



2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

UGANDA
NOVEMBER 2022



2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

For Uganda

November 2022

Developed by:

United States Agency for International Development

Bureau for Democracy, Conflict and Humanitarian Assistance

Center of Excellence on Democracy, Human Rights and Governance

Acknowledgment: This publication was made possible through support provided by the United States Agency for International Development (USAID) under Cooperative Agreement No. AID-OAA-LA-17-00003.

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

ACKNOWLEDGMENTS

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

LOCAL PARTNER

UGANDA NATIONAL NGO FORUM (UNNGOF)

Chris Nkwatsibwe
Theresa Tumwesigye
Racheal Damba
Andrew Dushime
Wobusobozi Amooti Kangere, Consultant

PROJECT MANAGERS

FHI 360

Michael Kott
Eka Imerlishvili
Alex Nejadian

INTERNATIONAL CENTER FOR NOT-FOR-PROFIT LAW (ICNL)

Catherine Shea
Jennifer Stuart
Marilyn Wyatt

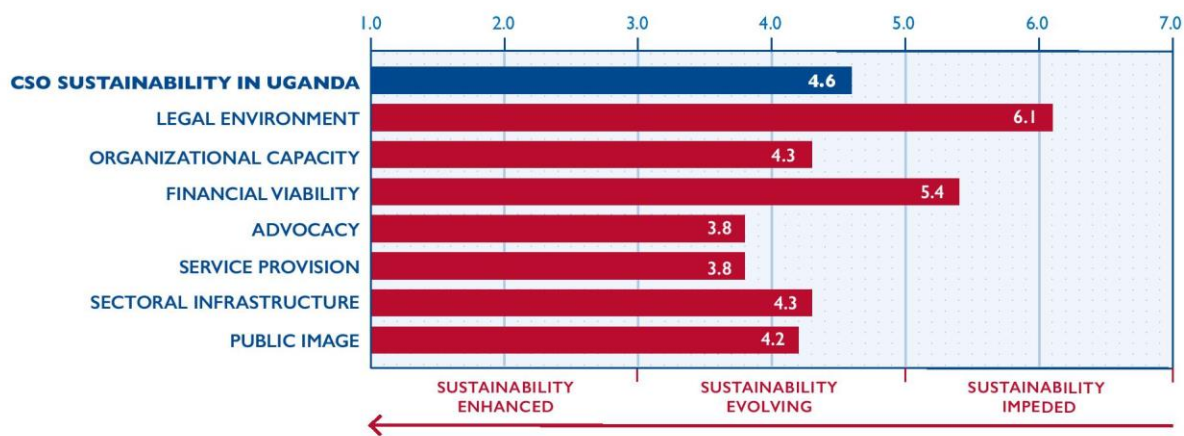
EDITORIAL COMMITTEE

Theo Dolan, Irene Petras, Kellie Burk, and Tracey Durner

UGANDA

Capital: Kampala
Population: 46,205,893
GDP per capita (PPP): \$2,200
Human Development Index: Low (0.525)
Freedom in the World: Not Free (34/100)

OVERALL CSO SUSTAINABILITY: 4.6



With a controversial election in January, followed by severe restrictions on social and economic activity as a result of a surge of infections from COVID-19 in the spring, CSOs in Uganda had a difficult year in 2021. Setting the tone was the indefinite suspension on February 3 of the Democratic Governance Facility (DGF), a five-year governance program funded by a consortium of European donors. Civil society was further constrained by a pandemic lockdown that started in June and the suspension of fifty-four CSOs in August. These events left CSOs grappling with a declining human rights situation, a national health crisis, crippling pandemic prevention measures, and hostile posturing by the state. Many CSOs found themselves caught in an existential struggle for survival as state-led crackdowns and financial constraints grounded their operations for a significant portion of the year.

General elections took place in Uganda on January 14. During and after the election period, the popular opposition candidate Robert Kyagulanyi (also known as Bobi Wine) remained under house arrest for allegedly violating pandemic restrictions. Security forces used tear gas and live bullets to break up pre-election protests in late 2020 and early 2021, killing a number of protesters and bystanders. During his campaign, incumbent president Yoweri Museveni claimed that portions of the opposition were funded by foreign entities seeking to destabilize the country. The United States and European Union (EU) did not send observers to the elections because of reservations about the electoral process. On the eve of the elections, the government shut down the internet for a week, restricted foreign media coverage, intimidated local press, and prevented domestic coalitions such as National Elections Watch Uganda (NEW-U) from monitoring the polling. Museveni was elected to his sixth term with 59 percent of the vote in a process that opposition and international sources claimed was riddled with fraud.

