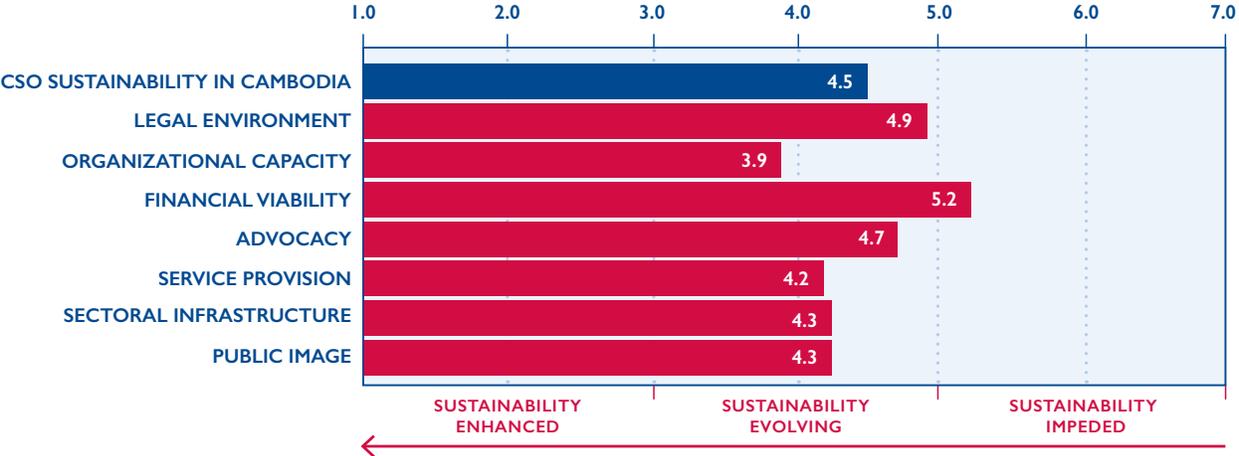


CAMBODIA

Capital: Phnom Penh
Population: 16,204,486
GDP per capita (PPP): \$4,000
Human Development Index: Medium (0.582)
Freedom in the World: Not Free (31/100)

OVERALL CSO SUSTAINABILITY: 4.5



Democratic space in Cambodia continued to erode in 2017 after the government led by the ruling Cambodian People’s Party (CPP) dissolved the Cambodia National Rescue Party (CNRP), the only prominent opposition party in the country, for allegedly being part of a so-called color revolution to overthrow the government of Prime Minister Hun Sen. The government also launched a major campaign against CSOs alleged to be part of the purported color revolution. Several CSOs and media outlets were closed, suspended, or placed under investigation. Moreover, the government intimidated, harassed, and stigmatized CSOs.

The sustainability of Cambodian CSOs continued to deteriorate in 2017, with negative developments noted in all dimensions of sustainability with the exception of organizational capacity. The government’s campaign against certain CSOs and media outlets discouraged advocacy activity and reduced CSOs’ visibility. While some spaces and mechanisms for CSO-government dialogue still exist, in practice these are primarily open to pro-government organizations and select trade unions, rather than independent CSOs. The legal environment deteriorated significantly due to stricter enforcement of restrictive laws. Financial viability weakened, as foreign funding has declined and there has been no significant growth in individual philanthropy, corporate social responsibility (CSR), or other means to replace it. As a result of the deteriorating legal and funding environment, CSOs had less capacity and ability to provide services, while the infrastructure supporting the sector deteriorated as qualified trainers and professionals left their organizations. In addition, intersectoral partnerships weakened, at least in part to allegations of CSOs’ association with the so-called color revolution.

By the end of 2017, there were around 6,000 registered local and foreign associations and non-governmental organizations (NGOs), an increase from 5,000 in the previous year. The increase is at least partly due to greater enforcement of the Law on Associations and Non-Governmental Organizations (LANGO), which requires all associations (member-based CSOs) and NGOs (non-membership CSOs, including foundations) to register. Local organizations register with the Ministry of Interior (MoI), while foreign organizations register with the Ministry of Foreign Affairs and International Cooperation (MoFA).

