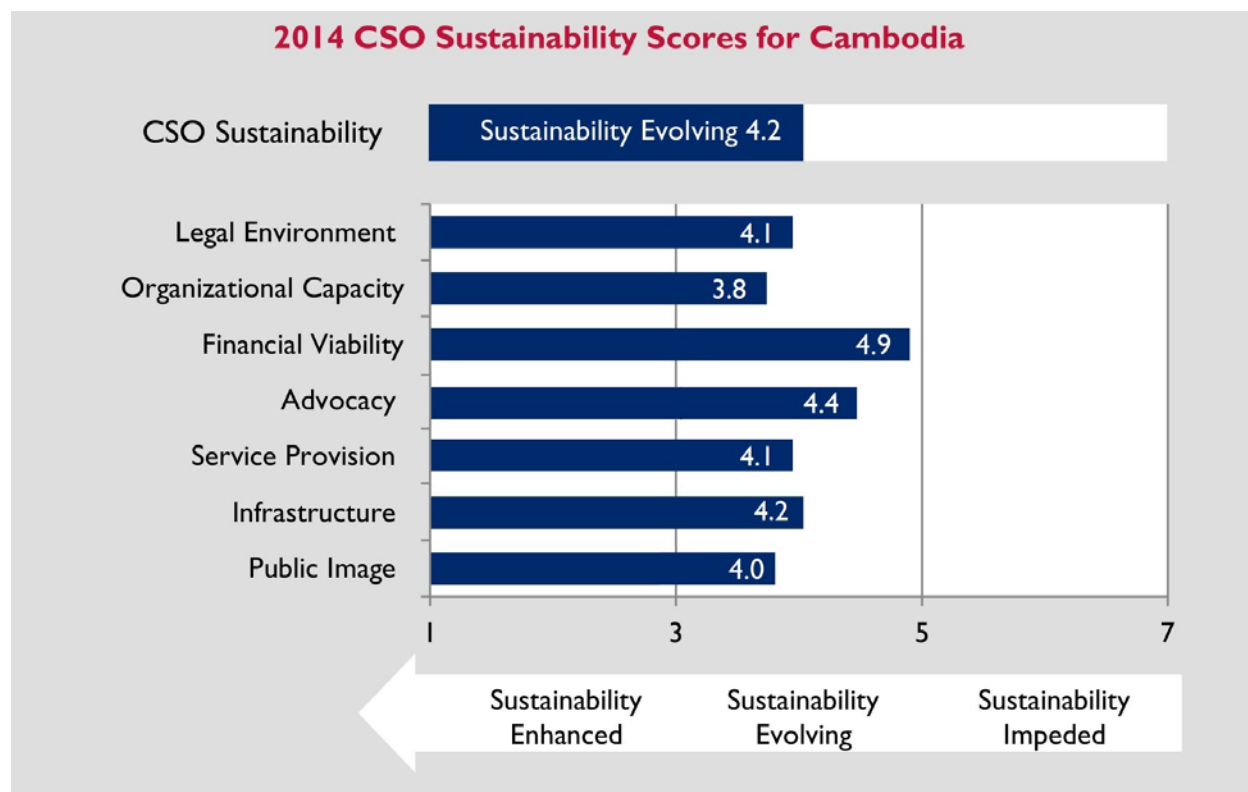


CAMBODIA



CSO SUSTAINABILITY: 4.2

Cambodia has been ruled by the Cambodia People’s Party (CPP) since the Khmer Rouge regime was overthrown in 1979. Civil society was almost non-existent in the 1980s. The signing of the Paris Peace Accord in the 1990s paved the way for development partners, international non-governmental organizations (INGOs), and other stakeholders to join forces to help develop the country. In turn, CSOs mushroomed with support from international donors. Their accountability to the communities they serve has gradually increased over the past twenty years.



General elections in July 2013—the fifth national election since the Paris Peace Accord—produced a political deadlock. Several mass demonstrations, notably strikes of garment workers, resulted in violence and deaths. Subsequently, the Royal Government of Cambodia (RGC) attempted to suppress protests and demonstrations organized by labor unions and civic and political activists, severely curtailing the freedom of peaceful assembly. The situation somewhat improved after the political parties reached an agreement to end the deadlock in July 2014.

The capacity of CSOs varies depending on the type of organization. Registered organizations tend to have some administrative, financial, and operational management systems, while small and local CSOs are typically

unregistered and lack such systems. Most CSOs depend on international donors for funding. Local philanthropy, mainly in the form of communities providing in-kind support, constitutes a limited source of support for CSOs.