When opposition actors sought to challenge the election results, reports of missing persons abducted by plain-clothed operatives rose to a frequency last seen in the era of Idi Amin. Several reports by human rights group indicated that there were numerous cases of disappearances by government authorities. Local media and opposition political parties reported that the military and police used unmarked vehicles, known locally as “drones,” to kidnap hundreds of supporters of Kyagulanyi’s National Unity Party (NUP) in the periods before, during, and after the elections and detained them without charges at unidentified locations. On March 4, the NUP released a list of 423 supporters who had gone missing after abductions by security agencies. These reports were collaborated by the Uganda Human Rights Commission in its 24th Annual Report on the State of Human Rights and Freedoms in Uganda in 2021.

On February 3, the government shut down DGF for “financ[ing] activities and organizations designed to subvert [the] Government under the guise of improving governance.” Most of the fifty-four CSOs suspended in August were advocacy organizations. An assessment conducted by the Uganda National NGO Forum (UNNGOF) found that most of these organizations worked in political, religious, and environmental fields. For example, the Africa Institute for Energy Governance (AFIEGO) was involved in legal action to stop a \$10 billion oil project because of environmental concerns, and several other local CSOs on the list were involved in the promotion of the rights of

people affected by a crude oil development project and the Save Bugoma Forest Campaign. The assessment also revealed that three of the suspended organizations were involved in observing the January 2021 elections.

The upsurge of COVID-19 infections in March 2021 created the biggest health crisis since Uganda's first case of the virus was recorded in March 2020. In June, the government imposed a forty-two-day lockdown that grounded private and public transport and closed schools, churches, recreation centers, and large shopping malls, bringing socio-economic life to a standstill. Although the hard lockdown was eased in successive phases in July and September, the constraints on public gatherings and economic activity continued. The police were reported to beat some persons while enforcing lockdown restrictions. During the lockdown, the government did not recognize CSOs as essential workers, thereby denying them exemptions from restrictions on movement and considerably reducing the sector's ability to serve populations affected by COVID-19. By the end of the year, many children had missed up to two years of schooling, according to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), which noted that the lockdown also disrupted the continuity of essential health-care, nutrition, and water, sanitation, and hygiene (WASH) services.

The pandemic lockdown caused Uganda's economy to continue to lag in 2021. Household incomes fell while the rate of unemployment increased, especially in the informal sector, according to the World Bank. The bank estimated that Uganda's economic growth rate would reach 3.3 percent in 2021, up from the contraction of 1.1 percent in 2020. Uganda continued to host more than 1.47 million refugees and asylum seekers, mostly from the Democratic Republic of the Congo, and South Sudan, according to the UN High Commissioner for Refugees.

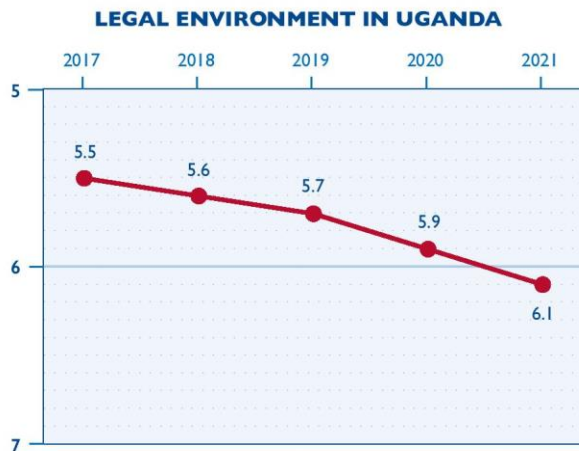
The sustainability of the CSO sector deteriorated moderately in 2021 as six of seven dimensions recorded a decline. The legal environment was weakened moderately by the government's increased enforcement of regulatory obligations and its harassment of CSOs that reported critically on the management of the 2021 elections. Organizational capacity deteriorated significantly as DGF's suspension and pandemic-related restrictions on movement and public gatherings impeded CSO operations. CSOs' financial viability worsened moderately as the suspension of DGF deprived a number of organizations of needed funding. The sector's ability to engage in advocacy was moderately constrained by the tense political climate and the government's hostility towards advocacy CSOs. CSOs' service provision deteriorated extremely as restrictions on travel and assembly and CSOs' classification as "non-essential" workers severely limited their ability to provide services. CSOs' public image was damaged slightly by the ruling party's negative rhetoric about the sector, which influenced public perceptions. Only the sectoral infrastructure did not change.