LEGAL ENVIRONMENT: 4.9

The legal environment for CSOs in Cambodia deteriorated in 2017 due to stricter implementation of restrictive laws and regulations and increased state harassment of CSOs.

Civil society continues to be regulated by several laws and regulations, including the Constitution of Cambodia, the Cambodia Civil Code of 2007, the LANGO, the Trade Union Law, the Law on Taxation, and various regulations and *prakas* (proclamations).

The LANGO was more strictly enforced in 2017, with the government demanding that CSOs adhere to the law's provisions requiring registration.

Furthermore, even though there appeared to be no legal basis—including through *prakas* or implementing guidelines—the MoI demanded many CSOs to change their bylaws, and required all CSOs to submit progress reports to the appropriate ministry and to

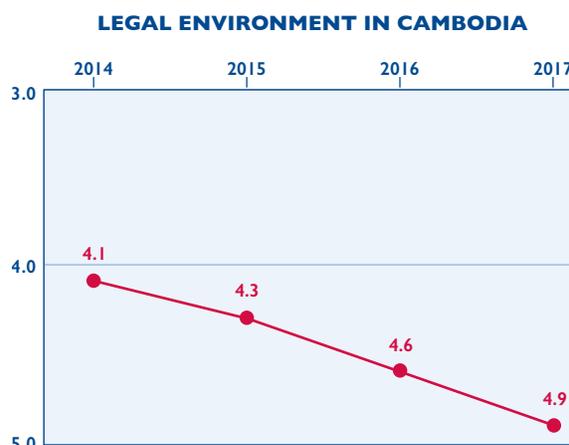
notify local authorities (and inform the MoI of this notification) and receive approval before conducting

any activities or programs in the provinces. Moreover, some CSOs have been forced to change their names and logos if they appear similar to those used by government entities; for example, use of the word “decentralization” has essentially been prohibited because there is a government program called the National Committee for Decentralization and De-Concentration (NCDD).

State pressure on CSOs dramatically increased in 2017. Both foreign and domestic CSOs—particularly those with links to the US—have been targeted for alleged association with the so-called color revolution. The government alleged that these CSOs were part of a “US interference network,” produced a video clip detailing these accusations, and circulated a list of them throughout the government. A legislator from CPP delivered a presentation to the National Assembly, in which he accused the National Democratic Institute (NDI), International Republic Institute (IRI), National Endowment for Democracy (NED), Freedom House, and the Open Society Institute of fomenting the purported color revolution.

Several CSOs and media outlets were shut down or curtailed their operations while they were under investigation. NDI was closed for purportedly failing to obtain a Memorandum of Understanding with MoFA. Equitable Cambodia was suspended for one month pending an investigation by the MoI into potential violations of the LANGO, including violating their bylaws and not submitting annual reports and other documents in a timely manner. Media outlets such as *Cambodia Daily* newspaper, Voice of America (VOA), Radio Free Asia (RFA), and Voice of Democracy (VOD) were placed under investigation, mostly by MoI and the Ministry of Economy and Finance, allegedly for not fulfilling tax obligations. Other NGOs were harassed for similar reasons. For example, Prime Minister Hun Sen publicly warned the Cambodia Center for Human Rights (CCHR) of a possible investigation “because they follow foreigners,” presumably because the organization was founded by Kem Sokha, the former president of the CNRP. The authorities threatened to close Agape International Missions (AIM) for allegedly insulting the country’s culture during a media broadcast about human trafficking. The Situation Room, a CSO consortium formed to monitor the 2017 communal elections, was threatened with closure for engaging in activity without registration under the LANGO and for fomenting the so-called color revolution. Moreover, authorities continued to arrest environmental activists, including those from the organization Mother Nature, for violating privacy laws by using drones to reveal illegal sand dredging activity.

