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# THE 2002 NGO SUSTAINABILITY INDEX

## EXECUTIVE SUMMARY

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The *2002 NGO Sustainability Index for Central and Eastern Europe and Eurasia* is the seventh edition of this comprehensive and comparative study of the strength and viability of the NGO sectors in each country in the region. This edition of the Index continues to measure seven dimensions deemed critical to NGO sustainability.

Individual country scores for the Index are reached through a collaborative process involving experts in the field and an editorial committee in Washington, DC. The in-country expert panel consists of representatives of local NGO support centers and intermediary support organizations; local NGOs; academic experts; partners from the government, business, and media sectors; international donors; and USAID implementing partners. After they arrive at a score for each dimension, a report is sent to Washington where an Editorial Committee reviews it from a comparative perspective to ensure that scores make sense both across countries and over time. While it is impossible to make these scores completely objective, this methodology removes much of the subjectivity from the process, and allows for a meaningful comparison of scores between countries and from year to year. In order to facilitate the monitoring of progress within an individual country, historical scores for the last five years are provided in each section of each country report, rather than as a statistical annex in the back. As always, the Index utilizes the scoring scale developed by Freedom House and used in *Nations in Transit* and *Freedom in the World*, with a seven (7) representing the lowest level of development and a one (1) the highest.

### NGO Index Dimensions of Sustainability

- Legal Environment
- Organizational Capacity
- Financial Viability
- Advocacy
- Service Provision
- Infrastructure
- Public Image

The Index continues to be used by USAID missions and local and international partners alike, both to inform program design and to monitor and measure progress. The individual country reports in the Index provide a comprehensive introduction for those new to the region or a specific country, or an update for those already actively involved. The Index also serves as a convenient primer on some of the unique initiatives affecting NGO sectors across the region. The remainder of this section will highlight some of these developments, both positive and negative, in the hope that these lessons learned may inspire new programmatic directions by local and international NGOs.

### Overall NGO Sustainability

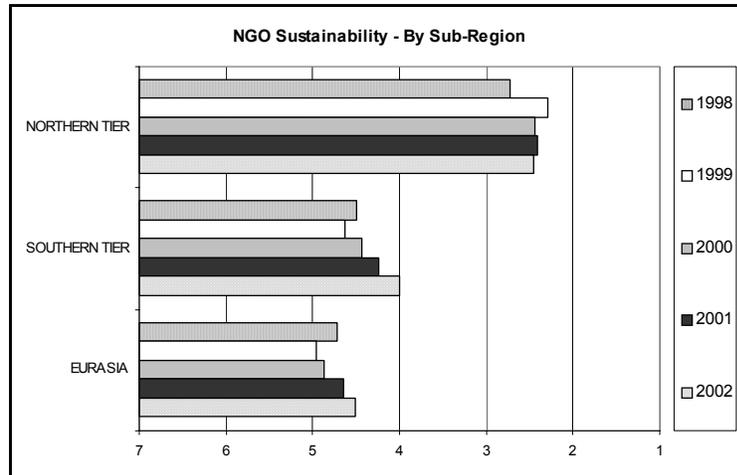
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As the NGO sectors in Central and Eastern Europe and Eurasia continue to develop, so does the body of knowledge available about the sector. Where statistics and data about NGOs in the region were once sketchy, detailed research, studies, and analysis are now conducted on a regular basis. This information assists experts and activists in lobbying for new legislation, demonstrating the sector's impact, and making informed decisions about programmatic directions. Even more notable is the fact that these studies are being designed and conducted

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almost entirely by local NGOs who recognize the need for this kind of data. For example, in Moldova, the CONTACT Center gathered numerous statistics ranging from basic information on the NGO sector, such as area of activity and geographic location, to the level of public trust in NGOs through their Study on the Development of Non-Governmental Organizations in the Republic of Moldova. In Bulgaria,

MBMD conducts an annual survey that also covers a broad array of internal and external issues affecting NGO development. The Civil Society Development Foundation Hungary and BoardSource recently conducted research on NGO governance practices in Hungary, which revealed numerous deficiencies, particularly in regard to the role of boards.