According to the list of validated organizations published on the website of the National Bureau for Non-Governmental Organizations (NGO Bureau), the number of NGOs permitted to operate in Uganda totaled 2,255 in mid-2022. The substantial reduction from the 13,000 NGOs reported in 2020 results from the strict enforcement of compliance laws, whereby CSOs that lacked bureau-issued certificates of registration and valid operating permits were struck from the national registry of validated NGOs.

LEGAL ENVIRONMENT: 6.1

The legal environment for CSOs worsened moderately in 2021 with the government's more intense enforcement of registration and reporting obligations and its harassment of CSOs that reported critically on the management of the 2021 elections.

The contraction of space for civic activity in Uganda, which has been underway for the past six to eight years, reached a new intensity in 2021. Although there were no changes in the regulatory framework, the government increased its enforcement of CSOs' licensing and reporting obligations. The NGO Bureau had previously emphasized educating CSOs about their obligations to encourage compliance, but as the 2021 election cycle approached, compliance was weaponized to harass organizations that displeased the state. For example, in August 2021, the operations of fifty-four CSOs were halted by the NGO Bureau. Disregarding due process, none of the affected CSOs was given notice of its suspension or the right to a fair hearing prior to the public announcement of the suspension. Most suspensions lasted into 2022, and while it is known that the suspensions of some organizations were lifted, no official communication or public notice to this effect was issued. These developments caused CSOs to suspect that the law's registration and reporting compliance mechanism was part of a pre-meditated strategy to clamp down on organizations whose work displeased the state. The suspensions were seen as a warning shot to the sector, and some advocacy CSOs backed down from critical stances to escape reprisal.



The contraction of civic space was particularly intense at the time of the elections. The bank accounts of CSOs engaging in election monitoring were frozen. During and after the election period, activists and CSOs workers were illegally arrested and detained, seemingly to prevent the flow of information on polling and vote counting. The state’s shutdown of the internet significantly impeded access to information and prevented CSOs and members of the public from monitoring the electoral process. Multiple and significant human rights abuses went undocumented as reports could be received only by telephone, making it hard for CSOs to build a credible evidential case for advocacy. Media houses were effectively gagged by Uganda Communications Commission (UCC) guidelines developed without stakeholder consultation, which in effect threatened them with closure if the state was not happy with their

broadcasts. Journalists were beaten, pepper-sprayed, and shot at for documenting violence commissioned by the state. On the pretext of acting in the interest of national security, security forces subjected hundreds of political activists and human rights defenders to incommunicado detention and torture. Security functionaries justified these never-before-seen measures by claiming to have intelligence that CSOs were planning to use the election as a lever to create an “Arab spring”-type event in Uganda but offered no evidence for this claim.

Registration requirements did not change in 2021. Under the NGO Act 2016, CSOs must first incorporate with the Uganda Registration Services Bureau as companies limited by guarantee before applying for registration and operating permits from the NGO Bureau. To register with the bureau, CSOs must obtain letters of recommendation from their line ministries and the districts in which they are headquartered and subsequently enter into memoranda of understanding with the local government of every district or municipality in which they will operate. CSOs must also register with the Financial Intelligence Authority. Operating permits are normally renewed annually, and the NGO Bureau may revoke them at its discretion. Most CSOs were formed under the old regulatory system and must re-register under the new system established by the NGO Act 2016. This process can take anywhere from two to seven months because of bureaucratic delays and the tendency of government officials to extort bribes for expediting the process. Community-based organizations (CBOs) register with district authorities through the district NGO monitoring committees. Charges are sometimes imposed by district officials at every step of the registration process and are often determined arbitrarily despite the provision of a fees schedule in the law.

Registered organizations must file annual returns with the NGO Bureau, Financial Intelligence Authority, and Uganda Registration Services Bureau. CSOs’ administrative and financial resources are strained as organizations must account to three separate government offices asking for the same information in different formats. Moreover, CSOs based in districts other than Kampala must send representatives to the capital to submit the required documentation and then wait for a response. CBOs file returns with district and sub-country NGO monitoring committees.