In addition to this overt pressure, over the past few years the government has established organizations and institutions aimed at weakening the independence and voice of authentic CSOs by vocally supporting government positions. For example, the Civil Society Alliance Forum (CSAF), which was created in 2016, is staffed mainly by members of the Council of Ministers and ministries and consistently issues statements in support of government



actions. Similarly, Union Youth Federations of Cambodia (UYFC) is run by the prime minister's son, and essentially functions as a youth arm of the CPP. The government has used these bodies to claim that it engages with civil society. Meanwhile, many formerly vocal CSOs have been co-opted or forced to censor themselves.

The LANGO provides a general timeline of forty-five working days for registration, although the process takes longer in practice. Registration officials often identify minor mistakes in applications or request additional clarification, thereby prolonging the process—reportedly up to a year—and often driving CSOs to pay unofficial fees to registration officials to expedite it.

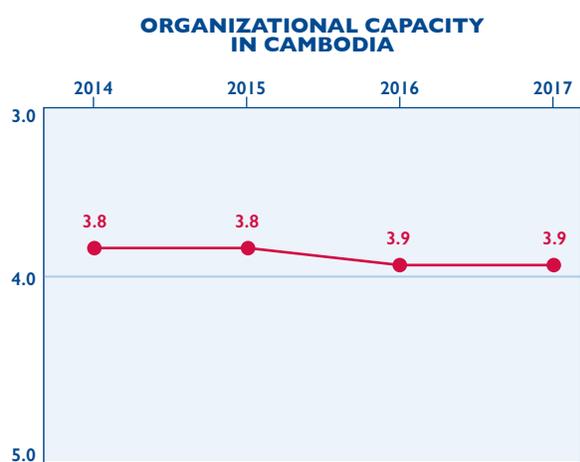
The Law on Taxation of 1997 provides CSOs with income tax exemptions, including on income from economic activity and government contracts. However, such exemptions require approval from the Ministry of Economy and Finance. In 2017, the Law on Taxation was more strictly implemented, and CSOs found it harder to access tax exemptions. Some CSOs believe this was done in order to increase tax revenue. In addition, CSOs operating credit unions without registration with the National Bank for Cambodia—a requirement not well-known or previously enforced—were issued letters requiring their organizations to shut down. There are still no legal incentives for individuals or corporate entities to donate to CSOs.

A few organizations continue to provide consultations and workshops on taxation and other legal issues pertaining to CSOs. In response to the shrinking space and restrictive legal environment for civil society, for example, the Cooperation Committee for Cambodia (CCC), in cooperation with Legal Aid of Cambodia (LAC) and DFDL Cambodia law firm, provided free legal assistance on the LANGO, Law on Taxation, and Labor Law to CCC's members and partners, including provincial CSO networks. However, legal compliance remains difficult due to inconsistent interpretation of the law by officials.

ORGANIZATIONAL CAPACITY: 3.9

The organizational capacity of CSOs did not change significantly in 2017. On the one hand, CSOs have gradually improved their skills and gained experience through capacity development services, membership platforms, and donor partners. CSOs have also made efforts to comply with the stricter legal requirements. At the same time, however, some provincial and local organizations have been forced to close their programs as international funding levels have declined and competition for the remaining funding has increased.

In 2017, CSOs adjusted their modes of operation in response to the more restrictive operating space. CSOs took a less confrontational stance with the government, including by complying with the LANGO and other government



demands, even when they are extra-legal. For example, without any legal basis, many provincial authorities demanded CSOs' branch offices in the provinces to submit more robust annual and long-term plans, rather than just activity-based plans; CSOs generally complied with these demands, although it took them time to prepare the requested documents. Moreover, CSOs expressed less criticism of the government, and organized fewer large meetings with local constituencies to protect them from accusations of threatening social order or of being associated with the purported color revolution.

Many CSOs are influenced more by their funders' agendas than the priorities of their local constituents; at the same time, CSOs receiving foreign funding

demonstrate greater transparency and accountability due to donors' monitoring and reporting requirements. Some CSOs actively build local constituencies around sectoral issues affecting their communities, such as fishing, forestry, or land issues. However, CSOs find it difficult to cultivate long-term and committed constituencies due to state intimidation and other tactics to divide groups.