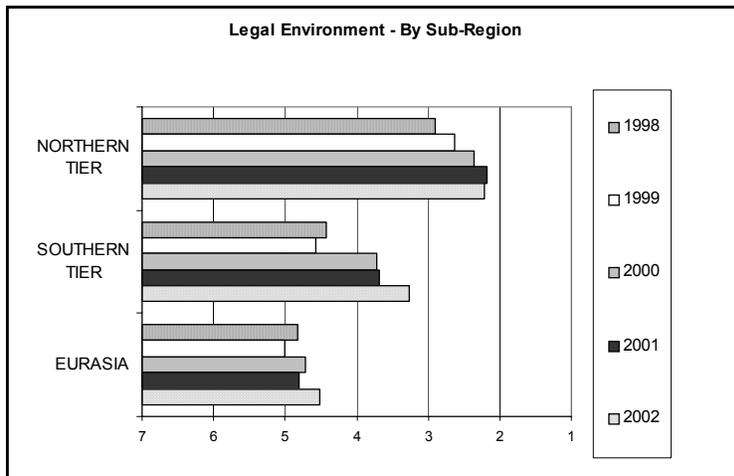


As NGOs expand their influence in their communities and countries, national governments are increasingly recognizing the important role they play. Over the past few years, Presidents in at least three Eurasian countries have made speeches commending the work of NGOs or participated in “civic forums”, thereby further legitimizing the role of civil society. In November 2001, President Putin personally opened the Civic Forum, which provided a venue for government officials and NGO representatives from throughout the country to discuss the development of civil society in Russia. President Rakhmonov of Tajikistan participated in an NGO conference on Social Partnerships in June 2002, where he publicly encouraged local government authorities to cooperate with NGOs. During an address to the spring session of Parliament, President Karimov of Uzbekistan called for stronger NGOs, as well as government support for social partnerships with NGOs. All of these events have had significant positive ramifications on the status of NGOs in these countries.

Similar initiatives are taking place in countries throughout Central and Eastern Europe, although on a more formalized basis. The most notable example of this occurred in December 2002, when the Estonian parliament unanimously passed the Estonian Civil Society Development Concept (EKAK), the first document of this type to be approved by a parliament in this region. The EKAK provides the framework for relations between the country’s NGOs and public authorities and states common principles of cooperation. The new government in Hungary is also planning to sign a contract with the NGO sector. In the Czech Republic, there is a Government Council for the Non-Profit Sector (RNNO), consisting of both government and NGO representatives, that is responsible for informing the government about the non-profit sector, cooperating in the preparation of new legislation for the sector, disseminating information on donations from public sources, and cooperating in the creation and operation of an information system about NGOs. The establishment of such formal mechanisms of cooperation between NGOs and the government is a direct result of the sector’s growing influence in these countries, and also ensures that NGOs will continue to have a public voice.

## Legal Environment

Basic framework legislation is now in place in most countries throughout the region, although countries that passed their laws at the beginning of the transition, such as the Czech Republic, are now finding that changes are already needed. Ironically, this means that countries where laws were passed later, including many in Southeast Europe, now serve as models for their northern neighbors. Basic registration still remains a problem in some Eurasian countries, however. Most notably, registration is still very time-consuming in Azerbaijan and in Turkmenistan, it is virtually impossible to register an NGO. It is also very expensive and difficult for NGOs to register in Belarus.



NGOs have been increasingly successful at advocating for the passage of laws that promote their financial sustainability. In 1997, Hungary became the first country in the region to pass legislation allowing individual taxpayers to dedicate a percentage of their income taxes – 1% in this case – to registered NGOs. This model is now spreading throughout the region, particularly in the Northern Tier countries. Slovakia passed a 1% law in 2001, and in July 2002, the

Lithuanian parliament, the Seimas, passed a new law, which allows individuals to designate 2% of their income taxes to a selected NGO or public institution that benefits society. The Parliament in Poland is also considering similar legislation. The implementation of these laws greatly expands the pool of likely donors and also encourages NGOs to increase their effectiveness and visibility in order to attract donors in this manner.

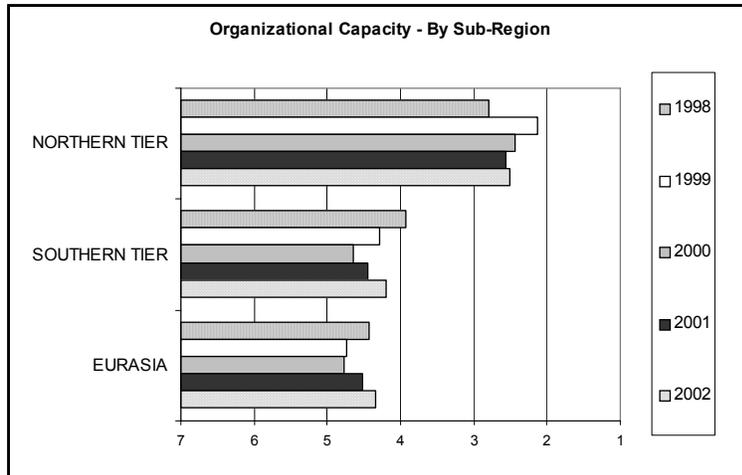
In contrast to these advances in the Northern Tier, NGOs in many Eurasian countries continue to face significant legal hurdles to financial sustainability. NGOs in several countries, including Georgia, are treated the same as private companies in terms of taxation on revenue earned. In Russia, the 2001 Tax Code removed tax incentives that previously encouraged corporate philanthropy, effectively discouraging businesses from contributing to NGO activities.

