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2018 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX



BANGLADESH

2018 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR ASIA

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INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the fifth edition of the *CSO Sustainability Index for Asia*, covering developments in 2018.

This year's Index reports on the state of CSO sectors in nine countries in Asia. The Index 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 and international CSOs, governments, multilateral institutions, donors, academics, and other partners and stakeholders who want to better understand and monitor key aspects of sustainability in the CSO sector.

The Index's methodology relies on CSO practitioners and researchers, who in each country form an expert panel to assess and rate these dimensions of CSO sustainability during the year. The panel agrees on a score for each dimension, which ranges from 1 (the most enhanced level of sustainability) to 7 (the most impeded). The dimension scores are then averaged to produce an overall sustainability score for the CSO sector of a given country. A Washington, DC-based editorial committee composed of technical and regional experts reviews each panel's scores and the corresponding narrative reports, with the aim of maintaining consistent approaches and standards so as to facilitate cross-country comparisons.

In order to better ensure scoring consistency across countries, one dimension-level score in this year's Index was recalibrated to better reflect the situation on the ground, as opposed to being based on change from the previous year. The score is marked in the individual report. Further details about the methodology used to calculate scores and produce narrative reports, and to recalibrate scores, are provided in Annex A.

The *CSO Sustainability Index for Asia* complements similar publications covering other regions. The *CSO Sustainability Index for Central and Eastern Europe and Eurasia* assesses the civil society sectors in twenty-four countries; the *CSO Sustainability Index for Sub-Saharan Africa* covers thirty-one countries, and the *CSO Sustainability Index for the Middle East and North Africa* reports on developments in seven countries. In addition, the first report for Mexico is being published this year. These various editions of the *CSO Sustainability Index* bring the total number of countries surveyed in 2018 to seventy-two.

To further explore CSOSI's historical data and past reports, please visit - www.csosi.org.

EXECUTIVE SUMMARY

The *2018 CSO Sustainability Index for Asia* reports on advances and setbacks in seven key dimensions affecting the sustainability of the CSO sectors in nine countries: Bangladesh, Burma, Cambodia, Indonesia, Nepal, Pakistan, the Philippines, Sri Lanka, and Thailand.

POLITICAL DEVELOPMENTS

Political developments, including elections and political systems, continued to impact CSOs in the region in 2018.

Elections were held in 2018 in several countries covered in this edition of the *CSO Sustainability Index*, including Bangladesh, Cambodia, Sri Lanka, Nepal, and Pakistan. Problematic general elections were held in Bangladesh and Cambodia, which resulted in landslide victories for the ruling parties in both countries. In the run-up to both elections, political and human rights activists were arrested and media outlets were silenced, which had a dampening effect on CSO advocacy. After a prolonged delay, the first local elections were held in Sri Lanka since the coalition government came to power in early 2015. In Nepal, the incumbent president was reelected for a second five-year term in March. In July, Pakistan held elections for the National Assembly and the four provincial assemblies. The election results included several historical achievements. For the first time, a candidate from the minority Hindu community won a seat in the parliament as a candidate with a mainstream party platform. In addition, a record number of women candidates ran in the direct elections for the National Assembly and provincial assemblies. In another first, in March, a Hindu woman was elected to the Senate (the upper house of parliament) for the first time in Pakistan's history.

Systematic challenges continued to stunt the development of democratic systems in Thailand and Burma. Thailand continues to be under military rule, and the prime minister has absolute power. While Burma has had a civilian-led government for the past two years, the military retains control of 25 percent of seats in parliament, as well as three powerful ministries, and much of the civil service is dominated by ex-military officials. In these contexts, CSOs have limited opportunities to influence public policies.

Sri Lanka experienced significant political turmoil in the last few months of the year. After a major political alliance withdrew from the coalition government, the president appointed a new prime minister and eventually dissolved the parliament, a move that was challenged in the Supreme Court. In December, the Supreme Court ruled that the dissolution of the parliament was unconstitutional, and the previous prime minister was sworn in again. CSOs played a vital role during this tumultuous period, organizing protests, engaging on social media, and filing petitions before the Supreme Court to challenge the actions taken.

In the Philippines, the administration has repeatedly threatened the declaration of a revolutionary government or the exercise of emergency powers, citing the alleged destabilization plot against the president and the need for greater authority to address increasing crime. In May, the Chief Justice of the Supreme Court was ousted in a controversial manner for allegedly not submitting all the required statements of her assets, liabilities, and net worth. This was seen as retaliation for the fact that she had issued dissenting opinions on several decisions involving government actions. CSOs mobilized thousands of supporters to protest her ouster.

ONGOING CONFLICTS

Long-standing conflicts continued to simmer in several countries in the region. In some cases, conflicts restrict CSOs' access to various parts of the country, while in others it drives the services that CSOs provide.

The conflict in Thailand's Deep South between the insurgent group Barisan Revolusi Nasional (BRN) and the Thai authorities continued in 2018, although there were some promising developments. In February, the MARA Patani, a pro-dialogue umbrella organization uniting six insurgent groups, nearly reached an agreement with Thai authorities on a ceasefire zone, but the Thai authorities ultimately refused to conclude the agreement. According

to news sources, in November BRN stated it had “slowed down its military operations as it is pursuing the political way.” In addition, the Malaysian prime minister committed to help end the violence in the South. The government suspects some organizations of being part of the separatist movement and therefore subjects them to heavy surveillance. Because of this strict monitoring, local communities avoid collaborating with CSOs in this area, making it difficult for CSOs to build strong constituencies.

In the Philippines, after decades-long peace negotiations between rebel groups in Mindanao and the Philippine government, the Bangsamoro Organic Law was passed by Congress and signed by President Duterte in 2018, leading to the establishment of the Bangsamoro Autonomous Region in 2019. In December 2018, however, Congress voted to extend martial law in Mindanao until the end of 2019. The president also deployed additional police and military to some areas outside of Mindanao to suppress “lawless violence” and acts of terror, causing some CSOs to express concern that this could be a precursor to nationwide martial law. CSOs provided humanitarian assistance in response to the ongoing violence in Marawi City in Mindanao, while increasingly observing the standards and principles developed by the international humanitarian community. Meanwhile, killings linked to the government’s so-called war on drugs, which began when President Duterte took office in mid-2016, had reached an estimated 20,000 by the end of 2018, straining CSOs’ abilities to provide services to the families of those killed.

Sri Lanka also made limited progress on post-war reconciliation and accountability in 2018. The parliament enacted laws criminalizing enforced disappearances and establishing an Office for Reparations. In addition, the president appointed commissioners to the Office on Missing Persons, which took steps towards operationalization during the year. CSOs played a key role in advocating for these government actions towards transitional justice.

The peace process in Burma, on the other hand, stagnated in 2018, and two prominent Ethnic Armed Organizations (EAOs) suspended their participation in the process at the end of the year due to conflicting interpretations of the National Ceasefire Agreement. CSOs play a limited formal role in the peace process, but seek to participate in other ways, including discussions and advocacy about reforms needed for improved health, education, livelihood, natural resource management, and justice and accountability.