Most CSOs develop strategic plans—many with the help of external consultants—in order to gain donor support. However, CSOs typically do not implement their plans strictly in order to accommodate new funding opportunities and changes in the operating environment.

The LANGO requires CSOs to lay out certain management rules in their statutes, and donors expect CSOs to have certain management structures, such as boards of directors, as well as clear roles and responsibilities for directors and managerial positions. In practice, however, boards of directors have limited functions, while executive directors play significant roles in managing organizations. CSOs must inform Mol of any significant organizational changes, including changes to board members or the executive director.

CSOs still struggle to maintain well-qualified staff, as most employment is project-based. Furthermore, well-qualified staff often move to the UN and other international organizations that provide better professional opportunities and compensation. The increasingly restrictive operating environment for CSOs has further pushed staff into other sectors. Nevertheless, many CSOs find ways to provide benefits to staff in compliance with the Labor Law, such as offering both government and private accident and health insurance. Only certain youth-focused CSOs utilize local volunteers, while many large CSOs rely on foreign volunteers and interns.

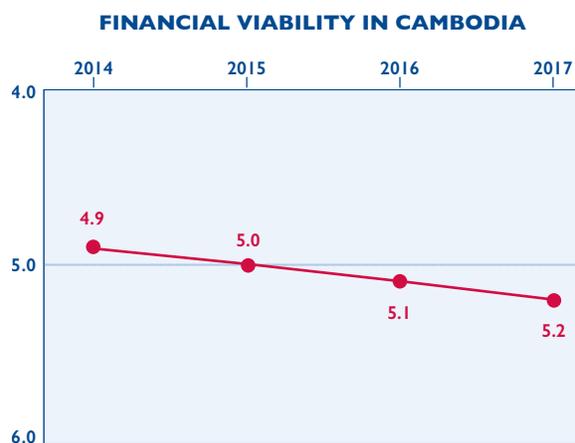
Generally, information and communications technology (ICT) is available to CSOs, though community-based organizations (CBOs) have less access to such technology and CSOs' equipment is often outdated. CCC, Development Innovation, ICT working groups, and Open Institute continue to promote the use of digital media by developing guidelines for social media, digital applications, and other ICT platforms. A study conducted in 2017 by CCC and Development Innovation on the use of ICTs among CCC's members found that approximately 80 percent of respondents use email for formal communication, and a similar percentage use Facebook Messenger for informal communication. The study demonstrated high levels of social media use, although in a cautious manner in light of the 2015 Telecommunications Law, which empowers authorities to access private communications and has reportedly led to public leaks of private information.

FINANCIAL VIABILITY: 5.2

Financial viability continued to decrease in 2017. Many CSOs rely on short-term, project-based donor funding, and only receive limited income from other funding sources. In general, CSOs do not have access to general organizational support.

Since Cambodia was classified as a lower-middle income economy in 2016, Official Development Assistance (ODA), particularly from Western countries, seems to have decreased overall. However, the United States continues to fund local CSOs, including through the Cambodian Civil Society Strengthening Project (CCSS), which is implemented by the East-West Management Institute (EWMI). In addition, the Chinese government is seeking to work with CSOs in fields in which CSO advocacy might affect Chinese investors, such as the environment and human rights. To date, only a national government-organized NGO platform is believed to have accepted the funding. Nevertheless, access to foreign funding has become more competitive.

According to observations of eight provincial networks, more than 85 percent of CSOs' funding comes from international donors. While CSOs with strong organizational capacities can continue to access foreign funds, provincial CSO networks indicated that at least 65 percent of their members were affected by funding shortages. About 30 percent of the affected organizations did not have the funds needed to carry out their activities, retaining only one or two people, mostly on an unpaid basis.