NGOs throughout the region have discovered that the existence or lack of government harassment is often governed more by personal attitudes than laws. For example, while the Croatia chapter notes that the Law on Foundations and Funds confers upon the government a great deal of unwarranted power regarding the appointment of an organization's board of directors, NGOs are able to take a stand on public issues and express criticism of the government without fear of retribution. Likewise, in Serbia, the poorly defined nature of the current legislation would seem to allow state interference. In practice, however, the state lets NGOs operate freely. The situation in Macedonia stands in contrast to that in Serbia and Croatia. While Macedonian NGOs have the freedom to organize public debates and express criticism from a legal standpoint, during 2002 a number of NGOs that had been strongly critical of the government were intimidated by the central government and criticized by the pro-government media.

## Organizational Capacity

While the organizational capacity of NGOs in Central and Eastern Europe and Eurasia continues to develop, several deficiencies are still commonplace. Even in the more advanced Northern Tier countries, many NGOs still have weak links to their constituents. Instead of viewing clients and members as their key constituents, many organizations continue to respond primarily to donor needs and interests. Perhaps reflecting this weak link to local constituencies, volunteerism also tends to remain underdeveloped.

Similarly, only the most advanced NGOs in the region truly utilize strategic planning to guide the long-term development of their



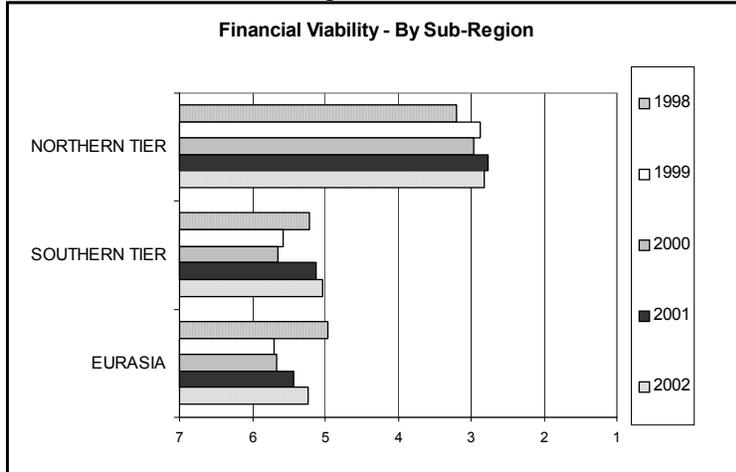
organizations. In large part, this is due to the fact that most organizations are financially dependent on foreign donors, with shifting areas of interest. NGOs therefore tend to change their missions in order to remain eligible for a variety of grant programs, rather than focus on the priority needs of their constituents as identified through a strategic planning process.

Boards of directors also remain a poorly understood concept by most organizations. While most countries' legislation requires the existence of a board of directors, these often exist just on paper. Few organizations have well-defined roles and responsibilities divided between the board and staff. Furthermore, it is not uncommon for the same individual to serve both on the board and as a staff member. Indeed, NGOs have not fully bought into the importance of independent boards. The Albanian chapter may summarize this sentiment best by stating that "boards are ... seen as a donor-driven development and their value to NGO operations is questioned."

While serious organizational weaknesses remain, there are signs of progress in this area. NGOs are becoming increasingly Internet savvy. Bulgaria reports that 60% of NGOs are now connected to the Internet. Hungary reports a need for more sophisticated types of training focused on various emerging specialties in the organizational development field, such as professional fundraising. In Kyrgyzstan, true non-governmental *organizations* are emerging where previously only non-governmental *individuals* had existed. In Russia, the skills and talent of NGO staff is being recognized in a manner that is actually hurting overall NGO capacity. Businesses and government agencies have come to recognize the talents and skills of NGO professionals, and are slowly pulling these individuals away from the NGO sector with higher salaries.

## Financial Viability

The challenge in terms of financial viability for NGOs across Central and Eastern Europe and Eurasia is to develop domestic sources of funding and/or revenue to replace unreliable international donor funding. Given the weak economies and experiences with philanthropy, local



and national governments are often looked at as key sources of domestic funding, and many countries are experimenting with different ways to tap into this potential source.