Although the legal framework for financing did not change and CSOs are free to mobilize financial resources from foreign donors, there was a noticeable shift in state policy towards foreign funding in 2021. One of the government’s conditions for reopening DGF was state representation on the advisory board that selects projects for funding. The condition had no legal basis and suggested a negative shift in the state’s position on foreign funding. The Financial Intelligence Authority requires Ugandan banks to enforce a wide range of verification measures regarding funds coming into CSOs’ accounts from external sources and has discretionary power to halt transactions on suspicions of money-laundering or terrorism financing. That power was used in December 2020 to halt transactions on the accounts of CSOs conducting election-monitoring activities, including UNNGOF and the Uganda Women’s Network (UWONET). The instruction to halt transactions was withdrawn in February 2021 after the Electoral Commission declared that President Museveni had been elected to another term. Draft guidelines on the management of development assistance, which were leaked to the media in 2021 but have yet to be operationalized, threaten to further constrain CSOs’ ability to seek, receive, and use foreign funding. Among other provisions, the guidelines require development assistance to be “in line” with government priorities, require

development projects and programs to have prior government approval and be supervised by and “implemented together with” government ministries, and require projects and programs financed by development partners to be “reported and appropriated” by the parliament for budgetary purposes.

CSOs are free to participate in calls for bids on projects in which the government is the lead implementer. Under the NGO Act, CSOs may operate businesses, with proceeds taxed under the rules for private businesses. Few CSOs take advantage of this opportunity, mainly because of the widespread belief that nonprofit organizations are prohibited from operating businesses. Some CSOs have registered as social enterprises, which enables them to generate income that can be used to fund their missions.

Tax policies for CSOs remained unchanged in 2021. CSOs must pay value-added tax on imported goods and purchases as well as pay-as-you-earn tax on staff salaries. A CSO may apply for a tax exemption by obtaining a recommendation from the NGO Bureau, a tax assessment from Uganda Revenue Authority, and a recommendation letter from its line ministry showing that any tax revenue lost because of the exemption will be recovered in-kind through services provided by the applicant organization. CSOs report that the application process is overly bureaucratic and riddled with delays, which discourages many organizations from applying. In 2021, an international CSO said that it received notice of approval of its application for a two-year tax exemption only two months before its expiration date because of delays by the authorities at every stage of the application process.

Legal services for CSOs became more available with the contraction of civic activity in 2021. When Chapter Four Uganda, the leading provider of legal support to CSOs, was suspended in August 2021, CSOs were forced to find alternative providers of legal services to represent them in court actions. This trend generated new interest in nonprofit law and contributed to growth in the pool of legal practitioners available to the sector. In response to the government’s increased use of compliance to clamp down on advocacy CSOs, some organizations, such as UNNGOF, Chapter Four Uganda, and Defenders Protection Initiative, organized compliance clinics to increase CSOs’ regulatory compliance. In the clinics, legal practitioners unpacked the complex web of regulatory obligations and helped CSOs understand their legal rights and obligations.

ORGANIZATIONAL CAPACITY: 4.3

The CSO sector’s organizational capacity deteriorated significantly in 2021 as DGF’s suspension and pandemic prevention measures, especially restrictions on movement and public gatherings, impeded CSO operations.

The government’s refusal to recognize CSOs as essential workers meant that they could not conduct activities requiring physical contact with constituents in 2021. Some CSOs, especially national organizations with well-trained staff and advanced technological competence, were able to adjust their operations to meet the evolving needs of constituents by moving their activities and workshops to alternative formats. These CSOs often coordinated field operations and shared documents through WhatsApp groups and even telephone calls. UNNGOF, for example conducted its annual general assembly online and moved dialogues typically held in hotels to online platforms. However, the use of digital communications was limited to well-resourced organizations, and at the local and subnational level, where the majority of CSOs operate, organizations had little capacity to use online tools and consequently did not adapt as well. In addition, compliance with government-issued standard operating procedures for public gatherings and CSO conferences required CSOs’ budgets to include the distribution of personal protective equipment. For CSOs with small operational budgets, especially at the local level, compliance with this rule strained their organizational resources.

Most CSOs have mission statements, objectives, and strategic plans and seek to follow them. However, needs arising from the pandemic, coupled with pandemic-related restrictions, forced CSOs to implement activities



unrelated to their missions or to suspend operations altogether. For example, in many communities, pandemic prevention measures strained livelihoods and increased the incidence of domestic violence, rape, hunger, and other socio-economic problems. Responding to these conditions sometimes required CSOs to deviate from their stated goals, missions, and objectives. The Lira NGO Forum, Kitara CSO Network, and other advocacy organizations became involved in providing food relief and psychosocial support during lockdowns, and social rights organizations such as Transcultural Psychosocial Organization disseminated COVID-19 information and distributed personal protective equipment and other equipment. The Women Probono Initiative, which advances justice for women and girls, was able to obtain a movement permit and helped bail out people arrested for flouting curfew restrictions. However, many organizations had to suspend their operations and thus their strategic plans in 2021.