CIVIC SPACE CONTINUES TO DECREASE

Civic space continued to be restricted in 2018 in several countries covered in this edition of the *CSO Sustainability Index*, with governments clamping down on freedoms of association, expression, and assembly. Government attempts to restrict civic space primarily manifest themselves in three dimensions of CSO sustainability: the legal environment, advocacy, and public image. The passage of restrictive legislation and the restrictive implementation of legislation governing CSOs and media are key components of government efforts to restrict civic space; this is often accompanied by increased harassment of civil society actors, which is also captured in the legal environment dimension. At the same time, governments often shut CSOs out of the policy-making process, resulting in a deterioration in advocacy. Finally, government officials often try to delegitimize CSOs and control media coverage of the sector, tarnishing the sector’s public image. Four of the nine countries covered in this year’s *CSO Sustainability Index for Asia* reported worse scores in all three of these dimensions in 2018, while other countries experienced restrictions in one or two of these dimensions.

In Bangladesh, the ruling party made a concerted effort to tighten its grip on power in 2018, including by introducing restrictive laws and regulations on civil society and media. Of particular note, in October 2018, the Digital Security Act (DSA) came into effect, which criminalizes various types of online speech, thereby severely weakening the ability of CSOs to engage in advocacy. According to local newspapers, since the DSA came into force, more than sixty people have been arrested, mostly for exercising their right to freedom of expression on the internet. Implementation of existing laws regulating CSOs also became more restrictive. For example, the registration of new NGOs under the Foreign Donations (Voluntary Activities) Regulations Act (FDRA) 2016, which is required for a CSO to receive foreign funding, has all but ceased except for those with political connections or government favor. The public image of CSOs also worsened. Before the national elections in 2018, the government alleged that many CSOs or members of civil society were involved in an anti-government conspiracy, and that they support or sympathize with corrupt opposition parties or coalitions. In order to avoid harassment after the DSA’s passage and because of their deteriorating public image, advocacy CSOs increasingly engaged in self-censorship in 2018.

The situation in Cambodia was similar, with the government taking concerted actions to shrink civic space and silence dissent. Authorities monitored and interfered in CSO meetings and activities in the run-up to the July elections on the pretext of security. In addition, many civic and human rights activists were arrested and convicted. CSOs were also subject to other forms of intimidation and threatened with closure and other penalties for non-compliance with laws. In May 2018, the government enacted a decree on social media and website control that prohibits overly broad categories of speech and empowers ministries to block websites that publish prohibited content. The Ministry of Interior arbitrarily blocked fifteen news websites for two days in July—the day preceding and the day of the national election—allegedly to comply with the election law’s prohibition on political party campaigning during this period. However, media outlets generally considered as “pro-government” remained accessible. The government also closed or coerced the sale of the last independent local newspapers in the country at the end of 2017 and beginning of 2018. As a result of these threats, continued harassment, and the closure of key advocacy channels, CSOs were effectively unable to engage in any direct advocacy during the year. Meanwhile, the government continued to cast CSOs in a negative light, often accusing them of being foreign agents, “color revolutionaries,” and “bad” actors. With the closure of independent media outlets, the government is able to push this narrative through its controlled media outlets as well as social media accounts without worrying about any counter-narratives painting civil society in a positive light.

In Thailand, the National Council for Peace and Order (NCPO), the military junta that rules the country, continued to restrict civic freedoms. An increasing number of human rights activists, journalists, and other members of civil society were harassed, charged, and imprisoned under various legal provisions in 2018. Media organizations were also subjected to state harassment, including temporary closures due to non-compliance with laws and regulations that prohibit the spread of information critical of the military government and the monarchy. While activists continue to speak out, advocacy decreased as the NCPO increasingly operated without transparency, making high-level decisions without public consultations. Even when public hearings were organized to gather public input on draft legislation or policies, CSOs reported that their comments and recommendations were not incorporated into the final versions. As more human rights defenders were charged under restrictive laws in 2018, journalists increasingly self-censored and the media provided less coverage of CSOs out of fear that the government would also consider them opponents, leading to a worsening of the sector’s public image. In addition, the government discredited human rights activists in the media during the year.

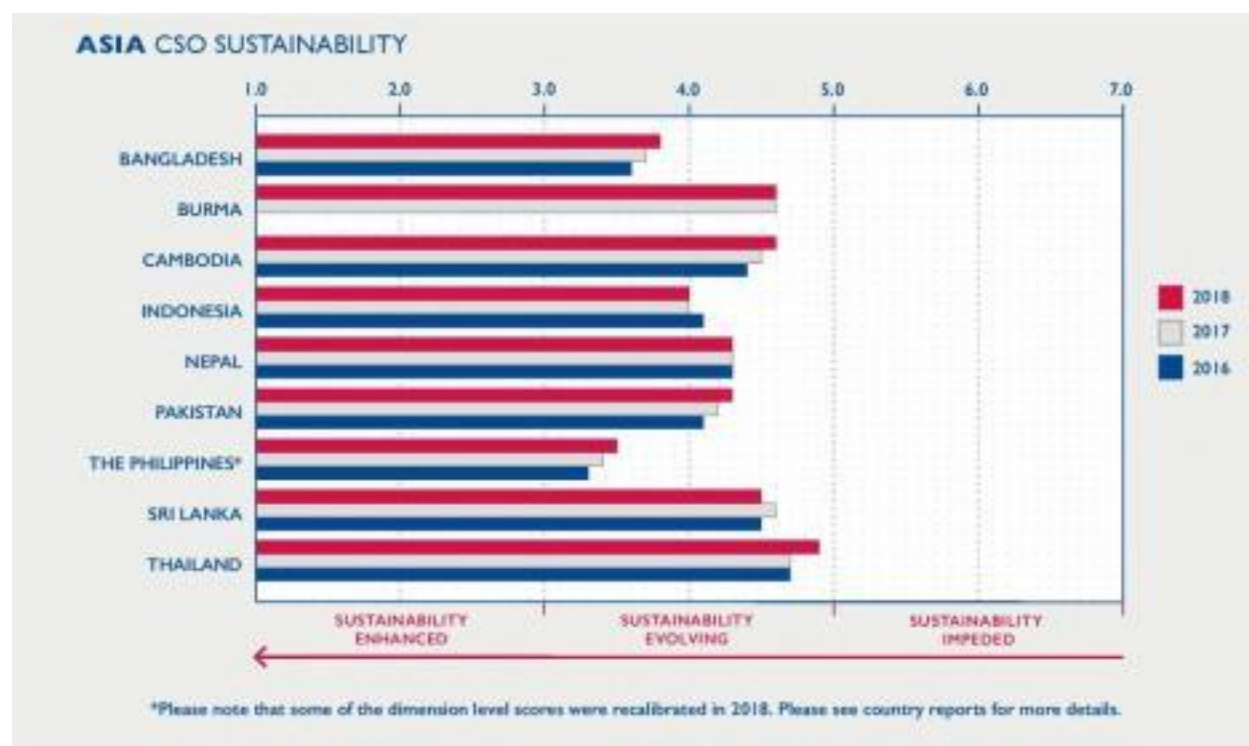
While the Philippines continues to have the highest level of CSO sustainability among the countries covered in this edition of the *CSO Sustainability Index*, it also reported deterioration in the legal environment, advocacy, and public image dimensions in 2018, as the Duterte government continued its crackdown on dissent. State harassment of CSOs, human rights defenders, activists, and lawyers representing marginalized groups increased. Extrajudicial killings have been an increasing problem, as well; according to Human Rights Watch, thirty-four human rights lawyers have been killed in the Philippines since 2016. In this context, CSO advocacy has declined as CSOs increasingly engaged in self-censorship and the number of organized groups participating in protests declined. The president perceives human rights activists and CSOs as critics of his public pronouncements and policies, particularly the war on drugs, and the military and police have accused some activists and organizations of being “communists” or “leftists.” In addition, the president verbally attacked major media companies, accusing them of bias in their coverage of government programs and the war on drugs. Following these attacks, the work of advocacy and service delivery CSOs received less national media attention.