The Czech Republic has perhaps had the most success in this regard. Czech NGOs receive approximately 39% of their funding from the government, and a quarter of organizations receive over half of their funding from state resources. Part of this

funding comes from a unique arrangement that provides Czech NGOs with access to a portion of the funds received from state privatization. As part of this, 73 Czech foundations received approximately \$47.5 million in 2002 to build their endowments. Ironically, in contrast to NGOs in neighboring countries that would welcome this level of state support, Czech NGOs are now expressing concern that they are *over-reliant* on state support.

Other countries in the region are also experimenting with various mechanisms to provide state support to NGOs. In Bosnia, the Council of Ministers dedicated \$150,000 from the state budget to assist local NGOs for the first time in the summer of 2002. Despite limitations in the plans to distribute these funds and the limited amount of money, NGOs view this as an important sign that the government recognizes the significant role of non-profits in the country. In Croatia, government support has been provided to the NGO sector through the Government Office of Cooperation with NGOs for many years. In 2002, however, funding was made available for initiatives longer than a year for the first time. Kazakhstan has taken the first steps towards drafting a law that would establish a legal channel for NGOs to compete in state tenders for social sector services.

In many countries, local-level governments are also a growing source of support to NGOs. In addition to financial support through grant competitions or tenders, many local government entities provide in-kind support to NGOs, often in the form of free or reduced cost office space.

In contrast to state support, corporate and individual philanthropy has been slow to develop, although there are also signs of progress in this regard. As mentioned previously, several countries in the region have adopted laws that allow individual taxpayers to dedicate a percentage of their income taxes to NGOs. Companies in some countries have also begun to contribute to NGO activities. For example, in Bulgaria, 23% of NGOs report receiving some support from Bulgarian businesses. Romanian NGOs report that while corporate philanthropy is still rare, social services and sports and cultural events are more successful at attracting sponsorship because of their great public impact and broad media coverage. In Lithuania, a few pioneering organizations have developed partnerships with businesses that in turn donate a portion of their sales to the NGO. Large Russian companies such as Yukos Oil and Alfa-Bank

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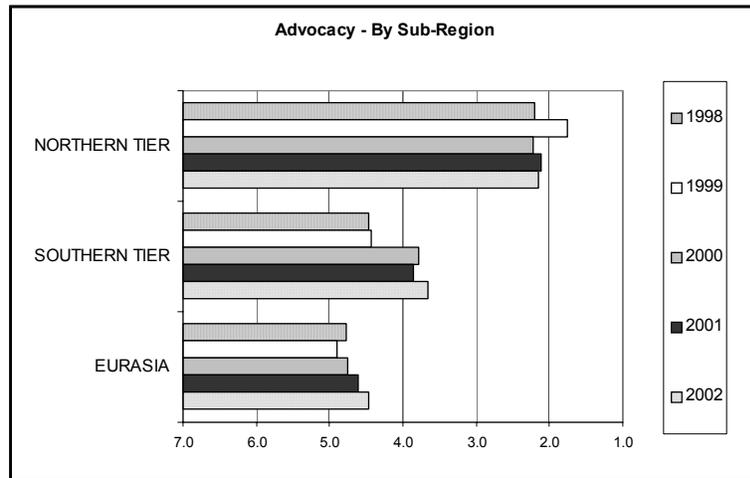
have created multi-million dollar community development programs that provide funding to NGOs.

NGOs throughout the region have also remained hesitant to become engaged in income-generating activities for a variety of reasons. First, few NGOs have the business management skills necessary to assess the market to see what it will bear. Many NGOs also fear that charging for their services will blur the distinction between them and for-profit businesses. Additionally, the tax regime in many countries of the regime discourages NGOs from charging for their products and services by charging them the same taxes as for-profits.

### Advocacy

Advocacy skills continue to develop across the region. Over the past year, NGOs have been involved in a variety of advocacy activities, including civic education, election monitoring, and lobbying government to pass laws on topics ranging from NGO operations to the rights of

disabled children to education. While NGOs continue to have success in this area, many country chapters indicate that advocacy is often more *ad hoc* than institutionalized. For example, in both Serbia and Armenia, NGO experts report that advocacy successes are often based on personal contacts. In Bosnia, advocacy campaigns are often initiated by the international community, although local NGOs then play an important



role in implementing them. International initiative was also instrumental in activating NGOs in Azerbaijan to fight a harsh proposed Law on Grants. In Croatia, recent advocacy efforts related to new legislation on voluntarism, public benefit organizations, the lottery, and foundations was ironically initiated by the Government Office for Cooperation with NGOs, while in Georgia, the NGO sector finds itself in a reactive advocacy role, uniting to stop legislation rather than to initiate it.

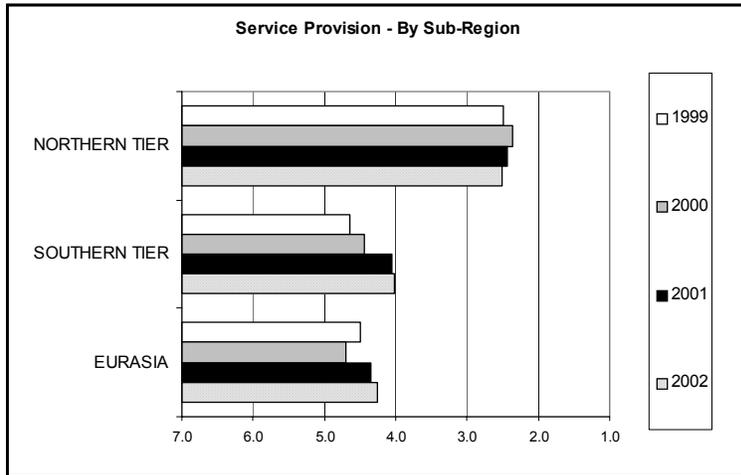
In contrast to the above examples, the influence of NGOs is being institutionalized in several countries, again primarily those in the Northern Tier. In Latvia, NGOs are represented at the weekly meetings of State Secretaries, the highest administrative body in each government ministry. In addition, the NGO Center is asked to provide comment on all legislation affecting the sector, and *all* draft legislation must have an annotation that NGOs have been contacted for comment. During the hotly contested 2002 parliamentary elections in Ukraine, the Central Election Commission involved leading NGOs in the field on an advisory board. Hungary is moving in similar directions. The new government there has announced plans for a national NGO Advocacy Body to serve as its major partner in implementing a new NGO strategy. This body will also participate in the development of NGO legislation, delegate members to the controlling body of the Civil Fund, and help develop an NGO Code of Ethics.

NGOs in Poland have gone a step further by creating a formal structure not to interact with their

national government, but with the European Union. In 2002, a Polish NGOs Representative Office was established in Brussels to influence relevant EU structures, the first such office of its kind among NGOs from EU accession countries.

**Service Delivery**

Financing continues to be the most significant factor in NGO service provision. In the case of social services, this revolves primarily around relations with the local and national governments.



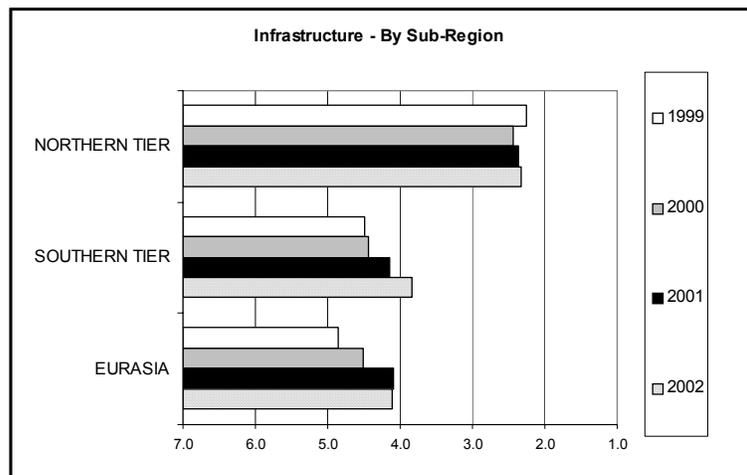
In many countries, local governments have started to rely on NGOs to provide some of the social services that they can no longer afford to provide themselves. Unfortunately, this reliance rarely includes the provision of financial resources to assist NGOs in their efforts. In fact, several countries, including Tajikistan and Armenia, report that there is government resentment towards NGOs due to the perception that NGOs have more access to donor funding

than they do. There is similar competition between local governments and NGOs in Latvia, although in this case, the competition is over funding from the national government for the provision of social services. In Kyrgyzstan, the government’s recent poverty reduction plan depends on NGOs to deliver services without providing any financial support for this work.

The ability of NGOs to charge for the services they provide is often limited by public willingness and ability to pay. In many countries of the region, NGOs are not only faced with a clientele that often lacks the resources to pay for services, but also the general belief that NGO services should be free. Many other countries, including Georgia, report problems in charging for services as the target population of services generally consists of people who can not afford to pay.

**Infrastructure**

NGOs in most countries of the region now benefit from the services provided by resource centers and/or intermediary support organizations. However, these entities and the services they provide remain heavily dependent on foreign donors, throwing their long-term sustainability into question. Support organizations in a few countries are beginning to charge for their services, however. For



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example, in Poland, the SPLOT Network, Centers for Local Activity, and Citizens Advice Bureaus are all beginning to collect fees for services that were once provided for free. It is also becoming more common for NGOs in Ukraine to pay for training, and even those that cannot afford to pay state their understanding of why fees need to be instituted.

NGOs in different countries have developed various mechanisms to join together for general coordination or to discuss common problems. In Slovakia, the Gremium of the Third Sector (G3S) has served for many years as an informal advocacy group of elected NGO leaders that defends and pursues the interests of NGOs, and was recently replicated at the regional level. Moldovan NGOs meet every other year at the National Forum of NGOs to discuss issues of sectoral importance. In Macedonia, NGOs gathered together in October at the second NGO Fair to increase communication, coordination and exchange within the sector.

In other countries, however, efforts to unite the NGO sector have been less successful. In Bulgaria, NGOs report that there is no demand for a body that brings the whole sector together. Bosnian NGOs state that cooperation is often a problem due to competition and jealousy within the sector. In places such as Macedonia and Kosovo, NGOs have come together on certain issues only after donors have fostered the creation of coalitions.

The development of local grant-making entities has been quite slow across the region, although there are some developments in this regard. For example, there are now 20 active community foundations in Russia, although only two have been successful in raising funds from local donors for community development. In Croatia, steps are being taken to transform the Government Office for Cooperation with NGOs into a private Foundation for Civil Society Development, which would begin operations sometime in 2003. In Tajikistan, preliminary steps are being taken to develop local grant-making capacity among Tajik NGOs by training local grant review committees.

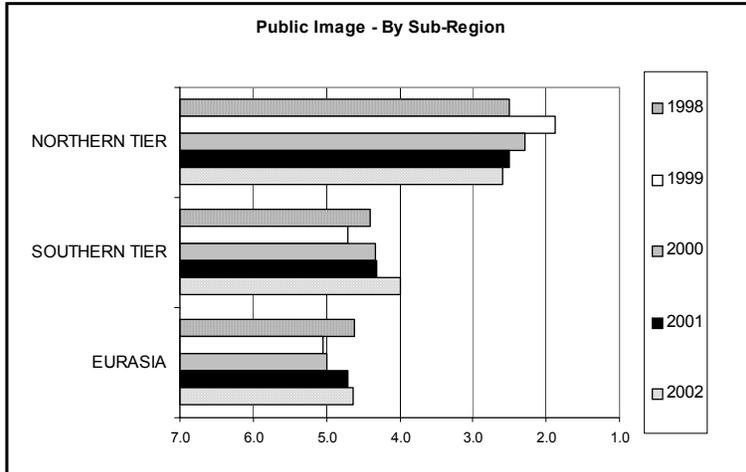
## Public Image

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Despite all the positive effects that NGOs have had on their societies, the general public still knows relatively little about the role they play. In order to increase public understanding of the sector and foster a more positive public image, NGOs have employed a variety of techniques. In the Czech Republic, NGOs have organized an annual campaign since 1998 called "30 Days for the Non-Profit Sector". In Estonia, there is a monthly insert to the newspaper and a separate television show that covers NGOs. Similarly, Lithuanian National Radio airs a weekly radio show called "The Third Way".

NGOs occasionally air Public Service Announcements (PSAs) to educate the public about a specific issue. However, Armenia is one of the few countries to report the availability of free or reduced airtime charges for PSAs. Many more countries, ranging from Latvia to Serbia, do not offer free or reduced-cost airtime to NGOs for this purpose, making it virtually inaccessible.

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Another way that NGOs try to improve their public image is by making their operations and activities more transparent to the public. In Hungary, NGOs have begun to announce their incomes in national newspapers in order to ensure their eligibility to receive funds under the 1% law, and many newspapers offer space for such announcements at discounted prices. NGOs receiving public benefit status in Bulgaria are also required to publish annual reports and

make them available to the public. While few NGOs in Albania publish annual or financial reports at all, there are a few extraordinary exceptions to this rule that place their reports on the Internet for public scrutiny. Recently adopted laws are also encouraging transparency within the sector. The most notable example of this is in Bulgaria, where the 2001 NGO law resulted in the creation of an Internet-based Public Registry for Public Benefit Organizations.

In some countries, however, this kind of transparency is discouraged by repressive or hostile political environments. For example, in Ukraine, NGOs hesitate to make their operations or finances too transparent due to the politicized environment in the country.

NGOs throughout the region are increasingly talking about the development and adherence to a voluntary code of ethics to help them prove to their constituents, donors, and the general public that they are trustworthy and provide quality products and services. Unfortunately, few have been successful in implementing these to date. Latvia, however, has widely utilized codes of ethics for NGOs and volunteers and a Code of Ethics was recently drafted by the 3rd National NGO Forum in Moldova, although no NGOs are known to have adopted it yet. In Lithuania, while a set code of ethics has not yet been developed, a Social Ethics Institute recently opened to help NGOs in addressing issues related to competition between organizations and their relationships with donors, lobbying and advocacy measures, relationships with local authorities, and community.

## CONCLUSIONS

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NGO sectors throughout Central and Eastern Europe and Eurasia have developed into significant forces in their countries. NGOs now fulfill critical functions in terms of representing citizen interests to the government, monitoring government actions, and supplementing or replacing now defunct government services. The future sustainability of this sector is still far from assured, however. While NGOs in the Northern Tier countries have begun to tap into local resources, dependence on international donor funding continues to be a significant problem throughout the Southern Tier countries and all of Eurasia. Due in part to this donor orientation, many NGOs in these countries still have tenuous links with their communities. While international donor programs can effectively teach skills in fundraising and revenue generation, it is more difficult for them to convince NGOs that their true constituencies are their members, clients, and host communities. NGOs must learn that although they are financially accountable to their donors, it is their local communities to whom they must be primarily accountable. The challenge for donors is to continue providing financial support and technical assistance to the sector while simultaneously encouraging local NGOs to be more independent of them, and more integrated and responsive to their communities. International donors will gradually turn their attention elsewhere, but local communities will remain. NGOs must spread their roots at home in order to thrive and continue the important work they have begun.

– Jennifer Stuart, Editor

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# DIMENSIONS OF NGO SUSTAINABILITY

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Seven different dimensions of the NGO sector are analyzed in the 2002 NGO Sustainability Index: legal environment, organizational capacity, financial viability, advocacy, service provision, NGO infrastructure and public image. In the Index, each of these dimensions is examined with a focus on the following questions:

1. What has been accomplished?
2. What remains a problem?
3. Do local actors recognize the nature of outstanding challenges?
4. Do the local actors have a strategy and the capacity to address these challenges?

A brief explanation of the criteria used to evaluate each dimension of sustainability follows:

## **Legal Environment**

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For an NGO sector to be sustainable, the legal and regulatory environment should support the needs of NGOs. It should facilitate new entrants, help prevent governmental interference, and give NGOs the necessary legal basis to engage in appropriate fund-raising activities and legitimate income-producing ventures. The legal environment dimension of the Index analyzes the legal status of non-governmental organizations. Factors shaping the legal environment include the ease of registration; legal rights and conditions regulating NGOs; and the degree to which laws and regulations regarding taxation, procurement, access to information and other issues benefit or deter NGOs' effectiveness and viability. The extent to which government officials, NGO representatives, and private lawyers have the legal knowledge and experience to work within and improve the legal and regulatory environment for NGOs is also examined.

Questions asked include: Is there a favorable law on NGO registration? Is the internal management, scope of permissible activities, financial reporting, and/or dissolution of NGOs well detailed in current legislation? Does clear legal terminology preclude unwanted State control over NGOs? Are NGOs and their representatives allowed to operate freely within the law? Are they free from harassment by the central government, local governments, and tax police? Can they freely address matters of public debate and express criticism? Are there local lawyers who are trained in and familiar with NGO law? Is legal advice available to NGOs in the capital city and secondary cities? Do NGOs receive any sort of tax exemption? Do individual or corporate donors receive tax deductions? Do NGOs have to pay taxes on grants? Are NGOs allowed legally to compete for government contracts/procurements at the local and central levels?

## **Organizational Capacity**

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A sustainable NGO sector will contain a critical mass of NGOs that are transparently governed and publicly accountable, capably managed, and that exhibit essential organizational skills. The organizational capacity dimension of the Index addresses the operation of NGOs.

Questions evaluated include: Do NGOs actively seek to build constituencies for their initiatives? Do most NGOs have a clearly defined mission to which they adhere? Do most NGOs incorporate strategic planning techniques in their decision making process? Is there a clearly defined management structure within NGOs, including a recognized division of responsibilities between the Board of Directors and staff members? Is there a permanent, paid staff in leading NGOs? Are potential volunteers sufficiently recruited and engaged? Do NGOs' resources generally allow for modernized basic office equipment?

## **Financial Viability**

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A critical mass of NGOs must be financially viable, and the economy must be robust enough to support NGO self-financing efforts and generate philanthropic donations from local sources. For many NGOs, financial viability may be equally dependent upon the availability of and their ability to compete for international donor support funds.

Factors influencing the financial viability of NGOs include the state of the economy, the extent to which philanthropy and volunteerism are being nurtured in the local culture, as well as the extent to which government procurement and commercial revenue raising opportunities are being developed. The sophistication and prevalence of fundraising and strong financial management skills are also considered..

Questions asked under this dimension include: Do NGOs raise a significant percentage of their funding from local sources? Are NGOs able to draw upon a core of volunteer and non-monetary support from their communities? Do NGOs typically have multiple/diverse sources of funding? Are there sound financial management systems in place? Have NGOs cultivated a loyal core of financial supporters? Do revenues from services, products, or rent from assets supplement the income of NGOs? Do government and/or local business contract with NGOs for services?

## **Advocacy**

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The political and advocacy environment must support the formation of coalitions and networks, and offer NGOs the means to communicate their message through the media to the broader public, articulate their demands to government officials, and monitor government actions to ensure accountability. The advocacy dimension looks at NGOs' record in influencing public policy. The prevalence of advocacy in different sectors, at different levels of government, as well as with the private sector is analyzed. The extent to which coalitions of NGOs have been formed around issues is considered, as well as whether NGOs monitor party platforms and government performance. This dimension does not measure the level of NGOs' engagement with political parties.

## DIMENSIONS OF NGO SUSTAINABILITY

Questions include: Are there direct lines of communication between NGOs and policy makers? Have NGOs formed issue-based coalitions and conducted broad-based advocacy campaigns? Have these campaigns been effective at the local and/or national level at effecting policy change? Are there mechanisms and relationships for NGOs to participate in the political process? Have NGOs led efforts to raise awareness of problems or increase support for a particular position? Is there awareness in the wider NGO community on how a favorable legal and regulatory framework can enhance NGO effectiveness and sustainability? Is there a local NGO advocacy effort to promote legal reforms that will benefit NGOs, local philanthropy, etc.?

### **Service Provision**

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Sectoral sustainability will require a critical mass of NGOs that can efficiently provide services that consistently meet the needs, priorities and expectations of their constituents.

The index reviews questions such as: Do NGOs provide services in a variety of fields? Do the goods and services that NGOs produce reflect the needs and priorities of their constituents and communities? Are there goods and services that go beyond basic social needs provided to a constituency broader than NGOs' own memberships? When NGOs provide goods and services, do they recover any of their costs by charging fees? Do NGOs have knowledge of the market demand – and the ability of distinct constituencies to pay – for those products? Does the government, at the national and/or local level, recognize the value that NGOs can add in the provision of basic social services? Do they provide grants or contracts to NGOs to enable them to provide such services?

### **Infrastructure**

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A strong sectoral infrastructure is necessary that can provide NGOs with broad access to local NGO support services. Intermediary Support Organizations (ISOs) providing these services must be able to inform, train, and advise other NGOs; and provide access to NGO networks and coalitions that share information and pursue issues of common interest.

Questions include: Are there ISOs, NGO Resource Centers, or other means for NGOs to access information, technology, training and technical assistance throughout the country? Do ISOs and Resource Centers earn some of their operating revenue from earned income and other locally generated sources? Do local community foundations and/or ISOs provide grants from either locally raised funds or by re-granting international donor funds? Do NGOs share information with each other? Is there a network in place that facilitates such information sharing? Is there an organization or committee through which the sector promotes its interests? Are there capable local NGO management trainers? Is basic NGO management training available in the capital city and in secondary cities? Are training materials available in local languages? Are there examples of NGOs working in partnership, either formally or informally, with local business, government, and the media to achieve common objectives?

## **Public Image**

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For the sector to be sustainable, government, the business sector, and communities should have a positive public image of NGOs, including a broad understanding and appreciation of the role that NGOs play in society. Public awareness and credibility directly affect NGOs' ability to recruit members and volunteers, and encourage indigenous donors. The Index looks at the extent and nature of the media's coverage of NGOs, the awareness and willingness of government officials to engage NGOs, as well as the general public's knowledge and perception of the sector as a whole.

Typical questions in this section include: Do NGOs enjoy positive media coverage at the local and national level? Does the media provide positive analysis of the role that NGOs play in civil society? Does the general public have a positive perception of NGOs? Do the business sector and local and central government officials have a positive perception of NGOs? Do NGOs publicize their activities or promote their public image? Have NGOs adopted a code of ethics or tried to demonstrate transparency in their operations? Do leading NGOs publish annual reports?