Most CSOs have functioning governance and management structures. For example, professional associations such as the Uganda Law Society, savings and credit cooperatives, and other membership-based organizations regularly conduct annual general assemblies to gather feedback from members or elect new leaders. Good succession management was exhibited by UNNGOF, whose general assembly appointed a new board in 2020, which in turn appointed a new executive director to steer the organization through the development of a new five-year plan in 2021.

The economic crisis created by pandemic measures triggered a brain drain out of the CSO sector. In some organizations, staffing cuts were necessitated by funding cuts after DGF was closed and the de-prioritization of activities outside of the pandemic response. In other cases, skilled personnel migrated to the private sector or started businesses to improve their financial position during the crisis, thereby affecting staffing quality in the sector. To compensate for staffing gaps, the remaining staff at most organizations took on additional responsibilities. This trend created a new problem as reports of staff burnout and clinical depression became more common across the sector. CSO leaders were thrust into new territory as they had to adjust to external pressures and at the same time integrate mental health management into their responsibilities.

CSOs with relatively big grants, stable organizational structures, and well-integrated digital technologies were able to navigate the crises in 2021 by using remote-working and virtual conferencing applications to cut costs and maintain staff and core operations. For example, the Center for Constitutional Governance broadcast topical dialogues and press conferences on its YouTube channel, Civic Space TV, to keep its advocacy work going, and CivSource Africa, an intermediary support organization (ISO) that tracks local giving, relied on telecommunication and online meetings to generate reports on local giving. These organizations, however, constitute a minority in the sector. At most organizations, technology penetration is low, and in 2021, their use of internet-based technology was limited to attending meetings convened by better-resourced organizations. The degree to which CSOs are aware of the need for cybersecurity is unknown.

FINANCIAL VIABILITY: 5.4



CSOs' financial viability deteriorated moderately in 2021 as the suspension of DGF deprived a number of organizations of needed funding.

The large majority of CSOs depend on foreign sources of funding. The suspension of DGF in February 2021 was estimated in news reports to amount to a \$140 million loss for the sector, considerably disrupting CSO activity as hundreds of projects funded by the foundation ground to a halt. DGF's closure undermined the operations of not only seventy-eight grantee organizations but hundreds of CBOs receiving sub-grants for activities funded by DGF.

The national government offers no direct funding to CSOs and excluded CSOs from its pandemic response programs in 2021. Local governments sometimes

outsource service delivery in sectors such as health care, agriculture, and refugee support to local CSOs. Overall, government contracts are a minor source of viable funding for CSOs.

CSOs often serve as conduits for corporate giving to communities, especially if they operate service-delivery facilities such as health-care centers and schools. For example, Covenant Global Ministries works to improve access to and quality of education and help Uganda's communities to achieve their goals by operating schools in Ibanda District. The organization has also been able to provide key services such as water to communities within the district.

According to CivSource Africa, individual donations to charitable organizations continued to rise in 2021 in response to emergencies caused by the pandemic. This trend was also reflected in growing support for nascent online crowdsourcing initiatives such as Dolphin Fund and Akabbo, which tap into traditions of collective solidarity and provide alternative methods of gathering funding for humanitarian work. In addition, some CSOs benefitted from community goodwill, although it is not possible to assess the monetary value of such support. For example, the Public Affairs Center (PAC) Uganda was hosted by its stationery service provider after failing to make rent payments, and Radio Pacis, a community-based station, gave the West Nile Regional CSO Network free airtime to engage citizens after public gatherings were banned. Anti-corruption campaigns such as those organized by the Western Ankole Civil Society Forum (WACSO) and Kitara CSO Network were kept going by community members who offered space in their yards for meetings and donated time and food items to help CBOs coordinate campaign activities.

CSOs' revenue generation from commercial activities remained low in 2021. Although the NGO Act 2016 empowers CSOs to engage in commercial activity to finance their programming, few CSOs took advantage of this opportunity, in part because of the economic decline caused by the pandemic. Organizational weaknesses, such as the lack of competent staff, also prevented many CSOs from embracing commercial activity as an alternative source of income. A 2021 study on property acquisition and NGO sustainability by CivSource Africa found that Ugandan CSOs with commercially viable assets like buildings and event premises were less susceptible to funding shocks because they can generate income through property rental. There was no observable change in property acquisition as a strategy for CSO sustainability in 2021.

Donors' increased emphasis on sophisticated financial reporting has contributed to CSOs' embrace of quality control systems such as the Quality Assurance Mechanism (QuAM) of the Development Network of Indigenous Voluntary Associations (DENIVA). In 2021, financial management was incidentally boosted by the government's use of regulatory obligations to crack down on CSOs. As CSOs sought to bolster their defenses against state clampdowns, they increasingly engaged professional accountants and auditors to align their financial records and management systems with the standards required by the law.