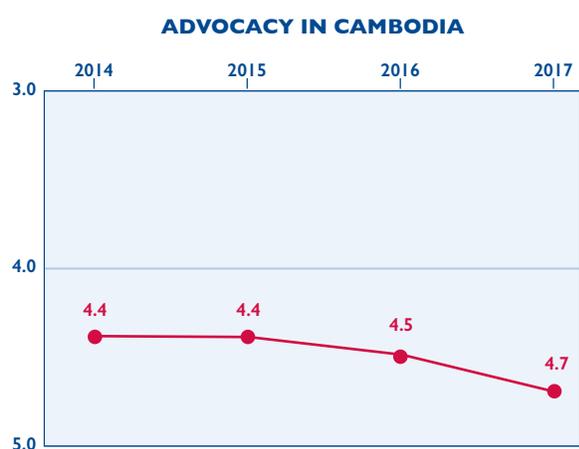
Local philanthropy is still nascent. The public tends to contribute only to temples, pagodas, and faith-based groups, and expects to benefit for free from CSOs' work. Some CSOs collect small contributions by leaving cash boxes at pagodas and markets. CSOs still lack fundraising capacity, even to prepare grant proposals. ICT tools for fundraising such as crowdsourcing are not yet widely used, though many CSOs have donation options on their websites. CSR is also nascent and an especially rare source of support for advocacy-based CSOs. Only a few CSOs that support government policy can access project-based funding from the government, and only in non-sensitive areas such as education services.

Many CSOs try to generate their own revenue through the sale of goods and services. For instance, Cambodian Rural Development Team (CRDT) operates a restaurant, guest house, and tours. Buddhism for Social Development Action (BSDA) manages similar activities. Phare Ponleu Silpak, Cambodian Living Arts, and Amrita generate some income through plays and other performances. These initiatives generally only generate small amounts of income. Some umbrella organizations such as CCC, NGO Education Partnership (NEP), and Health Action Coordinating Committee (HACC) collect membership fees.

Large CSOs typically demonstrate sound financial management, including by undergoing professional organizational audits. Small CSOs normally only conduct project auditing as required by donors. Many CSOs try to improve their financial management systems in order to be able to meet the financial reporting and auditing requirements in the LANGO.

ADVOCACY: 4.7

Advocacy activity noticeably decreased in 2017 following the dissolution of the CNRP and government accusations about a purported color revolution to topple the government. The government stigmatized many CSOs—especially those advocating for human rights, government accountability, and other sensitive issues—as part of this movement, and put these CSOs under increasing pressure, as described above. As a result, CSOs largely avoided engaging in public advocacy during the year, fearing that it would place them at risk. Media broadcasting of CSO voices was also limited.



Despite the pressure, some CSOs are still able to engage with the government at both the national and sub-national levels through a number of mechanisms related to the National Strategic Development Plan (NSDP), Implementation of Social Accountability Framework (ISAF), and local development plans. In addition, members of the Technical Working Groups (TWGs) work collaboratively on the development agenda and monitor progress through the Joint Monitoring Indicator (JMI). In 2017, the government also invited CSOs to participate in several consultation processes—such as that related to the localization of Sustainable Development Goals (SDGs). In addition, CSOs have some ad hoc meetings with ministries and National Assembly members. However, in practice

these mechanisms are primarily open to pro-government organizations, rather than independent CSOs, and CSO participation in consultation processes decreased overall in 2017. In addition, CSOs' contributions are often not reflected in the government's final decisions. While CSOs were somewhat satisfied with the incorporation of their inputs into the draft Law on Access to Information, in other processes, such as localization of the SDGs, more priority was given to the inputs of ministries.

In the face of intimidation and pressure, CSOs have shown resilience, adapting their advocacy approaches both internationally and domestically. Domestically, CSOs engaged in less mobilization and criticism—or conveyed criticism in a careful, measured manner—and made more joint statements that articulated their views carefully.

Although the government has heightened pressure on CSOs, advocacy and lobbying by CSOs forced the government to improve its practices in some areas, including employment protections and anti-corruption. For example, the government enhanced social protections for women like maternity leave and healthcare, and increased the base salary for garment workers. CSOs reached out to the international community and regional networks, like the Asian Democracy Network and Asian Development Alliance, for support to improve civic space and the operating environment for CSOs in Cambodia. Many donors, including the EU, US, and Sida, applied strong pressure on the government, threatening to tax imports, eliminate support to sub-national development, and stop providing new grants to the government.