Elements of closing civic space were also noted in other countries in the region, although to a lesser degree. In Sri Lanka, the sector’s public image deteriorated as negative statements about rights-based CSOs increased. The government also took measures to regulate the media in 2018, including imposing a ten-day, country-wide ban on certain social media platforms in response to anti-Muslim violence and replacing the heads of state-owned media. The legal environment also deteriorated, in part due to continued state scrutiny and surveillance of CSOs. In contrast to the other countries described above, however, CSO advocacy in Sri Lanka improved, as CSOs increasingly engaged with the government and public on issues like law reform, transitional justice, and the political crisis. In Burma, rights-based activists and organizations experienced increased state harassment, especially by the military and military-controlled ministries, leading to a decline in the legal environment.

Governments in Indonesia and Nepal took steps to limit freedom of expression. Despite the consolidation of democratic practices in Indonesia, censorship of online content continued. Social media platforms were blocked for reasons such as “fake news,” hate speech, terrorism, and pornography, and several individuals were convicted for their online posts. In Nepal, a bill was introduced that would mandate the registration of social media websites

with the Department of Information; social media sites that fail to register would have their services blocked. In addition, the chief editor of an online paper was arrested under the cybercrime law for reprinting news on corruption, and the communications minister reportedly directed state-owned media not to report any news that harms the government's reputation.

TRENDS IN CSO SUSTAINABILITY



The overall levels of CSO sustainability in the countries covered by this edition of the Index continue to fall in a very narrow band within the Sustainability Evolving range. At the higher end of this range are the Philippines and Bangladesh, with scores of 3.5 and 3.8 respectively, while Burma, Cambodia, and Thailand have the lowest levels of sustainability, with scores ranging from 4.6 to 4.9. No country reports a single dimension score in the Sustainability Enhanced category.

Overall CSO sustainability in these nine countries continued to demonstrate negative trends in 2018. While only three countries—Bangladesh, Cambodia, and Thailand—reported declines in their overall CSO sustainability scores during the year, most other countries reported deterioration in at least one dimension.

Thailand experienced the most significant deterioration in sustainability, with declines noted in all seven dimensions. As discussed above, state harassment dramatically increased, CSOs' ability to engage in advocacy decreased, and the sector's public image worsened. CSOs had less access to funding, which also resulted in a deterioration in their organizational capacity, with most CSOs struggling to retain staff. The diminished financial and human resources, together with increased state harassment and obstruction of CSOs' activities, also led to a decrease in service provision, while sectoral infrastructure weakened as intermediary support organizations and CSO resource centers struggled to offer services that CSOs could afford.

Bangladesh and Cambodia both reported deteriorations in four dimensions of sustainability. As discussed above, CSOs in both countries experienced worsening legal environments, engaged in less advocacy, and suffered from a worsening public image. In addition, financial viability deteriorated in Bangladesh, while organizational capacity deteriorated in Cambodia.

While overall sustainability in Pakistan did not change, four dimensions of sustainability—legal environment, organizational capacity, financial viability, and advocacy—worsened in 2018. The legal environment deteriorated

because of problems implementing the existing laws that govern CSOs, while financial viability decreased because of declining levels of foreign funding. The cumulative impact of the difficult legal and financial environments over the past several years drove down the sector's organizational capacity.

While the Philippines still boasts the highest level of CSO sustainability in the region, worsening trends were reported in the legal environment, advocacy, and public image, as noted above.

Sri Lanka was the only country to report an improvement in overall CSO sustainability, driven by positive developments in organizational capacity, advocacy, and the infrastructure supporting the sector. At the same time, the legal environment worsened as a result of delays in registration and continued state harassment, while negative statements by prominent government representatives tarnished the sector's public image.

Nepal also reported largely positive trends during the year, with improvements noted in advocacy, service provision, and the sectoral infrastructure, although these did not lead to a change in overall sustainability. CSOs made increasing efforts to conduct evidence-based advocacy in order to contribute to the laws being developed to conform to the new federalist structure and increasingly collaborated with local governments on service provision. In addition, local CSOs received subgrants from international organizations to work in various provinces and districts.

Mixed trends were noted in Burma. The legal environment governing CSOs deteriorated, as rights-based activists and organizations experienced more state harassment, especially by the military and military-controlled ministries. At the same time, the sector's organizational capacity improved due to the availability of donor-funded capacity-building opportunities and increased access to information and communications technologies, while the infrastructure strengthened with the establishment of new resource centers and increased coordination and networking among CSOs.

On average, financial viability continues to be the weakest dimension of CSO sustainability in the nine countries covered in this report. Foreign funding continues to be an important source of support for CSOs in Asia, although it generally benefits a small segment of the sector, generally those based in large cities with greater experience and capacities. Individual and corporate philanthropy exist but are still generally insignificant sources of funding. The level of financial support from the government varies significantly across the region. For example, the government in Bangladesh disburses hundreds of millions of dollars in grants and micro-credit loans to CSOs through different institutions, while the government in Burma does not provide funding to local CSOs.

Service provision continues to be one of the strongest dimensions of sustainability, with CSOs throughout the region providing services in a variety of areas, including health, education, legal assistance, environmental protection, small business development, and agriculture. CSOs in Bangladesh provide critical services to the more than one million ethnic Rohingya refugees in the country who fled a campaign of mass killings against them in Burma.

Sectoral infrastructure saw the greatest improvement in 2018, with four countries—Burma, Indonesia, Nepal, and Sri Lanka—noting positive developments in the infrastructure supporting their CSO sectors. In Burma, new resource centers were established in 2018 and several national-level CSO networks and coalitions became stronger. The improvement in Indonesia was fueled by an increase in cross-sectoral cooperation. Growth in grantmaking by intermediary support organizations contributed to the improvement in Nepal, while advances in coalition building and intersectoral cooperation were reported in Sri Lanka.