ADVOCACY: 3.8

CSO advocacy deteriorated moderately in 2021. While there is a robust framework for CSO participation in decision-making processes at all levels, the sector's ability to influence public policy was constrained by the tense political climate and the government's hostile view of advocacy CSOs.

Despite several notable victories, the year was difficult for CSO advocacy. Hostilities between the state and the CSO sector posed the biggest hurdle. The government's use of incommunicado detention, torture, telephone threats, suppression of the press, and other legal and extralegal measures at the time of the elections maimed advocacy organizations. After the elections, the government weaponized regulatory compliance to muzzle CSOs speaking up against the political situation.

Many CSOs doing advocacy work went underground or abandoned advocacy work altogether. Such was the level of intimidation that some CSO leaders and political activists, including individuals from Chapter Four Uganda and the Forum for Democratic Change, were forced to flee into exile after receiving death threats. In addition, pandemic-related restrictions on movement and the government's refusal to recognize CSO actors as essential



workers impeded access to committee hearings during lockdowns. Even when movement restrictions were lifted, restrictions on public gatherings meant that committees were not sitting at full capacity, so CSOs did not have full access to decision-makers.

CSOs have several avenues of access to government decision making. The government’s Guide to Policy Development and Management in Uganda recognizes CSOs as key stakeholders in development. CSOs have representation on the board of the National Development Plan (NDP) III, the national sub-committee on evaluation in the prime minister’s office, sectoral working groups at the ministerial level, local government committees, and parliamentary committees. Given that 2021 was an election year, these platforms engaged in limited activity during the year. In addition, some advocacy CSOs experienced resistance in advancing their causes because of views among government officials that they aimed to undermine the president.

CSO advocacy in Uganda is typically conducted through theme-based coalitions. For example, the Civil Society Budget Advocacy Group works on advocacy related to fiscal policy; UWONET coordinates advocacy on women’s rights; and the National Coalition for Human Rights Defenders Uganda spearheads human rights advocacy. Despite tensions with the government, these organizations continued to conduct public and behind-the-scenes advocacy in 2021 and were able to score some victories. For example, CSOs had advocated for the removal of the highly unpopular Over-the-Top Tax since its introduction in 2018, as it was seen to target mass-communication on social media by requiring users to pay a daily tax. The tax was removed in 2021. The women’s movement led by the Uganda Women Parliamentary Association succeeded in obtaining passage of the Succession Amendment Bill 2021 and Employment Amendment Bill 2021, which aim to protect women from victimization after the death of a spouse and from sexual violence and harassment in the workplace and had been stalled for years. In the oil and gas sector, CSOs’ concerns about community and environmental protection were included in regulations and standards for extractive industries in Uganda adopted in 2021, which allowed the government to begin oil extraction. All of these victories were the result of years of sustained advocacy.

CSOs continued in 2021 to promote a more favorable legal and regulatory framework for the sector. Chapter Four Uganda and several other organizations helped increase awareness of the registration process and enhance the legal capacity of smaller CSOs. Working with the Human Rights Center Uganda and UNNGOF, the NGO Bureau attempted to create more awareness of the NGO regulatory framework by continuing to carry out regional reflection meetings and organizing quarterly dialogues with the minister of internal affairs. CSO leaders have advocated for a one-stop registration and reporting center to ease the compliance burden but these efforts have yet to yield fruit.

SERVICE PROVISION: 3.8



CSOs’ service provision showed extreme deterioration in 2021 as restrictions on travel and assembly combined with CSOs’ classification as “non-essential” workers severely limited their ability to provide services.

CSOs in Uganda normally provide services in a diverse range of fields, including community development, human rights, health care, education, emergency response, democracy and governance, economic development, environmental protection, food and security, WASH, conflict resolution, and women, youth, children, and the disabled. However, in 2021, the government classified work in the majority of these fields as “non-essential” and curtailed CSOs’ provision of services in these areas by refusing to grant exemptions to restrictions on travel.

Only CSOs providing health-care, relief, and emergency

services were able to continue operations at somewhat normal levels. But the dramatic increase in the death rate from COVID-19 in the spring had a tremendous psychological impact on workers throughout the sector. Among the dead were the colleagues, friends, and relatives of CSO staff. The country’s health-care system was

overwhelmed, and as CSO workers were increasingly reluctant to risk exposure to the virus, the sector's capacity to respond to the crisis was reduced.