SERVICE PROVISION: 4.2

CSO service provision declined in 2017 due to several factors. CSOs had fewer financial resources to fund their service provision, while the more restrictive legal environment, including increased interference by local authorities in CSOs' events and programs, limited CSOs' engagement in service provision, including through self-censorship.

Despite these difficulties, Cambodian CSOs continue to provide services in a variety of fields, including education, health, agricultural production, water and sanitation, and livelihood improvement. In 2017, most CSOs engaged in basic social services, while fewer CSOs worked in such areas as human rights, legal consultation, and advocacy. CSO services are of decent quality but could be more diversified, innovative, and accessible. Most CSOs working in service delivery target highly populated areas, providing limited services to people in more remote areas. CSO goods and services are generally provided to beneficiaries without discrimination based on race, gender, or ethnicity.

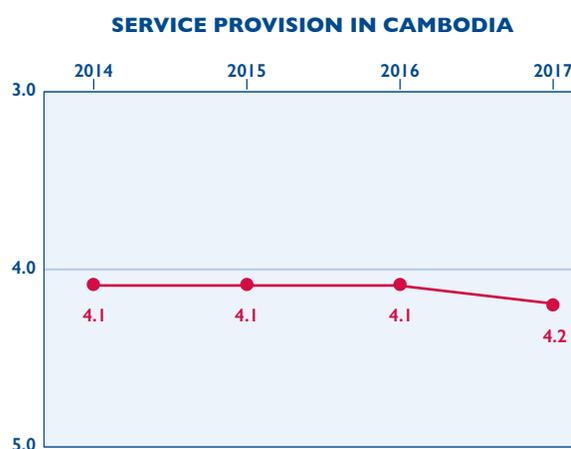
With limited resources, CSOs use different methods to identify and respond to the needs of the communities they serve. CSOs engaged in health, education, and other areas of sustainable development respond more effectively to community needs because needs in these areas are well-understood. CSOs working on more sensitive issues had fewer opportunities to engage in local development planning in 2017, however, as they were closely monitored by local authorities and faced the risk of being accused of supporting the so-called color revolution.

Through ISAF, a social accountability program designed to involve CSOs, CSOs have been engaged in monitoring and implementation of programs in health, education, and public service delivery in the community development process in ninety-eight districts and 731 communes. Such engagement demonstrates to the government the benefits of working with service delivery CSOs. However, the effectiveness of ISAF in improving service delivery remains in question.

Sectoral and province-based CSO networks and umbrella organizations tend to make most of their services available only to members or target groups free of charge. If services are extended to non-members, a concessional fee is charged. Most CSO publications are accessible free of charge online.

Most CSOs prioritize services for vulnerable groups, with almost no expectation of payment for services. Only a few CSOs—such as Buddhism for Social Development Action (BSDA), Cambodian Rural Development Team (CRDT), Children and Women Development Center in Cambodia (CWDCC), Mith Samlagn, Mlub Tapang, Phare Ponleu Silpak, Epic Art, Reproductive Health Association of Cambodia (RHAC), and Marie Stopes International Cambodia—have successfully established social enterprises in fields like eco-tourism, art, health, handicrafts, and hospitality.

Despite the more restrictive operating environment for CSOs working in sensitive areas in 2017, the government showed some appreciation for civil society, especially in service delivery. For example, in 2017 the government organized the first awards ceremony for education-focused CSOs, including Action Aid Cambodia and NEP.



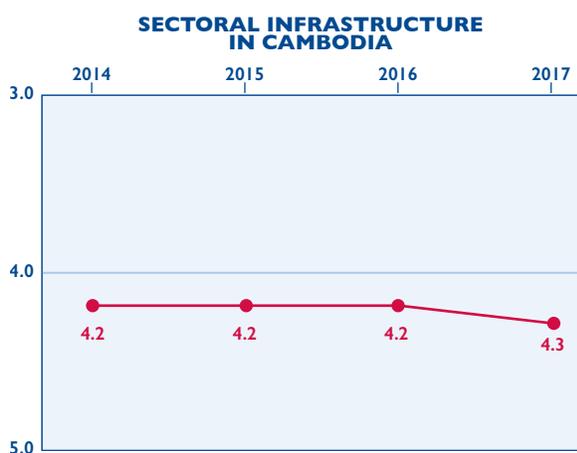
Furthermore, CSOs working with the government to promote the SDGs and ISAF reported a positive partnership, with the government appreciating their inputs. In 2017, the government adopted civil society's proposal to have multi-stakeholder partnership as a key element of ISAF, which was reflected in the new Implementation Plan (ISAF IP3 2018-2020).

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting CSOs in Cambodia deteriorated in 2017. The sector remains fragmented, with no structures that bring the entire sector together to address shrinking civic space and other issues affecting CSOs broadly.

There are no dedicated intermediary support organizations (ISOs) or CSO resource centers in Cambodia. Umbrella organizations and sectoral or province-based CSO networks perform some supporting roles such as information sharing, research and knowledge management, and capacity development. However, the services—particularly free ones—are generally limited to their official members who pay dues.

Furthermore, no local organizations or programs provide locally-funded grants to other CSOs. However, some donors, such as the EU, USAID, and Bread for the World, require or enable their grantees to provide sub-grants to other CSOs. For example, in 2017 CCC was able to sub-grant about 10 percent of the total funding it received under an EU-funded project to other CSOs. A feasibility study conducted by CCC in 2017 confirmed the need to establish a CSO Fund to mobilize resources for CSOs in need, conduct resource mapping, provide small grants, and offer other support related to financial sustainability. The CSO Fund is expected to be functional in 2018.



According to a study commissioned by CCC in 2017, there are more than 100 registered and unregistered CSO networks in Cambodia, although only about 60 percent of them function effectively. Notable national-level networks include CCC, NGO Forum of Cambodia (NGOF), HACC, NEP, the NGO Committee on the Rights of the Child (NGOCRC), the Solidarity House (SH), the ChabDai Coalition, Star Kampuchea, and the Cambodian NGO Committee on CEDAW. Cambodian Human Rights Action Committee (CHRAC), a prominent human rights umbrella organization, ceased its operations in 2017 due to internal management issues resulting in the suspension of donor funding. On average, there is at least one provincial CSO network in each province, though they tend to be focused on a particular sector. In

2017, through the EU project Strengthening the Capacity of Provincial Networks for Inclusive Development, eight provincial CSO networks followed a common standard to develop strategic plans, knowledge management plans, resource mobilization plans, advocacy plans, and other operational materials. In general, information sharing across CSO networks remains weak because they lack a common platform. Despite the large number of networks, only a few networks and individual CSOs work to address sector-wide issues. The CCC study proposed that networks should collaborate more in order to represent the broader civil society sector and maximize efforts and resources.

Many qualified trainers and professionals left their organizations in 2017 for various reasons, including a lack of funding and the restrictive operating environment. However, some still work as freelance trainers for CSOs. Membership-based CSOs, grant-making international CSOs, and some bilateral partners provide capacity development services free of charge to their members or partners.

Those services are provided mainly in the areas of results-based management, financial management, child protection, and gender. There is high demand for support in other areas such as business development, resource mobilization, partnership development, and constituency building, but such training is either not offered, is inadequate, or is too expensive. Compared to small and grassroots CSOs, international CSOs and large domestic CSOs have better access to capacity development opportunities due to their greater resources. Most trainings are still conducted in Phnom Penh or provincial capitals, and more training materials are now available in Khmer.

Cross-sectoral partnerships among development stakeholders were less stable in 2017, due at least in part to allegations of CSOs' association with the purported color revolution. CSO collaboration with the government rarely occurs in sensitive fields such as human rights, natural resource management, and environmental management, but remains active in the field of service delivery. A notable example of collaboration from 2017 is the government's adoption of civil society's proposal to have multi-stakeholder partnership as a key element in ISAF IP3 2018-2020. Collaboration between civil society and the private sector remains weak and is generally limited to business executives being guests or speakers in civil society events.

PUBLIC IMAGE: 4.3

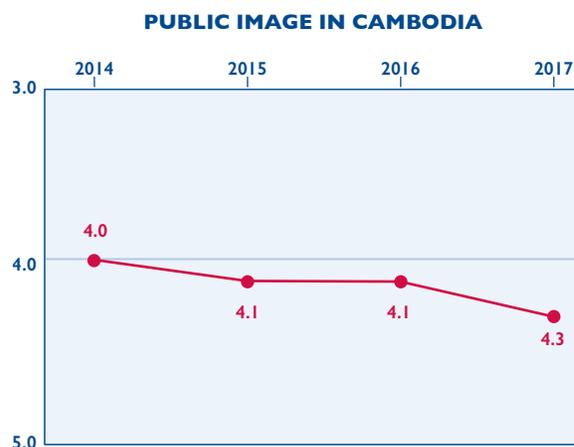
The public image of CSOs significantly deteriorated in 2017.

During the year, the government shut down fifteen radio stations and the prominent newspaper *Cambodia Daily* on various grounds, such as breach of contract with the Ministry of Information, legal violations, and administrative and technical issues. The Ministry ordered local radio stations to stop broadcasting independent news outlets RFA and VOA because they were operating illegally in the country. However, some radio stations continued to broadcast them online, which is not subject to regulation by the Ministry. Many in civil society viewed the closures as part of the government clampdown on civil society since many of the outlets were run or used by CSOs.

Although some people still view civil society as donors, many understand the role of civil society as development actors and can distinguish local CSOs from donors, political parties, or the government. Beneficiaries of CSOs' work tend to have high levels of trust in the sector. However, the clampdown on civil society and media has not only caused self-censorship of CSOs and communities in exercising their rights but has misled the public about the roles of civil society. In 2017, the state media and pro-state media—including the Quick Reaction Unit of the Council of Ministers, state TV, and FreshNews—continually reported on potential links between CSOs and the purported color revolution, increasing negative perceptions of civil society.

Government officials at the national level made more public speeches against civil society in 2017, and the clampdown on CSOs and media demonstrated their negative perception of CSOs. For example, in November, the prime minister threatened to close CCHR, accusing the organization of being influenced by foreigners and associated with the so-called color revolution. At the same time, the government valued inclusive engagement with civil society in certain areas it does not consider sensitive, particularly some aspects of the SDGs like health, education, agriculture, and gender, as well as the ISAF process.

The private sector's perception of civil society is not very positive, particularly with regard to CSOs working on sensitive areas, such as land and housing rights, and CSOs that support communities to address issues involving the private sector. For example, a sugar plantation company has accused CSOs of inciting citizen protests against the company. The private sector also views civil society as not innovative enough to be self-sustaining.



Due to the closure of many independent media outlets, CSOs—especially those working on sensitive areas—had even fewer means to publicize their activities in 2017. CSOs can still access the state media if their work is not sensitive, or if they have good representation from the government in their events. Some CSOs still had access to RFA and VOA, albeit only the online broadcasts. CSOs increasingly use social media and launch online campaigns, especially through Facebook, to promote their visibility; however, they are much more careful when discussing sensitive issues.

In general, CSOs produce annual reports and distribute them to their stakeholders, either in hard or electronic copy. A few CSOs also produce regular bulletins, brochures, and campaign banners, and widely distribute them to their stakeholders.

The Governance and Professional Practice (GPP) certification system remains the only accreditation tool in Cambodia that promotes good governance among CSOs. The GPP standards require all participating CSOs to have annual reports, progress reports, financial reports, and complete organizational policies. By the end of 2017, eighty-six GPP certificates had been awarded to qualified CSOs, and more than 220 applications had been received. In 2017, CCC developed the Practical Guideline on Good Governance and Sustainability for CBOs and distributed it to more than 1,000 CBOs throughout the country.