The government recognizes the role of CSOs as partners in service delivery, but not policy making. CSOs have limited ability to advocate or lobby with the government. Despite the existence of strategic platforms with CSO representation, CSOs' ideas are rarely given much attention. Moreover, the rules of procedure for policy making do not require public consultation. Sometimes CSO activists are threatened and their demonstrations suppressed.

According to information from the Ministry of Interior (MoI), at the end of 2014 there were 4,378 registered organizations. However, a study commissioned by the Cooperation Committee for Cambodia (CCC) in 2013 showed that only 1,315 of 3,492 registered NGOs and associations in the country were active. An Oxfam report from 2014 found that nearly 25,000 unregistered and community-based organizations (CBOs) operate in Cambodia. The provinces of Siem Reap, Battambang, and Kampong Cham have the highest concentration of CSOs.

LEGAL ENVIRONMENT: 4.1

Cambodia has no law specifically regulating CSOs, though the Constitution of Cambodia, the Cambodia Civil Code of 2007, and various regulations and *prakas* (proclamations) for implementation all apply to CSOs. According to the Civil Code, CSOs operating in Cambodia register at the MoI, which classifies them either as NGOs or associations. Although the legal framework lacks clear definitions, the MoI deems CSOs serving society as NGOs and CSOs serving only their members as associations. Many community-based organizations (CBOs) operate without formal registration, though this is not clearly permitted in law. However, since unregistered organizations are not recognized as legal entities, they face certain limitations. For example, they cannot enter into contracts. INGOs must register with the Ministry of Foreign Affairs and International Cooperation, and renew their Memoranda of Understanding with the government every three years.

Registration is complicated by the uneven application of laws; strict requirements to document, e.g., an office address certified by local authorities and staff structure; and the solicitation of bribes by government officials. In addition, CSOs are expected to sign agreements with relevant government ministries that oversee their areas of work and must regularly report their organizational status—including changes in executive directors, organization names, addresses, and regulations—to the MoI. Registration is more difficult for small CSOs based in the provinces, as they must travel to the capital to register. In 2014, CSOs seeking registration with the MoI had to meet new conditions and requirements such as approval from a local municipality, which could provide the MoI more control over registered CSOs. Despite these bureaucratic impediments, all CSOs are able to register.

In 2014, there were several recorded instances of CSOs—especially organizations working on human rights, democracy, anti-corruption, and other sensitive topics—being pressured in person, by letters, or through actions by local government officials. Moreover, local government officials have ordered CSOs to stop their activities or work under close supervision. For example, in 2014, the Preah Vihear Provincial Governor sent a letter to the MoI demanding the closure of the local office of a small NGO called Ponlok Khmer, which supports ethnic minorities' land rights. The letter accused the organization of inciting villagers to commit illegal activities. Ponlok Khmer requested a copy of the letter, but received no response. The organization was still operating at the time of writing this report. Some authorities restrict CSOs' activities if they do not have permission letters, despite the fact that these are not required by law. Similarly, authorities restrict CSO activities to particular geographic areas, although the law does not allow for this. In addition, some CSO workers faced criminal charges in 2014. For example, seven Boeung Kak Lake community representatives were detained, arrested, and convicted following protests outside Phnom Penh City Hall in November. The

activists were protesting a city decision to lease land to a private company with ties to the ruling party; the decision ultimately led to the overflow of a lake and extreme flooding.

At the same time, CSOs do not report being subjected to government audits or inspections and generally perceive that oversight of CSOs is not a high priority for most government departments. However, CSOs are concerned that the Law on Associations and NGOs (LANGO), first proposed in 2011, will introduce limitations on operating costs and burdensome registration and reporting requirements and thus restrict civil society's ability to operate.

The 2009 Law on Peaceful Demonstration does not require prior permission to organize a demonstration, but does require notification. However, in practice, prior permission to hold an assembly is required and almost never granted. This discourages would-be organizers who fear they will be investigated by local government officials or even arrested by local police. In 2014, the government viewed CSO initiatives in response to the political deadlock as connected to the opposition political party; as a result, demonstrations were stopped, often violently, and some activists were arrested.

CSOs can legally earn income and compete for contracts from the government.

Any organization can seek tax exemptions in accordance with the Law on Taxation of 1997. All CSO income—including income from business and government contracts—is exempt from taxation as long as it is used to further the organization's non-profit purpose. CSOs can also seek exemptions from withholding tax, but the process is unclear. Property such as vehicles can be exempt from tax, but such exemptions need to be authorized by several government institutions. Gifts and contributions to non-profit organizations are also exempted from tax. However, individuals and businesses do not receive any tax deductions for donations to CSOs.

There are some lawyers and law firms that are familiar with the laws and regulations affecting CSOs. Legal advice is primarily available in Phnom Penh.

ORGANIZATIONAL CAPACITY: 3.8

The organizational capacity of CSOs varies depending on the size of the organization. INGOs are well-equipped with human and material resources, while local CSOs operate with more limited resources and lower capacities in areas such as proposal writing, English language, long-term strategic planning, and constituency building. However, some local CSOs are very strong because they learned from international advisors or are offshoots of international organizations.

Although some CSOs strive to listen to their local constituencies and modify their programs based on local needs, dependence on foreign donors often leads CSOs to be more accountable to their donors than to local citizens or to take up project activities based on the availability of funding. Local CSOs find it difficult to develop strong constituencies due to their limited capacities and resources.

In general, CSOs do not have the requisite knowledge and capacity to develop their own strategic plans. CSOs with sufficient resources hire consultants to develop strategic plans. Even when CSOs have such plans, they do not always implement them over the long term as they are unable to generate sufficient funds or are driven by the availability of funding.

A review by CCC of the 2007-2013 results of Cambodia's NGO Governance & Professional Practices (NGO GPP) certification system identified governing bodies (boards of directors) as particularly weak among other indicators of organizational governance. Nearly all CSOs have defined structures, roles, and responsibilities, but lack participatory and decentralized decision-making processes. While governing bodies are supposed to

play a significant role in organizational leadership, many CSOs do not have clear terms of reference for their boards. Therefore, executive directors dominate both management and governance within organizations.

Most NGOs and associations hire staff on a contractual basis. Many professional staff move to large international organizations and UN agencies. At the same time, many local organizations do not have strategies to retain staff or succession plans to follow when long-serving directors leave. Many local NGOs and associations employ full-time staff rather than providing opportunities to local volunteers. There are more opportunities for international volunteers. To manage their staff effectively, many organizations have personnel policies developed in accordance with Cambodia's Labor Law.

Most organizations have functioning IT equipment, but have limited capacity to fully utilize it. In addition, equipment—which is often donated by other partners or funded through projects—is generally old. CSOs located in more remote areas of the country have limited access to electricity and the Internet. Although the increasing availability of mobile devices could help CSOs in these areas to access and share information, CSOs are concerned that a proposed Cybercrime Law could control social media platforms and other means of online sharing.

FINANCIAL VIABILITY: 4.9

CSOs generally rely on project-based donor funding while sustainable funding, even in the short term, is difficult to secure. Over the last two decades, foreign donors have been the most reliable source of funding for Cambodian CSOs. According to a 2012 study by Suárez and Marshall, about 60 percent of grants and contracts were provided by the United Nations, foreign governments, and INGOs. According to the same study, almost 56 percent of local NGOs secure donations from individuals—often foreigners—and 32 percent of local NGOs earn income through commercial activities. Commercial activities may include income from health clinics, restaurants, office rentals, sale of publications, and craft shops. Over 40 percent of INGOs receive bilateral foreign aid, although just 22 percent of domestic NGOs access such funds. Rarely, some NGOs access development partner funding that is channeled through the state. According to CCC, as of 2012, Cambodian government funding and support in the form of tax exemptions, subsidies, or project-based partnerships accounted for 3.8 percent of NGO income.

After twenty years of investment in Cambodia's civil society, and especially as Cambodia is expected to be declared a low middle-income country by 2018, many donors have started shifting their development priorities to other countries in Southeast Asia, notably Myanmar. With the resulting decrease in funding opportunities, including the phasing out of programs from Concern Worldwide and Trocaire, access to funding was more competitive in 2014. As a result, some CSOs have closed their offices or ceased some projects.

Some international development agencies channel their grants through the government, and in turn, civil society may receive some project funding from the government. However, the RGC does not have a formal high-level partnership with civil society that facilitates the transfer of government funds to civil society and there is no legal framework that requires the government to provide financial support to CSOs.

Local philanthropy, mainly in the form of in-kind support from communities, is limited, and generally targeted to religious and political aims. Corporate social responsibility (CSR) is a new concept in Cambodia and there is no systematic or legal framework to encourage local support from the private sector. A few foundations manage to mobilize funds from individual donors for their specific charities. Many financial contributions benefit the Cambodian Red Cross, one of the largest humanitarian organizations in the country, which benefits from strong bonds to the government. CSOs focused on issues such as children, health, and education also seem to have better access to local funding, including from private businesses.

To promote the sustainability of their programs, CSOs increasingly seek alternative forms of income, including charging for services and selling products. Some organizations have recently transformed their programs or projects into social enterprises. For example, the International Development Enterprise (IDE) has started a business producing and selling ceramic water filters, and several child-focused NGOs such as Friends International and Pour un sourire d'enfants (PSE) operate restaurants. Umbrella and membership-based groups have started to introduce membership fees, which can account for approximately 10 percent of their total incomes.

Large CSOs have sound financial management systems and conduct independent financial audits. Small CSOs tend to have weak financial management systems and do not conduct independent audits, placing their transparency in question. Mainly large organizations produce annual or semi-annual narrative and financial reports. Many local and small organizations do not make their financial reports publicly available, although their donors may audit funded projects. Though sometimes donors support capacity building in financial management, at times donors still complain about CSOs' lack of transparency and weak financial mismanagement.

ADVOCACY: 4.4

There is no tradition of public deliberation within the political system and the Cambodian leadership routinely ignores civil society interests in its policy formulation. While the government holds some consultations with interest groups, they are not systematic and rarely have influence on decision making.

The eleventh draft of the Development Cooperation and Partnership Strategies (DCPS) 2014-2018 recognizes the CSO sector as a partner in providing social services and supporting community welfare, while other functions such as policy development, advocacy, and watchdog roles were not included. While the DCPS 2014-2018 formally allows CSOs to participate in the annual CSO-Government Dialogue, the dialogue has never occurred, despite many requests by CSOs and development partners. Technical Working Groups (TWGs) promote dialogue and partnership at sectoral and thematic levels. At the national level, NGOs are represented in sixteen of nineteen TWGs, enabling them to contribute in their respective fields.

Despite the obstacles noted above, through government-donor coordination meetings and sectoral TWGs, civil society occasionally has been able to channel the priorities and concerns of Cambodian people into higher-level national policy forums, such as the National Strategic Development Plan (NSDP 2014-2018) and Implementation Program Phase II (IP3-II).

In 2014, many peaceful gatherings organized by CSOs to address the political tension between political parties, as well as demonstrations by communities affected by land conflicts or by labor unions and garment workers seeking higher pay, were suppressed and participants were arrested. In addition, NGOs engaged in other forms of advocacy are also sometimes at risk of government threats or interference. For example, in 2014 the executive director of Transparency International Cambodia (TIC), leaders of the Labor Union, and other CSO representatives received anonymous threats. Although the cases were reported to local authorities, the senders were not found and brought to justice. Service delivery organizations generally maintain close relationships with the government and are therefore hesitant to be publicly critical of government actions.

CCC, the NGO Forum on Cambodia, and other networks bring CSOs together for joint advocacy campaigns. Networks such as the Cambodia Youth Network (CYN) and Community Peace Network (CPN) also try to link grassroots communities and organizations to the national level in order to advocate for change at all levels. In 2014, CSO networks coordinated several joint advocacy initiatives such as dialogues with government and coordinated media campaigns when the government rushed to adopt laws on the Status of Judges and Prosecutors, Organization and Functioning of the Courts, and the Supreme Council of Magistracy. However, the government did not address the concerns raised by CSOs.

In 2014, CSOs at both the national and subnational levels made important strides in building constituencies to support their advocacy work. Hundreds of CSOs jointly advocated for a peaceful settlement to the political tension, monitored the situation, and issued joint statements to release arrested human rights and trade union activists. CSOs also united successfully to shelve the first version of the Cybercrime Law released in 2014. However, the law was being redrafted at the end of the year, and CSOs remained concerned that it would undermine the environment for civil society in Cambodia if passed. At the subnational level, CBOs mobilized advocacy support from their communities on issues such as land grabbing, forced eviction, and human rights abuses.

SERVICE PROVISION: 4.1

Although CSOs operate in every province and municipality in the country, the highest concentration of CSO services in 2014 continued to be in Phnom Penh. Throughout the country, CSOs have made great efforts to diversify their goods and services and make them available to the wider community. In 2014, CSOs continued to focus on priority fields such as education and training; agriculture and animal health; health, nutrition and HIV/AIDS; child welfare and rights; and community development. INGOs have a strong presence in the education and health fields, while local NGOs focus on education and training, but have also diversified to other fields such as promotion of civic space, good governance, human rights, and environmental protection. Associations focus on agricultural and animal health, followed by the education and health fields and other approaches to promote human rights and development. In 2014, more CSOs became involved in micro-lending, including through self-help groups, microcredit schemes, rice banks, and animal banks.

CSO goods and services are generally responsive to the needs of their communities, in part due to the limited quality and availability of services provided by the government. Normally, CSOs conduct needs assessments and form entry strategies in a participatory manner before they decide to operate in an area. To ensure inclusive partnership in development, all CSO mandates complement the stated priorities of both the government and local communities. Small associations and CBOs located in the provinces tend to be more familiar with the concerns of the rural population.

In general, CSO services are likely to be accessible to their members and direct project beneficiaries, rather than the broader public. CSOs rarely use their products such as publications, expert analysis, and marketing information for income generation. CSOs would rather make those products accessible to other sectors such as academia, churches, or government.

In order to increase their sustainability, more CSOs have started to introduce fees for services to some target groups. For example, some capacity development CSOs run fee-based training courses. Other organizations have diversified their activities to include restaurants, tailoring, and vocational training. However, CSOs tend not to charge market prices since communities expect services and products from the government or CSOs to be free.

CSOs working in humanitarian assistance, public service delivery, and community development have gained more support and recognition from the government at both central and subnational levels, particularly in comparison to organizations working in the areas of policy development and advocacy. In 2014, an NGO called Cambodian Disabled People Organization (CDPO) received a piece of land from the government to build an office. However, there are no reports of the government providing grants or contracts to CSOs to provide services.

INFRASTRUCTURE: 4.2

Several membership-based organizations fulfill the roles of intermediary support organizations (ISOs) or CSO resource centers. These include provincial NGO networks and a few NGOs, including TIC, Community Legal Education Center (CLEC), Open Institute (OI), Cambodia Development Resource

Institute (CDRI), Advocacy and Policy Institute (API), and Cambodian Center for Independent Media (CCIM). These organizations have developed various databases, computer applications, media broadcasts, smart device applications, and other means to make information accessible to stakeholders. For example, Cambodian Human Rights Center (CCHR) has created a website (sithi.org) which shares information on human rights issues in Cambodia. International donors have not begun to invest in separate, dedicated ISOs and CSO resource centers in Cambodia.

Throughout the country, development partners such as USAID, UNDP, EU, and AusAID, as well as INGOs such as the Asia Foundation, Oxfam, Diakonia, and Save the Children, operate small and medium size grant programs to benefit CSOs in Cambodia. These grants are typically only made available to the donors' local partners. The few local foundations in the country generally raise funds for their own projects rather than awarding grants to other organizations.

Cooperation among CSOs is increasing, but the depth of cooperation is still quite limited. In some cases, limited funding drives CSOs to compete with each other, while in other cases, funding opportunities facilitate cooperation by requiring collaboration. The extent of cooperation varies considerably by field of work—CSOs in some fields such as humanitarian assistance and public service delivery enjoy high levels of cooperation. In addition, cooperation is strong within umbrella organizations such as CCC and the NGO Forum. Cooperation among CSOs engaged in different fields of activity is generally limited, although there was some improvement in 2014. For example, approximately 150 NGOs from diverse backgrounds joined an advocacy campaign to improve the enabling environment for civil society, which included participating in a consultation workshop, developing a joint statement, and other activities.

In general, national-level NGO coalitions work more effectively than those at the subnational level as they tend to have greater capacity and clearer mandates. In 2014, many development-based and thematic-based coalitions, such as CCC, NGO Forum, CHRAC, and NGO Education Partnership (NEP), continued to function effectively since their roles as coordinators and conveners remained important to their members and other stakeholders. Many national-level coalitions also have good representation in the national TWGs and have better chances to engage in policy consultations or dialogues than coalitions at the subnational level. However, these umbrella groups lack evaluation mechanisms and opportunities to address complaints from members. Information is generally shared only within coalitions, rather than civil society at large. In addition, some shared information is not relevant to members or is communicated in English only. There is no government oversight of partnerships and alliances, although the proposed LANGO would introduce a process for registering and overseeing coalitions.

In 2014, many capacity development services were available that responded to various needs of institutions and CSO staff. In 2014, NGOs such as the Institute to Serve Development Facilitators (VBNK), Silaka, CCC, and API provided targeted participants with capacity building services on such topics as organizational development, fundraising, advocacy, and human rights. Most of the training was also accessible to CSOs in the provinces. For example, in 2014, CCC in collaboration with API provided two trainings on organizational development and advocacy to provincial NGO networks. Even though most of the trainings were conducted in English and required payment, discount rates or scholarships were available for provincial NGO participants. At the same time, some participants found that the trainings were not targeted to the needs and qualifications of participants. Over the last ten years, CSOs have implemented little of the knowledge and skills attained from trainings. Ongoing support and coaching are needed for participants to apply new knowledge in their work.

There are few formal mechanisms to ensure collaboration between CSOs and other development actors and there are no formal partnerships between CSOs and the private sector, although a few CSOs have started discussing CSR with businesses.

PUBLIC IMAGE: 4.0

In general, it is difficult for independent CSOs to promote public awareness of their work and issues and amplify their voices through media.

Cambodia generally ranks near the bottom of worldwide press freedom indices due to government control and influence over the media, threats and violence against journalists, and self-censorship by media practitioners. In 2014, Freedom House ranked Cambodian media as “Not Free” and Reporters without Borders categorized it as being in a “Difficult Situation” with a rank of 144 out of 180 countries. Television is owned or controlled by those affiliated with the dominant ruling political party, while some radio stations are owned by political parties (including the opposition party), NGOs, and independent entities. Most newspapers, with the exception of the foreign language press, are owned by politicians or others affiliated with political parties. Many CSOs utilize the broadcasting services of radio stations that are run by NGOs such as CCIM (known as Voice of Democracy), CCHR, CLEC, and Committee for Free and Fair Elections in Cambodia (COMFREL). In 2014, the government introduced a draft Cybercrime Law, which contained some provisions that could prove harmful to the freedom of expression and right to access information and could therefore have a significant impact on CSOs, which increasingly use online media to communicate with their stakeholders. Although the first version of the Law was shelved in 2014, CSOs remained suspicious about the government’s plans to reintroduce similar measures.

The public perceives CSOs as being more trustworthy than other sectors. A study on Corruption and Cambodia’s Governance System conducted by TIC in 2014 indicated that CSOs received the highest average pillar score (48/100) on the national integrity system compared to other actors such as the legislature, executive, judiciary, and other sectors. The public in Cambodia highly appreciates CSOs whether they are working in service delivery or advocacy. Because CSOs generally work directly with the public and communities, public perception and trust of CSOs are not influenced by government criticism of CSOs. However, the public image of CSOs increasingly is undermined by the small number of CSOs that were created to serve political parties or personal interests.

At the local level, over the last three decades, relations between CSOs and communities have grown stronger, and communities have increased their trust in CSOs. CSOs have become more visible as a result of their work within local communities even though many NGOs still lack the capacity to build broad constituencies for their organizations. Their watchdog roles on political, social, environmental, and economic issues are raised and regularly quoted in newspapers and popular radio stations, such as Voice of America (VOA), Radio France International (RFI), and Radio Free Asia (RFA).

Besides having a close relationship with the media, CSOs also use ICTs for public relations purposes. Human rights NGOs such as LICADHO and CLEC use bulk messages to share information with their partners through mobile phones.

Since the general elections in July 2013, the environment for civil society has deteriorated. Increasingly, the government has criticized CSOs for causing “incitement” due to their associations with the political opposition; or for having a “main character symptom,” meaning that they amplify their voices only to absorb international aid. The private sector also has some negative perceptions of CSOs, especially those involved in advocacy and human rights.

The CCC-created GPP self-regulation system promotes institutional effectiveness, governance, and professionalism of NGOs in Cambodia. Since it was established in 2007, the GPP has received wide recognition for affirming good work, becoming a symbol of trust, providing a framework for sustainability, safeguarding against improper behavior, offering methods of self-improvement, and promoting accountability. By the end of 2014, GPP had granted sixty-three certificates to applicant NGOs while almost another 200 NGOs are going through the application process. The GPP’s visibility and credibility have driven

INGOs and development partners to motivate their local partners to participate in the process. While the certification system is now only available to NGOs, it is expected that a version will soon be available for CBOs as well. In general, all NGOs, but not all associations or CBOs, publish annual reports.