The tensions around the elections in January also affected service-providing CSOs as the government moved to prevent the flow of information, detained and harassed CSO leaders and workers, and disrupted communications with an internet shutdown. The disruption spread to the wider civil society when DGF was closed in February 2021. Hundreds of service-providing CSOs implementing activities funded by DGF, either as primary beneficiaries or implementing partners, were forced to suspend scheduled activities as a result of the fund's closure. The organizations forced to stop services included legal aid service providers such as Uganda Law Society and the Legal Aid Service Providers' Network.

CSOs operating at the community level were less affected by movement restrictions because their beneficiaries are generally within walking distance. Some organizations like PAC Uganda, Kick Corruption Out of Uganda, and Lira NGO Forum used the crisis to improve their ability to respond to community needs by adopting strategies such as community immersion, or sending representatives to live with communities, and the use of low-cost technologies such as megaphones to disseminate information about the pandemic.

Opportunities for cost-recovery and income generation were thwarted by the multiple crises in 2021. CSOs were unable to ask communities to share costs when the country was in economic crisis. Some CSOs were able to compensate for shocks in the funding environment by obtaining non-monetary support from community members for service-related activities such as meetings, dialogues, and information dissemination.

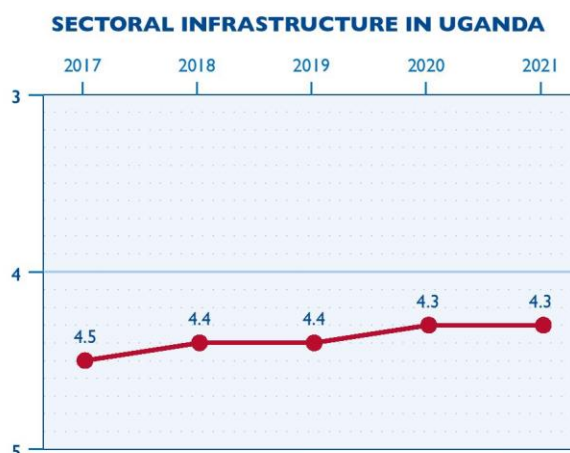
Local governments recognized and appreciated the contribution of service-providing CSOs because their capacity to respond to the crisis was limited. At the national level, tensions in the political climate saw advocacy CSOs vilified as enemies in public remarks by top-ranking government officials. These hostilities extended to service-providing CSOs after enforcement of regulatory obligations was cranked up.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector did not change in 2021.

ISOs improve the effectiveness of CSOs by providing services and physical infrastructures for meetings, training programs, and the dissemination of research and information on relevant thematic concerns. Most ISOs exist as national, regional, and thematic networks. The most active ISOs include UNNGOF, UWONET, Defend Defenders, Coalition for HRDs [Human Rights Defenders], Kitara CSO Network, Lira NGO Forum, Western Ankore CSO Forum, and advisory firms such as CivSource Africa. These organizations provide leadership in advocacy campaigns, technical assistance in regulatory compliance and corporate governance, and capacity building in project design management. In 2021, CSOs' access to ISOs was weakened by restrictions on movement and public gatherings. Because many CSOs were required to work remotely when their operations were classified as non-essential, most ISOs switched to providing online services, which were constrained by high data costs and limited competence in using digital technology. UNNGOF, for example, used Zoom to convene NGO leaders, but unreliable networks, data costs, the lack of smartphones, and other deficiencies often reduced attendance to fewer people than targeted.

The nascent local grantmaking sector grew slightly in 2021. The Zishaye Grassroots Fund, which supports grassroots initiatives, and the Kuonyesha Fund, which promotes diversity in the arts, continued to function in 2021. Interest rose in crowdfunding platforms such as the Dolphin Fund, Ujasiri Fund, and Akabbo, thereby demonstrating the potential for local fundraising to become a viable source of support. Although funding flows from these initiatives have yet to gain significant momentum, they represent a growing trend of seeking funding for local needs from the community itself.



Cooperation in the sector increased in reaction to the government’s crackdown on CSOs, and national networks and coalitions were the rallying points for mobilizing the sector’s response. UNNGOF joined forces with DENIVA and Chapter Four Uganda to revitalize QuAM and conduct governance and regulatory compliance health checks to reduce CSOs’ vulnerability to suspensions and de-registration. UNNGOF also partnered with CivSource Africa to offer an online platform for dialogue and the sharing of experiences in fundraising, compliance, resilience, personal and organizational security, and simply coping. While these sessions helped CSO leaders rethink their approaches to organizational financing and work culture, their impact on the sector was limited.

