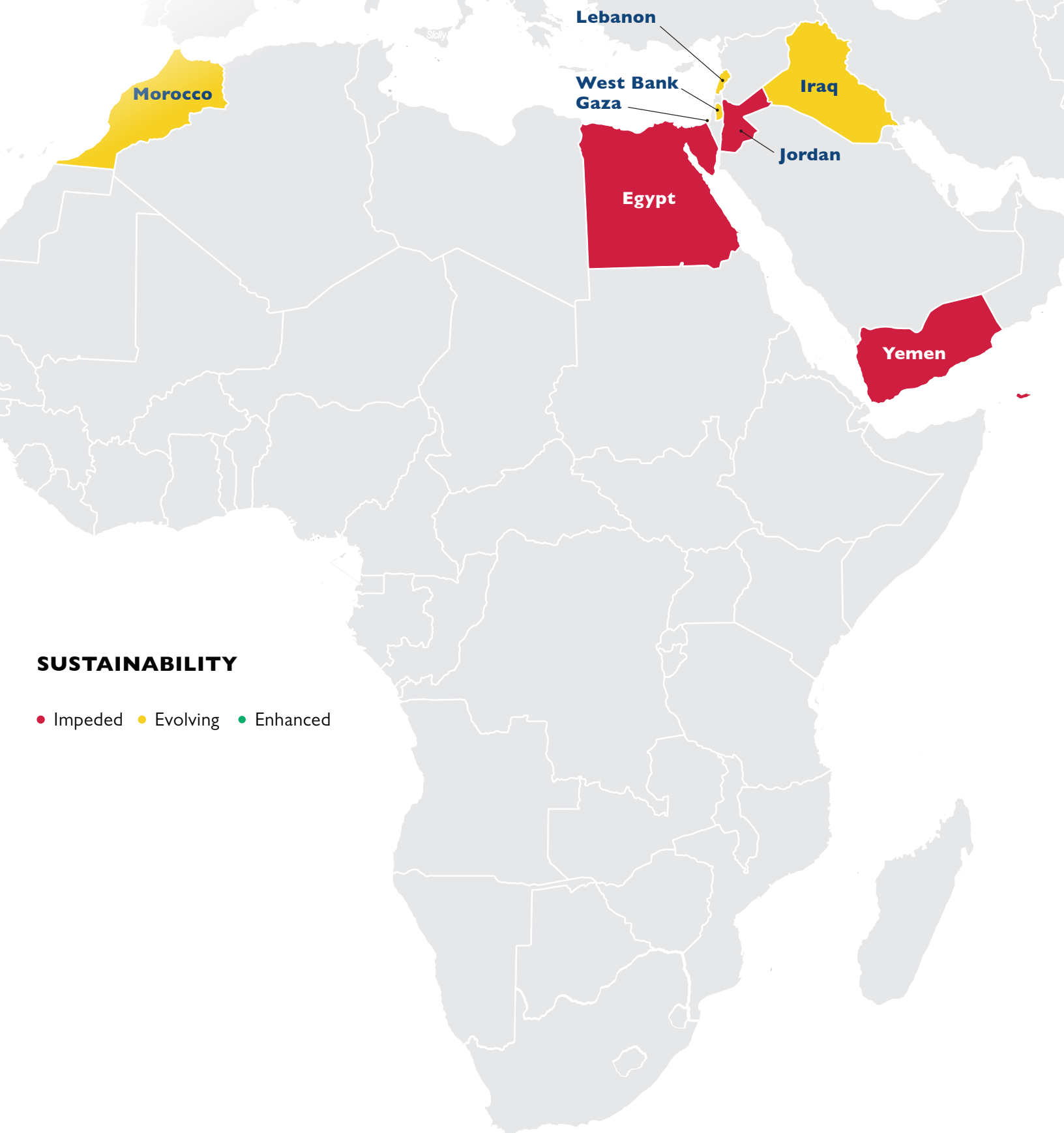
|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 3.8 |
| West Bank and Gaza             | 4.0 |
| Egypt                          | 4.3 |
| Morocco                        | 4.9 |
| Jordan                         | 5.0 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| Yemen                          | 5.1 |
| Iraq                           | 5.2 |

### Public Image

|                                |     |
|--------------------------------|-----|
| <b>SUSTAINABILITY ENHANCED</b> |     |
| <b>SUSTAINABILITY EVOLVING</b> |     |
| Lebanon                        | 3.9 |
| West Bank and Gaza             | 4.2 |
| Morocco                        | 4.3 |
| Jordan                         | 4.6 |
| Yemen                          | 4.8 |
| Iraq                           | 5.0 |
| <b>SUSTAINABILITY IMPEDED</b>  |     |
| Egypt                          | 6.0 |



# ANNEX C: REGIONAL MAP



## SUSTAINABILITY

- Impeded
- Evolving
- Enhanced

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