Organizational capacity continues to show mixed trends. Organizational capacity in Cambodia, Pakistan, and Thailand deteriorated in 2018 because of the increasingly difficult financial and legal environments, while it improved in Burma and Sri Lanka. CSOs in Burma reported improved capacities due to the availability of donor-funded capacity-building opportunities and increased access to information and communications technologies, while Sri Lankan CSOs credited advances in constituency building for their improved capacities. CSO sectors throughout the countries covered tend to have varied capacities, with a small number of organizations—generally better resourced CSOs based in cities—boasting strong internal management structures, strategic plans, permanent staff, and access to modern technologies, while other CSOs struggle in these areas.

As discussed above, the legal environment, advocacy, and public image dimensions all experienced widespread negative developments. Seven countries reported deterioration in legal environment, five in advocacy, and five in public image. While no countries reported improvements in legal environment or public image, three countries—

Indonesia, Nepal, and Sri Lanka—noted improvements in advocacy, as CSOs increasingly engaged with the government on pressing issues, including transitional justice, anti-corruption, and women’s rights.

CONCLUSION

The country reports that follow provide an in-depth look at the CSO sectors in nine diverse Asian countries. We hope this annual survey continues to capture useful trends for CSOs, governments, donors, and researchers supporting the advancement of CSO sectors.

BANGLADESH

Capital: Dhaka
Population: 159,453,001
GDP per capita (PPP): \$4,200
Human Development Index: Medium (0.608)
Freedom in the World: Partly Free (45/100)

OVERALL CSO SUSTAINABILITY: 3.8



Overall CSO sustainability in Bangladesh declined in 2018, with negative developments noted in most dimensions. The legal environment and space for advocacy experienced especially sharp declines.

2018 was an election year in Bangladesh. In February, President Abdul Hamid was re-elected by the parliament. General elections were held on December 30, which concluded with a landslide victory for the incumbent Bangladesh Awami League (BAL), popularly called AL. According to the U.S. State Department's 2018 Human Rights Report, however, harassment, intimidation, arbitrary arrests, and violence made it difficult for many opposition parties to participate freely in the election campaigns. At the beginning of the year, for example, the chief of the Bangladesh Nationalist Party (BNP), the main opposition party in the country, was arrested and convicted on corruption charges, weakening the BNP's position. The arrest of two renowned civil society leaders for sedition and defamation before the election sent a chilling message to civil society. In addition, despite deployment by the Bangladesh Election Commission (BEC)—an independent statutory body—of 1.5 million security personnel and election officials, there were numerous incidents of unrest at the local level during the election process.

The ruling party made a concerted effort to tighten its grip on power in 2018, including by introducing restrictive laws and regulations on civil society and media. According to Reporters without Borders' 2018 World Press Freedom Index, Bangladesh ranks 146th out of 180 countries. The report notes that the election campaign period "was accompanied by a disturbing increase in press freedom violations, including violence by political activists against reporters in the field, the arbitrary blocking of news websites, and arbitrary arrests of journalists." Freedom House's Freedom in the World report notes that "Open private discussion of sensitive religious and political issues is restrained by fear of harassment."

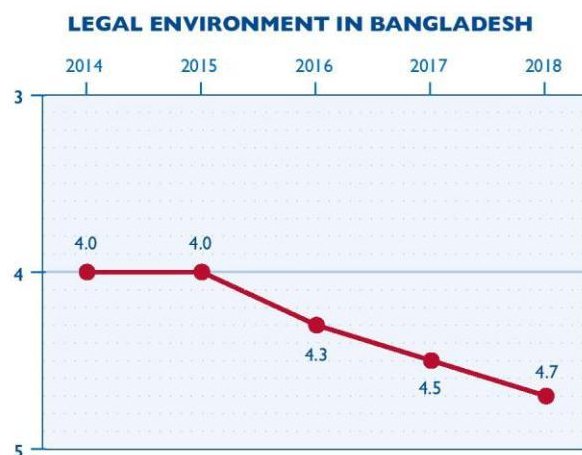
The deterioration of the political environment affected other areas as well. Cases of extrajudicial killings have increased, especially following the introduction of a nationwide anti-narcotics campaign in which many killings were declared to be caused by "gunfight" or "crossfire." Violence against women and children has also increased as law enforcement shifted their attention to political issues rather than social challenges. The World Justice Project's Rule of Law Index 2017-2018 ranked Bangladesh 102nd out of 113 countries based on surveys to gauge citizens' experience of rule of law in practice.

Bangladesh now hosts more than one million ethnic Rohingyas who fled a campaign of mass killings against them in Burma. With the support of the local population, the government, national and international CSOs, and United Nations (UN) agencies provide the refugees with food, shelter, and basic health services. The Daily Star reported that the expansion of Rohingya settlements in Cox's Bazaar has led to environmental losses of more than \$221 million, creating resentment among the local population and exacerbating already grave environmental and biodiversity issues. Timely funding is required to meet life-saving and humanitarian needs as well as to mitigate the impact on host communities.

Despite these challenges, Bangladesh continues to make progress towards its development goals. Gross domestic product (GDP) grew by 7.9 percent between 2017 and 2018, and the country moved up three places to 136th out of 189 countries in the Human Development Index issued by the United Nations Development Programme (UNDP). Furthermore, the country continues to implement plans to achieve the UN Sustainable Development Goals (SDGs) by 2030 by increasing the participation of CSOs, donors, government bodies, private sector, and the media in its efforts to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

CSOs in Bangladesh have the option of registering under several government institutions including the NGO Affairs Bureau (NGOAB), Department of Social Welfare, Department of Women Affairs, and Registrar of Joint Stock Companies and Firms (RJSC). The exact number of CSOs and community-based organizations (CBOs) in Bangladesh is unknown. One estimate indicates that there are approximately 250,000 CSOs registered under different government bodies, with fewer than 50,000 active. CSOs that receive foreign funding need to register with the NGOAB and are called non-governmental organizations (NGOs). The NGOAB website reports 2,219 domestic NGOs and 253 international NGOs (INGOs) operating in Bangladesh as of May 2019.

LEGAL ENVIRONMENT: 4.7



The legal environment for CSOs deteriorated in 2018. Although the laws regulating CSOs did not change, their implementation became more restrictive. Most notably, the registration of new NGOs under the Foreign Donations (Voluntary Activities) Regulations Act (FDRA) 2016, which is required for a CSO to receive foreign funding, has all but ceased except for those with political connections or government favor or at least have no association with anti-liberation forces and their patrons. According to the NGOAB, forty-eight NGOs were registered under the FDRA in 2018-19 compared to sixty-seven in 2017-18. The FDRA allows the NGOAB to cancel the registration of an NGO—and thereby prohibit it from receiving foreign funding—if it makes an offensive comment against the constitution or constitutional bodies, which includes the parliament, the president, the

judiciary, and to some extent the civil bureaucracy. In addition, the FDRA obligates NGOs to report regularly to the NGOAB about their activities, incomes, and expenditures.

The framework laws governing CSOs in Bangladesh include the Societies Registration Act (1860), the Trust Act (1882), the Co-operative Societies Act (2001), and the Companies Act (1994). Additional regulatory statutes include the Voluntary Sector Welfare Agencies (Registration & Control) Ordinance (1981), the Microcredit Regulatory Authority Act (2008), and the FDRA 2016. CSOs in the Chittagong Hill Tracts must register under the Chittagong Hill Tracts Regional Council Act 1998 (Act XII of 1998).

CSOs face increasing challenges registering due to the lack of coordination, transparency, and accountability among different registration bodies. Although lobbying and bribery of registration officials, investigating officials, line ministries, financial regulators, and law enforcement agencies is a virtual necessity, CSOs still find it nearly impossible to obtain registration. The law provides time limits in which the registration process should be completed, but in practice the timeline is open-ended. Registration is sometimes delayed on the pretext of police and intelligence verification, and sometimes denied due to adverse police reports indicating “prejudicial activities.”

Additionally, government officials demand various submissions—often of questionable relevance—from organizations in an ad hoc fashion. Registration officials often demand bank account information, while banks ask for registration papers in order to open accounts. Registration is particularly difficult for organizations that are rights-based. Government agencies rarely refuse registration directly, but instead just delay the process.

Groups working on sensitive issues, like missing persons, may avoid registering for fear of government harassment. Some CSOs, especially those working on rights and governance issues, find that functioning without registration

allows them to work more freely, although small CSOs in rural areas might face legal harassment if they operate without registration.

In serious cases, NGOAB has revoked registration of CSOs for alleged anti-state activities or non-adherence to the NGOAB guidelines. According to media reports, NGOAB revoked the registration of 196 NGOs in the 2018-19 period, either because they did not renew their registration or because of alleged involvement in terrorism financing, legal non-compliance, or money laundering.

CSOs that want to receive foreign funds must register with the NGOAB and then receive project-by-project approval. However, NGOAB may not approve funding for projects that involve issues deemed sensitive by the NGOAB, local government, or law enforcement authorities. Such issues might include investigation into missing persons or reporting on CSOs' difficulties with registration and accessing funds. On the other hand, funds for basic services such as education, health care, and information and communications technologies (ICTs) receive approval quickly since they align with government interests and do not challenge government officials' authority.

In October 2018, the Digital Security Act (DSA) 2018 came into effect, which severely weakens the ability of CSOs to engage in advocacy. For example, under Section 32 of the DSA, an individual who breaks the Official Secret Act 1923 by secretly recording government officials or gathering information from a government agency using a computer or other digital device will receive up to fourteen years in prison, a fine of BDT 2.5 million (about \$30,000), or both. Since the DSA came into force, more than sixty people have been arrested, mostly for exercising their right to freedom of expression on the internet, according to local newspapers. Another piece of legislation, the Broadcast Act 2018, was proposed in October to regulate broadcast media and news portals; the draft law includes provisions with strict penalties like cancellation of licenses and jail terms of up to seven years.

The Right to Information (RTI) Act (2009) provides public access to the information of public, autonomous, and statutory organizations, as well as private organizations, to ensure transparency and accountability. CSOs all over the country are required to follow the Act and disclose information that is considered within the public's right to know. Nevertheless, only a few CSOs are aware of and follow the Act's requirement.

Registered NGOs are required to submit reports to the district commissioners (DC) office on their utilization of funding. In return, the DCs give them No Objection Certificates (NOCs) which CSOs require to continue their work. CSOs often struggle to submit these reports due to a lack of staff capacity. CSOs sometimes endure harassment from the DC offices, such as delays or non-issuance of NOCs.

CSOs are allowed to generate income from the provision of goods and services by charging fees or establishing social enterprises. They can engage in fundraising campaigns. CSOs can only accept funds from foreign donors with prior registration and project-by-project approval from the NGOAB.

Under the Income Tax Ordinance of 1984, CSOs are required to submit annual income tax returns. CSOs engaged in economic activities, including the provision of micro-credit loans, must pay taxes on the profits they earn and must spend the income for charitable purposes. Individuals and corporate entities that donate to CSOs focused on any of twenty-two designated public benefit purposes are eligible for tax deductions from their income up to 15 percent of the amount of the donation.

CSOs seek legal help when faced with harassment from authorities. However, in most cases, little is achieved through legal recourse as the legal sector is corrupt as well, and there are sometimes allegations that the judiciary bows to the government pressure. Several NGOs, including Bangladesh Legal Aid and Service Trust (BLAST) and Bangladesh National Women Lawyers' Association (BNWLA), provide capacity-building support to division and district level lawyers and officials on rules and laws related to CSOs.

ORGANIZATIONAL CAPACITY: 3.2

Organizational capacity within the CSO sector did not change significantly in 2018.

CSOs tend to engage potential constituents during project implementation rather than in the design of interventions. Often, constituents are pre-selected by CSOs pursuing projects or by donor agencies or CSOs that sub-grant funds before they issue calls for tenders. Multi-year programs with sustained engagement are increasingly scarce.

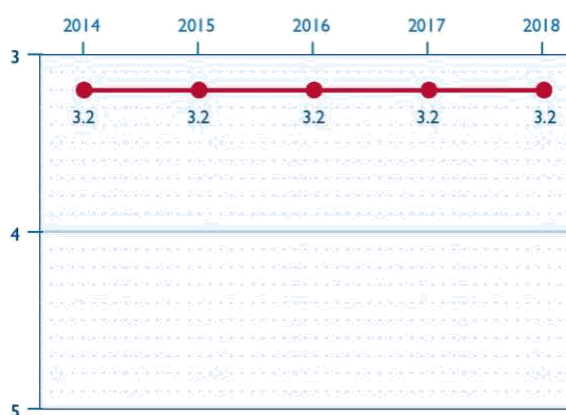
Most CSOs state missions and visions in their organizational constitutions. Large, well-funded CSOs have strategic plans and try to follow them to the extent their funding allows. New and smaller CSOs are starting to develop strategic plans, but find them difficult to implement due to lack of resources.

Strategic planning and decision making in CSOs are generally not transparent, and most CSO members do not feel involved in these processes. The legal framework requires CSOs to adopt various policies addressing issues such as open information, human resource development, anti-money laundering, sexual harassment prevention, and child safeguarding in order to promote staff safety and professional improvement. The extent to which CSOs enact such policies is unclear.

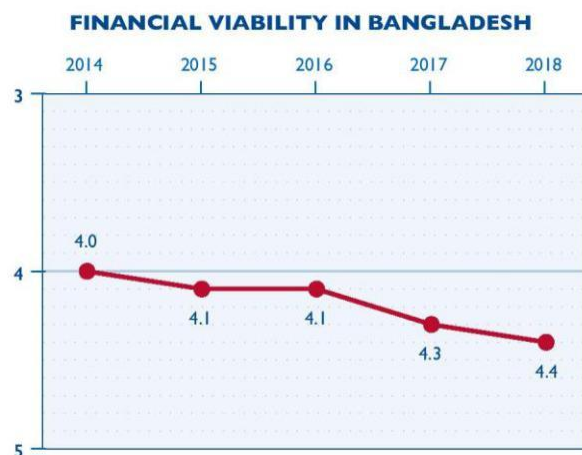
Small CSOs in rural areas have limited abilities to engage qualified staff, as people with better qualifications often do not want to work outside the capital. Large CSOs and those headed by high-profile individuals often recruit family members of the boards of directors for key positions. Though many of these appointees are qualified, the nepotism and lack of transparency undermine the reputation and stability of CSOs.

Internet access is widely available in Bangladesh. Many CSOs have shifted aspects of their operations, including for office management and information, to digital platforms, thus increasing efficiency and reducing costs. For example, BRAC has created digital content for primary education. However, many organizations, especially small CSOs in rural areas, do not have adequate access to ICTs because of funding constraints and lack of skilled staff.

ORGANIZATIONAL CAPACITY IN BANGLADESH



FINANCIAL VIABILITY: 4.4



Financial viability deteriorated slightly in 2018 due to the ongoing decline in funding for CSOs.

Only registered NGOs, which comprise a small percentage of the overall CSO sector, can receive direct foreign funding. In fiscal year (FY) 2017-18, the NGOAB approved 1,625 projects and released \$827 million, whereas in FY 2018-19 (until April 2019), the NGOAB approved 1,320 projects and released \$833.7 million. The main foreign donors include UN agencies, USAID, the United Kingdom's Department for International Development, the European Commission, the government of Germany, and the Nordic states.

Most international funds are now channeled to INGOs and their affiliated partners for Rohingya relief work. Local NGOs, civic platforms, and the government

question whether those funds are being used efficiently and reaching the intended beneficiaries. In December 2018, media reported that a large portion (82 percent) of the donations for Rohingya is being spent on the operational costs of INGOs and UN bodies, while only 18 percent is being used on programming.

Many NGOs struggle to get international funding due to a lack of networking skills and donors' increasingly limited areas of interest. In order to ensure sound financial management of the funds provided, donors prefer to provide grants to well-structured, corporate-like NGOs, rather than youth-led organizations, newly formed NGOs, or CBOs from remote areas.

Local funding from large corporations and other sectors exists, but is not very significant. For example, Unilever supports several NGO-led projects focused on primary health and education in remote areas of Bangladesh. Small CSOs rarely are able to access these funds.

The government, through different institutions—including Palli Karma-Sahayak Foundation (PKSF), Access to Information (A2i) Project, the Prime Minister’s Office, and platforms like Young Bangla—disburses grants and micro-credit loans to many local CSOs. In FY 2017-18, PKSF received BDT 48 billion (\$568.5 million)—an increase from BDT 44 billion (\$520.8 million) in FY 2016-17—which it then distributed to CSOs. These interventions are promoting a new type of CSO across the country—those under government patronage, as opposed to donor-funded CSOs.

While some individuals make philanthropic donations to support various causes, CSOs rarely tap into this potential means of support. According to the Ministry of Finance, most individual giving is in the form of foreign remittances to families back in Bangladesh. *Zakat*, a compulsory annual financial contribution of Muslims based on their wealth, is a largely unexplored source of funding for CSOs. There is currently no centralized system in place for the collection and management of *zakat* in Bangladesh.

Most CSOs are unable to earn revenue from services, especially in small rural areas. Large NGOs gradually are becoming revenue-oriented by establishing social enterprises and introducing fees for non-formal education or basic health care services. Many small CSOs have also initiated microcredit activities, although this requires them to get licenses from the Microcredit Regulatory Authority (MRA) and the Central Bank.

NGOs undergo independent financial audits since they need to submit annual reports, along with audit reports and financial statements, to the NGOAB.

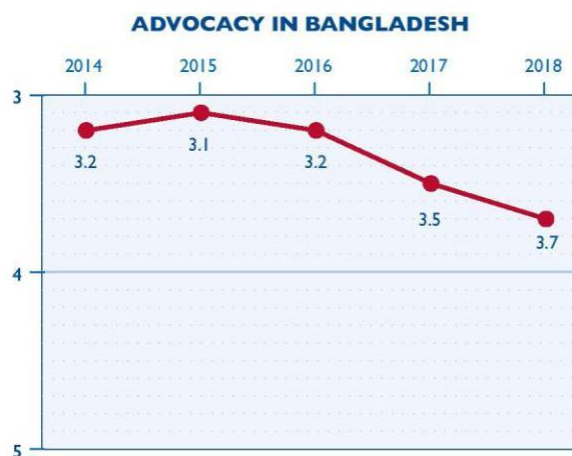
ADVOCACY: 3.7

CSO advocacy significantly weakened in 2018. Advocacy CSOs increasingly engaged in self-censorship in 2018, both to avoid harassment after the DSA’s passage and because of their deteriorating public image. For example, in 2018 CSOs fighting against a government-backed power plant project in the Sundarbans Mangrove Forest were labeled by the government and ruling party as too ideological or as agents of western countries that are against Bangladesh’s development, causing the CSOs to backtrack. As a result, the power plant project continues to endanger the environment.

The CSO sector plays a watchdog role vis-à-vis the government by utilizing the RTI Act to request information and data from the government. CSOs then use this information to publish reports, many of which highlight government corruption or failings. However, the process of accessing government information is not clear and CSOs often face difficulties receiving accurate data.

The 2018 parliamentary elections had fewer local and international observers than planned. There were only 146 international observers, mainly due to international observation bodies’ dissatisfaction with the election process, as well as observers’ inability to receive visas. At the same time, the lack of funding and delays in getting approval to observe the elections led to decreases in the number of local observers. Ultimately, CSOs that were registered with the Election Commission as observer organizations deployed 25,920 individuals to monitor the parliamentary election. CSOs also educated voters on their civic duties during the campaign period, but rarely lobbied political parties to adopt certain platforms or policies. Meanwhile, few civil society or media organizations published reports or engaged in lobbying after the elections.

In 2017, the parliament passed the Child Marriage Restraint Act. Article 19 of the Act states that under special circumstances—such as for the best interest of the minor and with the approval or the court and parental consent—marriage involving a minor will not be deemed an offense. Despite this controversial section, which activists believe was added to reflect the interest of fundamentalists, there was little advocacy against it in 2018.



Some civil society representatives were invited to participate in government discussions on draft legislation, such as the draft Rules of the FDRA and the national Broadcast Act 2018. However, the government did not fully accept civil society's recommendations on either piece of legislation.

Religious minorities advocated for implementation of the 2001 Return of Enemy/Vested Property Act, which is aimed at returning properties confiscated by the state after the 1965 war between India and Pakistan, noting that few properties have been returned to the Hindus due to complications and internal resistance from government bodies.

In a continuation of earlier movements, students led the Quota Reform Movement from March to July 2018 to demand change to the quota system for civil service positions. The government reserves 56 percent of such positions for various "entitled" candidates—for example, 30 percent of seats are reserved for children and grandchildren of 1971 freedom fighters. Students made a five-point demand to the government, which included eliminating the quota system and replacing it with a recruitment system based on merit. The student wing of the ruling party Bangladesh Chatra League (BCL) and law enforcement agencies tried to suppress this movement with force. The government ultimately accepted the students' demands.

The Safe Road Movement began in late July 2018 after a bus killed two high school students in Dhaka's Kuril area. High school, college, and university students and others blocked roads to demand legal changes and capital punishment for reckless driving. After several days of protests, police attempted to disperse the demonstrators with tear gas, while people believed to be members of a pro-government youth front attacked protesters. Several protesters were arrested and dozens of cases were filed against them. The protests enjoyed popular support, including from a section of politicians and law enforcement.

In 2018, the DSA drove the media industry, particularly journalists, to exercise increased self-censorship and refrain from publishing reports that might antagonize powerful people and institutions. As a result, social media became a powerful alternative platform for such reporting. While it is mainly used by youth and the tech savvy, the number of people with access to the internet and social media grows each year. During the Quota Reform Movement, for example, traditional media blacked out violent clashes between students and law enforcement authorities, while Facebook live videos and photos posted online publicized the violence. The public also relied on and trusted social media over traditional media for coverage of the Safe Road Movement. However, the DSA also impedes CSOs' and individuals' ability to use social media freely, and some known media personalities faced penalties for allegedly spreading disinformation.

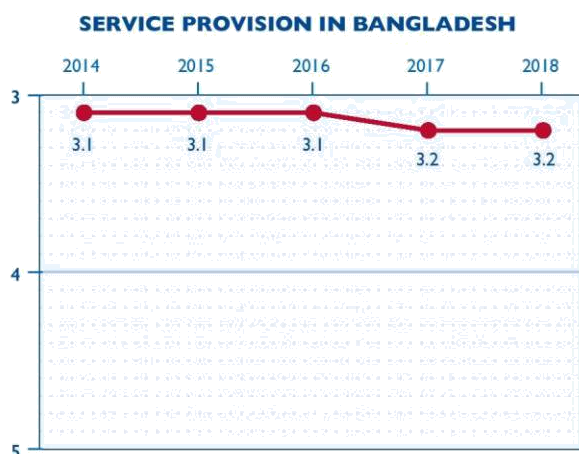
Established CSOs that are involved in advocacy exercised caution in 2018. For example, a recent study by BRAC shows that 94 percent of women are victims of sexual harassment on public transportation. When BRAC questioned the political or ideological reasoning behind the incidents, there was limited space to dig deeper due to the changed political situation and self-censorship to avoid persecution. A negative answer involving government actors could be interpreted as criticism against the government or even anti-government.

CSOs still have limited impact on legal and policy reforms. However, following CSO lobbying, in 2018 the government took some actions, such as revising the Standing Orders on Disaster (SOD) and considering additional provisions to establish a Ward Disaster Management Committee to strengthen disaster management at the community level. Following lobbying and advocacy by labor unions, the ready-made garments (RMG) sector also saw results in 2018, including a 50 percent increase in the minimum wage for garment workers and new labor laws that decreased the worker participation requirement to form a trade union from 30 percent to 20 percent. CSOs did not engage in any significant advocacy in 2018 to reform the FDRA.

SERVICE PROVISION: 3.2

Service provision by CSOs deteriorated in 2018, mainly because of the ongoing funding crisis. Funding, especially from donors, has decreased since the country transitioned from a least developed country (LDC) to a lower middle-income country in 2015, prompting donors to conclude that the country needs less international funding and the government wants to be self-reliant.

CSOs continue to provide critical services in areas such as social and economic development, essential health care, informal education, disaster management, law, environment, gender, governance, rural infrastructure, and community capacity building. Often, CSOs provide better health care, education, water, and sanitation services



than the government as their outreach to the community is well-structured, and the fulfillment of project objectives helps to ensure the continuation of project funding. The number of CSO programs and services for youth—who now constitute more than 50 percent of the population—has grown dramatically. Additionally, many CSO projects focus on women’s empowerment to fulfill the SDG on gender equality. Many CSO initiatives also address the increasing prevalence of sexual harassment in the country. Such projects include self-defense training for women and employee orientation on sexual harassment prevention. CSOs also offer women’s entrepreneurship programs on ICT and financial technology to diversify women’s sources of income.

A coalition of eleven CSOs including BRAC, BLAST, Friendship, Madaripur Legal Aid, MOVE, Ain O Salish Kendra (ASK), and Nagorik Uddyug, in collaboration with the Center for Peace and Justice of BRAC University, provides paralegal training to community leaders across the country to create a new generation of grassroots legal information delivery groups. However, a shortage of facilitators forced them to reduce the number of training programs from five to two.

Under the government’s supervision, INGOs and local NGOs provide critical services to Rohingya refugees, including food, shelter, education, basic health care, and water and sanitation. The Joint Response Plan (JRP) for the Rohingya refugee response, which covers the period March–December 2018, was only 39 percent funded as of October 2018, with \$374 million received out of the \$951 million needed.

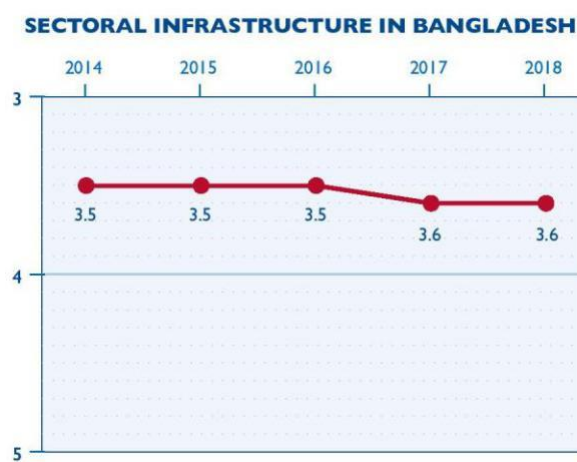
Most CSOs do not charge fees as their target groups are unable or unwilling to pay for services; the public generally expects CSO services to be free. Large organizations such as BRAC generate revenue through social enterprises, such as dairy, clothing, and food projects. BRAC also charges small fees for its informal primary schools, and its subsidiary Aarong has established a chain of retail handicraft stores. Training centers and CSOs with extra office space generate revenue by renting out those spaces and facilities to other CSOs or firms. Small CSOs in rural areas have limited abilities to expand their service provision as they lack resources and struggle to engage qualified staff.

The government does not formally recognize the role CSOs play in the provision of social services, but allows them to operate in accordance with the laws in the country.

SECTORAL INFRASTRUCTURE: 3.6

The infrastructure supporting CSOs in Bangladesh did not change significantly in 2018.

CSOs have access to different training centers such as BRAC’s Center for Development Management (CDM) and Training and Resources Center (TARC) in Savar; Rangpur Dinajpur Rural Service (RDRS) in Rangpur; and Bangladesh Rural Development Academy (BARD) in Comilla. However, private organizations and corporate bodies now also use these resources, placing strain on them. Furthermore, the cost of using such centers has increased. Alternative venues for training like hotels are either expensive or not properly equipped. Government-owned training venues are also hard to use due to lengthy bureaucratic procedures and the need to schedule around government use. Co-working spaces and shared offices are becoming popular among organizations that cannot afford to rent entire offices, especially in Dhaka.



A number of training and management institutes were established over the past few years to provide capacity-building assistance to CSOs. Donor agencies are using them as third-party trainers of their partners. At the same time, however, many capacity-building trainings were canceled in 2018 because of the scarcity of accredited trainers and subject experts. Organizations working in the preventing/countering violent extremism (P/CVE) sector, for example, are struggling to find subject experts and proper resources, including necessary program monitoring tools for their project activities. They usually adopt and customize tools and techniques developed for different country contexts.

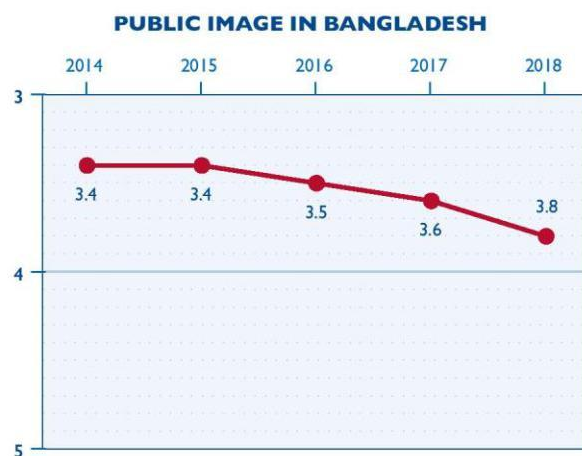
Local grant-making organizations like BRAC, Manusher Jonno Foundation (MJF), and the START Fund receive funding from donors and then redistribute it among local CSOs. Some CSOs have expressed criticism of these intermediaries' distribution mechanisms and selection processes. At the same time, many donors prefer to work with such organizations rather than small or new CSOs, due to the former's enhanced organizational capacities.

Some platforms like Association of Development Agencies in Bangladesh (ADAB) and Shushashoner Jonno Procharavijan (SUPRO) exist to promote the interests of CSOs. NGOs share information about their activities at monthly NGO coordination meetings hosted by the DCs. Otherwise, exchange of information among NGOs or other CSOs is rare.

During the parliamentary elections in 2018, many organizations that are relatively small in size faced difficulties training observers due to resource constraints. Large-scale organizations and coalitions that had resources to provide technical assistance did not extend support to smaller CSOs. Reasons might include a competitive attitude among large CSOs and INGOs, or fear of government reprisal that could result in losing government approval to observe the elections or being forced to cancel ongoing projects.

The government works closely with NGOs and INGOs to materialize the Bangladesh Climate Change Resilience Fund and achieve the UN SDGs, especially those related to primary health and education.

PUBLIC IMAGE: 3.8



The public image of CSOs worsened in 2018. In recent years, CSO-bashing by the public and the government has increased. A growing portion of the public thinks that CSOs are too idealistic or elitist, do not support or respect their beneficiaries, and are only driven by self-interest or personal promotion. Meanwhile, politicians see CSOs as potential rivals for power. While beneficiaries of CSOs' work have a somewhat positive image of those CSOs, the rise of religious fanaticism and continuous propaganda by extremists have hampered their outreach. At the same time, CSOs do not believe that they get sufficient recognition for their contributions to society.

Since attaining lower middle-income country status, the government has started displaying an authoritarian

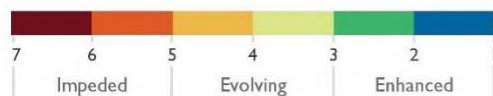
tendency towards NGOs. Before the national elections in 2018, the government alleged that many CSOs or members of civil society were involved in an anti-government conspiracy, and that they support or sympathize with corrupt opposition parties or coalitions. In January, it was reported that Prime Minister Sheikh Hasina called members of Bangladesh's civil society the "dustbin of politics and power" who are "always ready to sell themselves to evil forces... These people are attention-seekers." CSOs that do not have good relationships with field-level government offices find it difficult to operate, as the authorities may create barriers in order to interfere in their operations, such as withholding necessary documentation or harassing CSOs.

CSOs' relationship with the media is mixed. Both the private and state media prefer to publish the government's development news rather than stories about CSO initiatives. CSOs also refrain from publishing their news, particularly on governance challenges or research on abuses of power, corruption or rights violations, because they fear persecution or harassment.

Registered NGOs are required to submit annual reports to the NGOAB, along with audit reports and financial statements. CSOs registered with other entities are entitled to follow similar rules, although they are a bit more relaxed. The information is supposed to be public; some CSOs publish it online, and anyone can request it using the RTI Act.

Disclaimer: *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*

COUNTRIES RANKED BY SCORE



Legal Environment

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	3.7
Nepal	4.2
Indonesia	4.4
Sri Lanka	4.4
Pakistan	4.6
Bangladesh	4.7
Burma	4.8

SUSTAINABILITY IMPEDED

Cambodia	5.1
Thailand	5.4

Organizational Capacity

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Bangladesh	3.2
The Philippines	3.4
Indonesia	3.8
Cambodia	4.0
Burma	4.2
Thailand	4.2
Nepal	4.4
Pakistan	4.4
Sri Lanka	4.4

SUSTAINABILITY IMPEDED

Financial Viability

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	4.0
Bangladesh	4.4
Indonesia	4.4
Nepal	4.6
Pakistan	4.6

SUSTAINABILITY IMPEDED

Burma	5.1
Cambodia	5.2
Thailand	5.2
Sri Lanka	5.3

Advocacy

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Indonesia	3.3
The Philippines	3.6
Bangladesh	3.7
Nepal	3.8
Sri Lanka	3.9
Pakistan	4.1
Burma	4.3
Cambodia	5.0
Thailand	5.0

SUSTAINABILITY IMPEDED

Service Provision

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Bangladesh	3.2
The Philippines	3.2
Pakistan	3.6
Indonesia	3.7
Nepal	4.0
Burma	4.2
Cambodia	4.2
Sri Lanka	4.4
Thailand	4.5

SUSTAINABILITY IMPEDED

Sectoral Infrastructure

SUSTAINABILITY ENHANCED

The Philippines	2.9
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SUSTAINABILITY EVOLVING

Bangladesh	3.6
Indonesia	4.1
Burma	4.3
Cambodia	4.3
Nepal	4.3
Pakistan	4.3
Sri Lanka	4.7
Thailand	4.8

SUSTAINABILITY IMPEDED

Public Image

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	3.5
Bangladesh	3.8
Pakistan	4.0
Indonesia	4.1
Cambodia	4.5
Nepal	4.5
Sri Lanka	4.6
Thailand	5.0

SUSTAINABILITY IMPEDED

Burma	5.1
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