Other training and technical support in 2021 included new initiatives such as USAID’s Civil Society Strengthening Activity, which helped improve the organizational competence of some CSOs through compliance clinics and training in strategic advocacy. However, the number of CSOs benefitting from such initiatives represented a small percentage of the sector. Most training and technical support was offered online in 2021 because of pandemic restrictions, but the majority of CSOs are not tech-savvy and were consequently excluded from online support.

Despite the difficulties in the operating environment, CSOs continued to partner with the government, private sector, and media to achieve common objectives in 2021. For instance, health-care organizations such as Mildmay Uganda were partners in the state’s pandemic response and received donations from corporations to enhance their community outreach programs. CSOs partnered with national and district COVID-19 task forces to provide technical and material support in executing the state’s pandemic response. For example, the Uganda Red Cross, Transcultural Psychosocial Organization, World Vision International, Lira NGO Forum, Kitara CSO Network, and other organizations donated foodstuffs, personal protective equipment, and hand-washing facilities to the taskforces. In sectors such as oil and gas, CSOs served as intermediaries between oil companies and communities and participated in the multi-stakeholder group that drafted the regulations and standards for extraction industries. Media houses regularly invited CSOs to contribute to topical debates on their most-watched programs, thereby allowing the sector to take part in public dialogue. Government planning authorities and departments as well as parliamentary committees continued to invite CSOs to meetings.

PUBLIC IMAGE: 4.2



The public image of CSOs declined slightly in 2021 as the ruling party’s negative rhetoric about the sector damaged public perceptions.

Media coverage of the sector was somewhat better than in previous years. CSO leaders were regularly invited to take part in public debates about the pandemic and other topics at the center of political, social, and economic life. Their presence, however, was constrained by the threat of reprisal by the Uganda Communications Commission, which caused media anchors to avoid content that was critical of the state. This tendency alienated both the media and CSOs from the public as people felt that media coverage did not reflect the realities they were experiencing on the ground.

In general, citizens felt abandoned in their hour of greatest need and consequently became disaffected with both the government and the CSO sector. As citizens grappled with the socio-economic crisis created by prevention measures, they interpreted CSOs’ focus on raising alarms about government attacks on the sector as inward-looking and blind to the public’s plight. The public perceived CSOs as more concerned about their perks and relationship with donors such as DGF than the needs of a public in crisis. The sector’s public image was also muddied by the government’s refusal to recognize CSOs as essential workers, thereby cutting them off from populations that were worst affected by the pandemic. These trends made it easier for people to accept the government’s claims that CSOs were foreign agents.

Relations between CSOs and the private sector did not change in 2021. Commercial links between CSOs and businesses were unconstrained, although the diminution of public life during the pandemic lowered the volume of transactions between the two sectors. Because of the pandemic, most CSOs were not fully operational, which

reduced the business sector's income from common expenses such as rent, stationery, and conference facilities. Some business owners were patient with CSOs that could not raise funds for rent, such as WACSO and the Pallisa CSO Network. In other cases, good relationships with service providers gave organizations such as PAC Uganda access to alternative working space when they could no longer afford rent. At the macro level, however, the government's portrayal of CSOs as "enemies of the state" impacted relationships between CSOs and large corporations. Corporate support for CSOs through corporate social responsibility programs remained low because large businesses feared that this could antagonize their relations with the state.

Government perception of CSOs continued to distinguish between advocacy and service-providing organizations in 2021. In public media and official documents such as the NDP III, government officials recognized service-providing CSOs as valuable partners that supplement the government's development agenda. These same government officials, however, took an adversarial stance towards advocacy CSOs, whose criticism of corruption and the management of public affairs was interpreted as an attack on the government and therefore a threat to its survival. They often accused the sector of being equally corrupt and non-transparent.

To promote a better image for the sector, CSOs held joint media talk shows with government officials to increase awareness about the pandemic along with coping and recovery mechanisms. Organizations such as CivSource Africa championed the reporting of local giving to document the way in which citizen philanthropy was helping to address challenges raised by the pandemic.

In response to government rhetoric against the sector, umbrella CSOs pushed for an improvement in self-regulation in 2021. UNNGOF, for example, conducted compliance and governance health checks for eleven regional advocacy networks. It also conducted door-to-door compliance clinics to improve CSOs' internal governance and regulatory compliance and the legitimacy and credibility of 115 organizations. Aware of low interest in QuAM, UNNGOF joined forces with DENIVA in November 2021 to create a roadmap for strengthening QuAM and sharing success stories of CSOs improved by its use.

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

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov