

Impact Assessment of the Charities and Societies Law on the Perception, Growth and Programs of Non-Governmental Organizations

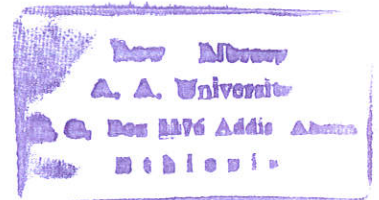
A Survey Study of Addis Ababa City Administration, Addis Ababa, Ethiopia

A Thesis submitted in Partial Fulfillment for the Requirements of the Degree of Master of Laws (LL.M) to the Department of Law, School of Law, Addis Ababa University

By

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GSR/4017/02



July, 2011

Addis Ababa, Ethiopia

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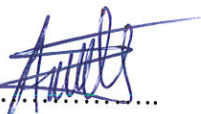
By

ABIY CHELKEBA



DECLARATION

I Abiy Chelkeba, hereby declare that the thesis entitled “Impact Assessment of the Charities and Societies Law on the Perception, Growth and Programs of Non-Governmental Organizations, A Survey study in Addis Ababa, Ethiopia” submitted by me for the award of the Degree of Master of Law (LL.M) in public International law of Addis Ababa University at Addis, is original work and it hasn’t been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

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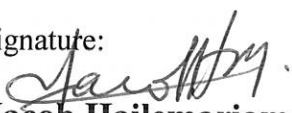
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CERTIFICATION

I certify that the Thesis entitled “Impact Assessment of the Charities and Societies Law on the Perception, Growth and Programs of Non-Governmental Organizations, A Survey study in Addis Ababa, Ethiopia” is a bona-fide work of Mr. Abiy Chelkeba who carried out the research under my guidance. I certify further, that to the best of my knowledge the work reported here in doesn't form part of any other thesis report or dissertation on the bases of which a degree or award was conferred on an early occasion on this or any other candidate.

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**Impact Assessment of the Charities and Societies Law on the
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ABSTRACT

Statement of the problem: Despite the recently introduced Charities and Societies Proclamation by the government to ensure the constitutionally guaranteed right to the freedom of association and giving support and facilitating the role of the Charities and Societies in the overall development of the peoples of Ethiopia, there continues to be wide spread perception of the threat and insecurity on the parts of the civic society. Considering the indispensable role Civic society plays in the development and democratization process of the country, this study is undertaken to assess the question whether the recently introduced Charities and Societies Proclamation has an impact on growth and engagement areas of Ethiopian and International non-governmental organizations.

Rationale: One of the rational is studies measuring the actual impact of the proclamation on the scope of work of the Ethiopian and International non-governmental organizations from legal and economic point of view is missing in the literature. Secondly, the Charities and Society Proclamation law imposes vague and arbitrary criminal sanctions on those who violate its provisions and are punishable under the criminal code as well as by administrative sanctions. However, the impact of the law on criminal prosecution of the officials, members and voluntary is an important legal issue that requires critical investigation. Thirdly, the CSOs/NGOs law has created a state of controversy and lack of trust between the government and the civic society sector. However, the actual perception of the CSOs/NGOs sector towards the law on important aspect of the law is not measured so far and this demands critical investigation. Finally, the law governing the Civic Society is found in different titles and in different proclamations on piece meal basis. This fact opens up for an excellent opportunity to study the legal knowledge of the Ethiopian and International CSOs/NGOs and identifying the gap between the perception and the law.

Objective: The main objective of the study is to assess the impact of the charities and society proclamation on the growth and engagement areas of Ethiopian and International non-governmental organizations.

Methods: Both primary and secondary data are used for the purpose of this study. Descriptive and statistical tools such as Chi-square tests and independent sample t- test are used in analyzing the data collected.

Major findings: One major finding is change of the name of registration of most local NGOs into Ethiopian Resident CSOs/NGOs. Moreover, the research has found out that there is a decrease in the total number of CSOs/NGOs. In addition to this, majority of the respondent's number of beneficiaries and employee of the non-governmental Organizations have been affected. Almost half of CSOs/NGOs have already been obliged to reduce the number of their branch offices and source of fund. Most organizations have made important evaluation and revision of their establishment documents, area of intervention and made readjustment on their mandate in accordance with the new proclamation to cope up with the impact of the law. There are significant numbers of cancelation of organizations license involved in child development

and care. There are also significant numbers of closing down organization due to failure of the organizations to be reregistered as per the new law.

Recommendation: Creating an enabling environment for the operation of CSOs/NGOs cannot be guaranteed by the enactment of the law by itself unless it is complemented by reducing the restriction on foreign funding. In this regard it is better to introduce that Ethiopian Resident Charity and Societies can decrease the percentage of their dependence on foreign source of income by 15 percent annually and then ultimately raise 90 percent from local sources.

ACRONYM

Cat.	Category
Conf	Confidence
CRDA	Christian Relief and Development Association
CSA	Central statistical agency
CSA	Charities and Societies Agency
CSOs	Civic Society Organizations
CSOs/ NGOs	Civic Society Organizations/ Non-Governmental Organizations
CSP	Charities and Societies Proclamation
EHRCO	Ethiopian Human Right Council
EPRDF	Ethiopian People's Revolutionary Democratic Front
ER	Ethiopian Charities
ERC	Ethiopian Resident Charities
ERS	Ethiopian Resident Societies
ES	Ethiopian Societies
EWLA	Ethiopian Woman Lawyers Associations
FC	Foreign Charities
FDRE	Federal Democratic Republic of Ethiopia
GOs	Governmental Organizations
Max.	Maximum
Min.	Minimum
MOJ	Ministry of Justice
NGOs	Non-Governmental Organizations
Obs.	Observations
Std. Err	Standard Error
Std. Dev.	Standard Deviation
NNP	Nation Nationality Peoples

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CHAPTER ONE

BACKGROUND OF THE STUDY

1.1. Introduction

Today, the importance of non- governmental organization (hereinafter called CSOs/NGOs) in the development of nations has come to light with the ever increasing acceptance.¹ CSOs/NGOs are becoming an important agents of development both in developed and developing nations in the area of provision of social services, environmental protection, health, education, child warfare, poverty alleviation and other community empowerment activities.² Moreover, there is a general consensus on the fact that CSOs/NGOs stands as a key force of development and their activities cuts across gender, regional, ideology, political and professional lines.³

In Ethiopia, as is the case of many states, CSOs/NGOs play a significant role in the social, political and economic development. In addition to this, CSOs/NGOs play an important role around crisis and poverty alleviation and engage in activities such as agriculture, conflict management and displacement, HIV/AIDS, integrated rural development, disable persons, health, education, income generation, information services , refugees, street children, women issues, peace, governance, food security, self help and youth.⁴

From a historical point of view, CSOs/NGOs including international organization first began to emerge in Ethiopia in the 1960s with the enactment of the law governing civil society associations (i.e.1960 civil code of Ethiopia) during the imperial regime.⁵ Moreover, the CSOs/NGOs during the Derg regime have also increased in number owing to the catastrophic famine crises of the

¹Lishan Adam, *Fostering the Capacity of the Ethiopia Civil Society to Influence ICT Policies*, the Association for Progressive Communications, P.4 available online at <http://www.africa.rights.apc.org> accessed on February 4, 2011 07:41 A.M

²Fisher.J, *The Road from Rio; Sustainable Development and the Non- Governmental Movement in the Third World*, West Port Press Ltd, Praeger, 1993 P.6

³ Ibid

⁴Clark Jeffrey, *Civil Society, NGOs and Development in Ethiopia: A Snapshot view*, NGO and Civil Society Unit of Social Development Department of the World Bank, Washington D.C., 2000 P.4

⁵ Ibid

1984-1985.⁶ However, during these two past regimes the works of CSOs/NGOs including the international organizations were confined only relief activities.⁷

The current EPRDF government sees the establishment of CSOs/NGOs both an economic and political question. The current constitution of Ethiopia provides a freedom of establishment of association. According to raw material compiled from Charities and Societies Agency data base (hereinafter called CSA) as of May 2011, there are 1761 CSOs/NGOs working on the issues of human rights, governance, and advocacy programs, environmental rehabilitation, civic education, policy investigation and monitoring activities.⁸

The EPRDF Government has introduced a Charities and Societies Proclamation No.621/2009 on January 6, 2009 and it has been implemented since January 6, 2010.⁹ The purpose of the law is to regulate all domestic and international civil society organizations carrying out activities in the country and it is considered as a primary tool enhancing the transparency and accountability of civil society organizations. However, the proclamation has been met with strong opposition from some Ethiopian civil society actors and some international CSOs/NGOs on the ground that it would create "a complex web of arbitrary restriction on the works of civil society groups can engage in, onerous bureaucratic hurdles, draconian criminal penalties, and intrusive power of surveillance".¹⁰

Therefore, there is a general and current debate on the impact of the Charities and Society Proclamation on civil society organizations in general and CSOs/NGOs in particular.

⁶ Ibid

⁷ Ibid

⁸ Charities and Societies Agency, *Raw Material on the Number and Diversity of Charities and Societies All in One*, Addis Ababa, May, 2011 (unpublished)

⁹ Mary Kay Gugery, *Patterns and Structures of NGO self-Regulation in Africa*, International Journal of Civil Society Law, Volume VII, Issue I January, 2009 P.13 available online at <http://www.iccsi.org/pubs/09-01/IJCSL.pdf> accessed on February 4, 2011 07:41 A.M

¹⁰ Human Rights Watch, *"Analysis of Ethiopia's Draft Civil Society Law."* October 13, 2008 P.1 available online at <http://www.rights.watch.org>, accessed on October 24, 2010

1.2. Statement of the Problem

The question whether the Charities and Societies Proclamation (hereinafter called CSOs/NGOs law) has an impact on Ethiopian and international CSOs/NGOs is important research question due to the following reasons.

First, the actual impact of the proclamation on the scope work of the Ethiopian and international CSOs/NGOs from the legal and economic point of view are missing in the literature. One provision of the proclamation prohibits foreign CSOs/NGOs from engaging in activities pertaining to human rights, gender rights, children rights, disability rights, citizen's rights, conflict resolution or democratic governance.¹¹ Even the "local" CSOs/NGOs that receive more than ten percent of their funding from foreign sources are considered "foreign" for the purpose of the proclamation.¹² Since vast majority of domestic CSOs/NGOs in Ethiopia receive the bulk of their funds from foreign sources, the new Charities and Societies Proclamation is believed to force them to either close their doors or drastically alter the scope of their work.¹³ However the actual impact of the law on the viability of the organizations that have provided critical services to Ethiopian most vulnerable citizens as well as its impact on the citizens themselves is not investigated.

Secondly, the Charities and Society Proclamation law imposes vague and arbitrary criminal sanctions on those who violates its provisions and are punishable under the criminal code as well as by administrative sanctions. The law provides that "any person who violates its provisions is subject to punishment".¹⁴ Thus, punishment is not limited to officials and could potentially extend

¹¹ Art.14(5) Charities and Societies Proclamation No. 621/2009, *a Proclamation to Provide for the Registration and Regulation of Charities and Societies*, Federal Negarit Gazeta, 15th Year No. 25, Addis Ababa, 13th February 2009.

¹² Ibid, Art.2 (2) .This makes a sense when the article is read contrarily.

¹³ Amnesty International, *"Comments on Draft Charities and Societies Proclamation, Ethiopia"*, June, 2008 P.2 available online at [http:// www.amnesty.org/en/library/info/AFR25/005/2008](http://www.amnesty.org/en/library/info/AFR25/005/2008) accessed on October 24, 2010

¹⁴ Yalemzewd Bekele, Cherice Hopkins and Lione Ngin, *Sounding the Horn: Ethiopians Civil Society Law Threatens Human Rights Defenders*, Journal of International Human Right, Northwestern University, School of Law, Issue 12, November, 2009 P.6 available online at <http://www.law.northwestern.edu/humanrights/documents/EthiopiaC> accessed on February 4, 2011 07:41 A.M

to officers, members and volunteers.¹⁵The law is vague with respect to which provision of the penal code will be applied to determine the level of culpability and punishment individuals may face. In addition to improvement and fines, criminal charges can lead to the cancellation of the NGOs licenses.¹⁶ However, the impact of the law on criminal prosecution of the officials, members and voluntary is an important legal issue that requires critical investigation.

Thirdly, the CSOs/NGOs law has created a state of controversy and lack of trust between the government and the civic society organizations. On the one hand, the government claims that the CSOs/NGOs law will lead to greater openness and financial transparency and accountability of the civic society sector. On the other hand, the CSOs/NGOs sector perceives that the law will reduce the growth and engagement areas of the civic society sector thereby affecting the development and democratization process of the country. This will in return reduce the contribution of the CSOs/NGOs sector to the development of the nation. However, the actual perception of the CSOs/NGOs sector towards the law on important aspects of the law is not measured so far and this demands critical investigation.

Finally, at present the law governing the CSOs/NGOs is found under different titles and in different proclamations on piece meal basis. For this reasons today the organization being affected by the legislation finds it difficult to be aware about the law. Moreover, the scattered law governing CSOs/NGOs gives an interesting opportunity for research since it has an important implication on the scope work of the CSOs/NGOs and also to sustain and continue the Charities and Society law reform. In addition to this, the fact that the Charities and Society law is an ongoing and recent law opens up for an excellent opportunity to study the legal knowledge of the Ethiopian and international CSOs/NGOs and identifying the gap between the perception and the law.

¹⁵ Human Rights Watch, Supra note 10, p.9

¹⁶ Ibid

To the researcher's knowledge, studies linking the impact of the Charities and Society Proclamation on the Ethiopian and international CSOs/NGOs regarding the scope of work, criminal prosecution and measuring the gap between perception and the law from the legal and economic point of view are important empirical study that requires investigation. Therefore it is timely to consider and examine the impact of the proclamation as legal research variable and development objective.

1.3. Research Questions

- 1) What are the major legal framework governing Ethiopian and international CSOs/NGOs?
- 2) What is the knowledge of the Ethiopian and international CSOs/NGOs about the law governing the CSOs/NGOs?
- 3) What is the perception of the Ethiopian and international CSOs/NGOs towards the law governing the CSOs/NGOs?
- 4) What is the impact of the Charities and Society Proclamation on the Ethiopian and international CSOs/NGOs regarding their scope of works?
- 5) What is the impact of the Charities and Society Proclamation on the criminal prosecution of officials, members, voluntaries of the Ethiopian and international CSOs/NGOs?

1.4. Objectives of the Study

1.4.1. General Objective of the Study

The main objective of the study is to assess the impact of the Charities and Society Proclamation on the works of Ethiopian and international CSOs/NGOs.

1.4.2. Specific Objectives of the Study

The specific objectives of the study includes the following points

- 1) To assess the legal framework governing the Ethiopian and international CSOs/NGOs.

- 2) To measure the legal knowledge of Ethiopian and international CSOs/NGOs on the different aspect of Charities and Society Proclamation and other laws governing CSOs/NGOs sector.
- 3) To measure the perception of the Ethiopian and international CSOs/NGOs towards the law governing the CSOs/NGOs sector.
- 4) To examine the impact of the Charities and Society Proclamation on the scope work of the Ethiopian and international CSOs/NGOs.
- 5) To examine the impact of the Charities and Society Proclamation on the criminal prosecution of officials, members and voluntaries of Ethiopian and international CSOs/NGOs.

1.5. Research Hypothesis

The researcher has formulated the following hypotheses that are statistically tested.

First, it is hypothesized that there is no significant difference of Knowledge between Ethiopian and international CSOs/NGOs regarding the CSOs/NGOs law.

Secondly, it is hypothesized that there is no significant difference of Perception between Ethiopian and international CSOs/NGOs towards the CSOs/NGOs law.

Thirdly, the researcher also hypothesizes that there is no significant difference of impact of the CSOs/NGOs law between Ethiopian and International CSOs/NGOs in terms of programs.

Fourthly, the researcher also hypothesizes that there is no significant difference of impact of the CSOs/NGOs law between Ethiopian and International CSOs/NGOs in terms of administrative measures.

1.6. Significance of the Study

In this paper, the researcher adds to the recent and limited micro level evidence on the impact of the Charities and Society Proclamation on the Ethiopian and international CSOs/NGOs. The research provides insights for Ethiopian and International CSOs/NGOs, CSA, ministry of justice, civic society organization in general and other interested researchers. The study is important to suggest various policy recommendations and alternative legislation on the CSOs/NGOs sector and to assess whether the current Charities and Society Proclamation holds lessons for others. The study is significant for further study to be made in the area of legal framework governing international and domestic CSOs/NGOs.

1.7. Scope and Limitation of the Study

1.7.1. Scope of the Study

The researcher has studied Ethiopian and international CSOs/NGOs i.e. Charities located within Addis Ababa city administration and investigated the impact of the Charities and Society Proclamation on the scope work of the organizations. The study used organizational level data to provide micro level evidence on the impact of the Charities and Society Proclamation on Ethiopian and international CSOs/NGOs noting that other impact of the proclamation on freedom of association and constitutional issue transcends the scope of the paper. The other impact of the proclamations i.e. those on the inference and independence on the works of the CSOs/NGOs should be the subject matter of separate investigation. The impact of the CSOs/NGOs legislation on the democratization process should also be a matter of separate investigation even though there is a cursory reference to the issue. Also, the time horizon of the impact analysis data included in the study comprises from the effective date of the proclamation i.e. after January 6, 2010.

1.7.2. Limitation of the Study

The first limitation is that the methodology used fails to control for other factors affecting the impact of the Charities and Society Proclamation on the CSOs/NGOs. The second limitation is the researcher could not find enough secondary data from the CSOs/NGOs and other relevant institution as a result the analysis of the impact is predominately dependent on primary data. The

other limitation is resource and time constraint makes the researcher to focus on CSOs/NGOs located within the Addis Ababa city administration. Besides the study doesn't cover the entire civil society organizations more specifically Societies are not the subject matter of this study and the reference to CSOs/NGOs are only to charities organizations. As a result the same conclusion cannot be drawn to the entire civil society organization and in particular CSOs/NGOs located outside Addis Ababa.

1.8. Organization of the Study

This study consist five Chapters. The first chapter deals with the introduction part reflecting on the background of the study, statement of the problem, objective of the study, significance of the study, scope and delimitation. Chapter two discusses the review of the related literature with conceptual framework pertaining to CSOs/NGOs and narrative legal analysis of the CSOs/NGOs laws governing CSOs/NGOs sector in brief. The third chapter presents description of the study area and profile of CSOs/NGOs in Addis Ababa and research methods. The forth Chapter presents analysis of the impact of the law and its finding. Finally, based on the finding of the study, vital conclusion and recommendation are drawn in the last chapter.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter provides an overview to the basic concepts of the research topic, points out the meaning and scope of CSOs/NGOs and legal framework governing CSOs/NGOs at national level. The chapter also introduces the major international agreements that Ethiopia is a signatory which has direct or indirect influence on the conduct of CSOs/NGOs sector. Moreover, the chapter also enumerated the main legal policy governing the CSOs/NGOs at the national level and finally formulating the implication of the CSOs/NGOs law for the sector.

2.1. Meaning, Scope and Working Definitions of the CSOs/NGOs

Civic society has become an important but complex and multifaceted concept and invites varieties of definitions and attempts to capture its “conceptual essence”. This is due to the fact that the standard definition of civic society doesn’t apply to all aspects of civil society, nor does it necessarily fit different perspectives and approaches equally well.¹⁷ Therefore, there is no universal definition for civil society organizations.¹⁸ However, an operational and working definition is needed for theoretical and empirical purposes.

To begin with, the World Bank has adopted a definition of civil society developed by a number of leading research centers: “the term civil society to refer to the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations therefore refer to a wide of array of organizations:

¹⁷Helmut K. Anheier, *How to measure Civil Society*, The London School of Economics and Political Science, UK, 2011, available P.1 online at <http://www.fathom.ise.ac.uk/features/122552>, accessed on February 4, 2011 07:41 A.M

¹⁸Tsehai Wada, *The Regulatory Framework for Civil Society Organizations in Ethiopia*, in Civil Society at Crossroads: Challenges and Prospects in Ethiopia, by Taye Assefa & Bahiru Zewde (eds.), Eclipse Press Ltd , Forum for Social Studies, Addis Ababa, 2008, P.159

community groups, non-governmental organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations”.¹⁹

In addition to this some contemporary writers have been contributing various definitions for the term Civil Society. Michael suggests that “Civil Society is the area of non-state institutions and practices which enjoy a high degree of autonomy.”²⁰ Broadly defined Civil Society is “the private sphere of materials, cultural and political activities resisting the incursion of the State.”²¹

The following can be taken as a working definition for the purpose of this chapter which the author adopted from Helmut K. Anheier. Accordingly, "Civil society is the sphere of institutions, organizations and individuals located among the family, the state and the market, in which people associate voluntarily to advance common interests."²²

Authors and organizations have also tried to define NGOs which are the biggest sector of the CSOs from their own perspective for there is no standard definition.²³ The difficulty in finding a consistent definition crops up by the enormous diversity of the NGOs around the world. Some are religious affiliated while others are secular. Some undertake social activities related to relief activities while others undertake developmental activities.²⁴

¹⁹World Bank, *Defining Civil Society*, UK, 2011,P.1 available online at <http://www.worldbank.org/website/external/topics/CSO>, accessed on February 4, 2011 07:41 A.M

²⁰Michael Bernhard “*Civil Society and Democratic Transitions in East Central Europe*, Political Science Quarterly, Vol, 108, No 2, summer, 1993, PP.307-308 cited in Emyshitaw Tessema, *The Process of Democratization and the Role of Civil Society in Ethiopia, A Comparative Study*, Master’s Thesis, Addis Ababa University, Faculty of Law, October, 2008 (Unpublished,)

²¹Emyshitaw Tessema, *The Process of Democratization and the Role of Civil Society in Ethiopia, A Comparative Study*, Master’s Thesis, Addis Ababa University, Faculty of Law, October, 2008,P.31 (Unpublished,)

²² Helmut K. Anheier, Supra note 17, p.1

²³Korten, C.D, “*Third Generation NGO Strategies: A Key to People Centered Development*” World Bank, Supplement 15, 1987, P.145-159

²⁴Lewis, D., *The Management of Non Governmental Development*, oxford, oxford University Press, UK, 2001,P.16

The enormous diversity both in the provision of social and religious gives raise to different terminologies of definitions used for NGOs. The most commonly used terminologies used for NGOs include; “the third Sector”, “the non-profit sector”, and “the Voluntary Sector”.²⁵ Different continents or countries also use different terminologies for the sector. NGOs are referred to as “Private Voluntary Organizations” in the United States of America, and “Public Charities” in the United Kingdom.²⁶

Further, World Bank defines NGOs as private organizations that pursue various activities to relief suffering, promote the interest of poor, enhance environmental protection and provide basic social services or undertake community development.²⁷ According to Thomson NGOs are defined as organizations that are funded by people who have a common goal which makes them cooperate on voluntary basis in order to achieve their interests.²⁸ Davids et al. define NGOs as private, self governing, nonprofit organizations promoting people-centered development with primary objective of rendering assistance to individuals or developing communities.²⁹ In general, Maharaj and Jaggernath offer a working definition that perhaps comes closer to all the features associated to NGOs. They defined NGOs as non-profit groups outside of government organized by communities or individuals to respond to basic needs that are not meet by either government or market.³⁰

In Ethiopia the word Societies and Charities are used in the Charities and Societies legislation to refer to the voluntary sector. All the other terminologies used to define the sector were considered to be inappropriate or misleading and the proclamation has purposely avoided them from using

²⁵Daniel Sahleyesos, *NGOs in Ethiopia: Examining Relationships between Local and International Groups*, Master's Thesis, Addis Ababa University, College of Regional and Local Development Studies, October, 2005, P.19 (Unpublished)

²⁶Ibid

²⁷World Bank, *Participatory Development and the World Bank*; World Bank Discussion Paper, No.184, Washington DC, World Bank, 1992, P.26

²⁸Thomson Davis, *Defining NGOs in the new millennium*, Department of Economics, Carlton, Carlton University Press, Ontario, Canada, 2005, P.26

²⁹ Davids, Smart. R, *Policies for NGOs*, Second Edition, Macmillan Press Ltd, Hong Kong, 2005, P.37

³⁰ Maharaj and Jaggernath , *what makes the NGOs*, Cambridge , Cambridge University Press, 1996, P.8

them.³¹ Legally speaking the CSOs/NGOs law provides the definition of societies and charities.³² Accordingly it defines society. "Society" means an association of persons organized on non-profit making and voluntary basis for the promotion of the rights and interests of its members and to undertake other similar lawful purposes as well as to coordinate with institutions of similar objectives.³³ In a similar fashion it defines charities. "A Charity" means an institution, which is established exclusively for charitable purposes and gives benefit to the public.³⁴ According to the CSOs/NGOs proclamation, societies are those formed for the benefit of the members of the society themselves while charities are those institutions which are formed for the benefits of third parties.³⁵

To sum up, the researcher has used the following working definition of terms. The terms charities and societies will be used while dealing about matters in relation to the sector. But, the terms Civil Society Organizations and/or Non Governmental organizations will also be used interchangeably.

In addition to this, for the purpose of this study, Charities which are the subject matter of this study have been classified in two categories namely local and international CSOs/NGOs. The local CSOs/NGOs refer to Ethiopian Charities while international CSOs/NGOs refer to the Ethiopian Resident and Foreign Charities. This is basically for four reasons. First, the connotation behind the naming of the law seems that the Ethiopian Charities are the local one while Ethiopian Resident and Foreign Charities are labeled as non-Ethiopian Charities. Second, Ethiopian Resident charities are deemed to be "foreign" and/or "International" charities if it gets more than 10 percent of its

³¹Explanatory Memorandum to the Draft Charities and Society Proclamation, 'Wonber'. Alemayehu Haile Memorial Foundation's Periodical, 4th Half-Year, January 2008, P.26

³²The 1960 Civil Code of Ethiopia employs the name associations and property with a specific destination (under this category endowments and trust are mentioned) while the Association Registration Regulation No.321/1966 which has been applicable to these all institution refers them as association. On the other hand, Proclamation No.471/2005 which has been enacted to provide for the Definition of the Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia, uses the terms non-profit making organizations and non- governmental as well as associations to refer to these institutions.

³³CSP, Supra note 11, Art.55

³⁴Ibid , Art.14(1)

³⁵Debebe Hailegebriel, *Defending Civil Society, Report on Laws and Regulations Governing Civil Society Organization in Ethiopia*, National Endowment for Democracy, 2009, P.3 available online at <http://www.wmd.org> accessed on February 4, 2011 07:41 A.M

annual income from external sources and this change the status of the Ethiopian Resident charities to “foreign” and/or “International” charities by the mere fact that they are funded by an international donors and foreign governments. Third, practically speaking the legal restriction laid down on the engagement area in the fields of advocacy work and human rights is equally applicable to Ethiopian Resident and Foreign Charities. This also shows that Ethiopian Resident and Foreign Charities falls under the same categorization. Finally, the local and international CSOs/NGOs classification is adopted for analytical purpose but the author recognizes that the proclamation has employed its own classification.

2.2. Historical Background and Growth of CSOs/NGOs in Ethiopia

Prior to the coming of CSOs/NGOs many informal institutions such as *Iddirs* and *Mahbers* and many others have been there from time immemorial both in the rural and urban areas being a useful instruments in the local development activities.³⁶ The involvement of modern CSOs/NGOs in the areas of economic and social life of the country started back in the early 20th century, especially with the emergence of European missionaries that were engaged in the task of transforming both the economic and social lives of the people via building educational and health institutions.³⁷ However, their vigorous involvement in the development efforts started immediately after the outbreak of the drought and its attendant famine of 1973/74.³⁸ Initially, the development of CSOs/NGOs were more of related to relief and rehabilitation activities and since then became a permanent feature in the development process of the country.³⁹ During the mid 1970s there were

³⁶PACT, *Report on the Enabling Environment for the NGO sector in Ethiopia*, Biannual report Commissioned by CRDA, Addis Ababa, 2006 cited in Ketete Bizuwork and Kassaye Amare, *Assessment of the Operating Environment for CSO/NGOs in Ethiopia*, Commissioned by CRDA, Addis Ababa, 2006 P.13

³⁷CRDA and DPPC, *Information Package on NGO Contributions*, Development Studies Association, Addis Ababa, 2005, P.19

³⁸ Ibid

³⁹ Lishan Adam, Supra note 1, P.3

not more than twenty or twenty five CSOs/NGOs operating in the country mostly in relief and rehabilitation.⁴⁰

Furthermore, a decade later came the devastating famine of the 1984/85 which gave further increase to the growth of CSOs/NGOs operation in number and scale, particularly in the areas of emergence. At the end of the 1980s, there were more than sixty five to seventy CSOs/NGOs in the country.⁴¹ The pre 1990 period i.e. during the Derg and Imperial regimes did not allow advocacy CSOs/NGOs except some CSOs/NGOs, even though in both regimes the policy and legal environment provided wide variety of civil liberty including the right to freedom of expression and assembly.⁴²

In the post-1991 there was a dramatic growth of the CSOs/NGOs in Ethiopia and their role and areas of engagement changed through time. The developments are directly linked to the post-1991 policy environment and the advent of modern CSOs/NGOs.⁴³ The FDRE Constitution which came into force in 1995 guarantees a wide range of human rights and freedoms, including the right to freedom of expression and of assembly. In the past two decades, there was a dramatic growth of CSOs/NGOs in Ethiopia. For instance, in the 1998 there were 240 national and international CSOs/NGOs officially registered with the government.⁴⁴ In the year 2000 the number had more

⁴⁰Deslaegn Rahomato, *The Voluntary Sector in Ethiopia: Challenges and Future Prospects*, in Civil Society at the Crossroads: Challenges and Prospects in Ethiopia by Taye Assefa and Bahiru Zewde (eds.), Eclipse Press Ltd , Forum for Social Studies , Addis Ababa, 2008, P 98-100

⁴¹ Deslaegn Rahomato, *The Voluntary Sector in Ethiopia: Challenges and Future Prospects*, in Civil Society at the Crossroads: Challenges and Prospects in Ethiopia by Taye Assefa and Bahiru Zewde (eds.), Eclipse Press Ltd , Forum for Social Studies , Addis Ababa, 2008 cited in Desssaalegn Demeke, *The Role of Civil Society Organizations in Human Rights Education in Ethiopia*, Master's Thesis, Addis Ababa University, Faculty of Law, March 2008,P.38 Addis Ababa, (Unpublished)

⁴²Deslaegn Rahomato and Mehret Ayenew, *Democratic Assistance to Post Conflict Ethiopia; Implications and Limitations*, FSS Monographs Series, Forum for Social Studies, Addis Ababa, 2004, P.49

⁴³Mary Kay Gugery, Supra note 9, P.25

⁴⁴Mengehs Shibru, *The Role of CSOs/NGOs in Alleviating the Problems of Children Orphaned by HIV/AIDS; the Case of Mekdim Ethiopia National Association*, Master's Thesis, Addis Ababa University, College of Regional and Local Development Studies, 2007, P.29 (Unpublished)

than doubled to reach about 600 of which more than two thirds were local CSOs/NGOs.⁴⁵ In 2007 the total number of registered and actively engaged CSOs/NGOs reached 2305.⁴⁶ However, at the time of writing this research the numbers of CSOs/NGOs that are registered at the federal level have declined to 1761 and additional 130 applications are pending for approval of registration.

In spite of the fact that the capacity and number of CSOs/NGOs to play a discernable role in the countries development agenda is steadily growing, their contribution to the development process is obscured by the underlining poverty and the lack of qualitative data on their contribution.⁴⁷ To sum up, the CSOs/NGOs sector remains very small in Ethiopia compared to the rest of the world and in particular compared to other African countries.

2.3. Legal Framework Governing CSOs/NGOs in Ethiopia

The legal basis and framework for the operation of the Civil Society Organizations has been clearly regulated in national and various international instruments, practices, standards and initiatives. Given the fact that the regulations of CSOs/NGOs are governed by multiple laws, the following sections will deal with major laws that can influence CSOs/NGOs conduct in Ethiopia.

2.3.1. The Constitution

The right of freedom of association is one of the most fundamental rights in which citizens and/or non-citizens can freely associate to form organization for any lawful purpose. The FDRE constitution also recognizes the right to freedom of association. The FDRE constitution provides that right to freedom of association is one of the fundamental rights but it is not an absolute right. It means that the right to freedom of association can be restricted on the grounds of well specified and legitimate grounds. The FDRE constitution states that the right to freedom of association can

⁴⁵Deslalegn Rahomato and Others, *CSOs/NGOs in Ethiopia: Partners in Development and Good Governance*, Ethiopian Civil Society Organizations Add-Hock Taskforce, Addis Ababa, 2010 P. 92-100.

⁴⁶This is according to the Minister of Justice who was responsible for registering CSOs/NGOs pre enactment of the new CSOs/NGOs law Data Base 2007

⁴⁷Mengehs Shibru, Supra note 44, P.29

be restricted for the purpose of national security, protecting individual right, public order or public health ensuring national security or preventing criminal activities.⁴⁸ The right to freedom of association full enjoyment presupposes the exercise of other neighboring rights, notably the right to freedom of expression and the right to assemble. The FDRE constitution provides that everyone has the right to freedom of expression without any interference.⁴⁹ The FDRE constitution also provides that everyone has the right to assemble and to demonstrate.⁵⁰ The two Articles provide for situations wherein the rights can be limited. The qualifications are that the limitations should be aimed at protecting the well-being of the youth, and the honors and reputation of individuals. Propaganda for war and acts intended to injure human dignity are forbidden.

2.3.2. Major Human Rights Instruments Ratified by Ethiopia

The right of association and other neighboring rights have been given both international and regional recognitions in different major conventions. According to international human and democratic right treaties like the International Covenant on Civil and Political rights (hereinafter called ICCPR) and the International Covenant on Economic, Social and Cultural right (hereinafter called ICESCR) states that the right to freedom of association is one of the fundamental rights

The international agreements are important in understanding the right to freedom of association because they provide the guideline for interpretation according to the very wording of the FDRE constitution. The FDRE constitution reads that “the fundamental rights and freedom specified in this chapter (in chapter three) shall be interpreted in a manner conferring to the principle of the Universal Declaration of Human Right (hereinafter called UDHR), International Convention on Human Right and International instruments adopted by Ethiopia”.⁵¹ This implies that the right of freedom of association enshrined in Article 31 of the FDRE constitution shall be interpreted in line

⁴⁸*The constitution of the Federal Democratic Republic of Ethiopia*, Proclamation No. 1 of 1995, Federal Negarit Gazeta, 1st year No. 1, Addis Ababa, 21st August 1995.

⁴⁹Ibid, Article 29(2)

⁵⁰Ibid

⁵¹Ibid, Article 13(2)

with the standards set under international human rights instruments. One more point worth of notice is the FDRE constitution provided all international agreement ratified by Ethiopian are internal part of the land of the law.⁵²

To begin with, UDHR states no one is obliged to join any association outside his free will.⁵³ ICESCR put “The right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned for the promotion and protection of his economic and social interests.”⁵⁴ In the same vein, the ICCPR stipulates “everyone shall have the right to freedom of association with others including the right to form and join trade unions for the protection of his interests.”⁵⁵ In strikingly similar manner different regional human rights treaties have enshrined provisions that reaffirm the right to freedom of association laid down in UDHR ICESCR and ICCPR. For instance the Africa Charter on Human and People’s Rights (herein after called ACHPR), on its part defines the right of association in a general terms and states “everyone has right to form associations as long as anyone abides by the law.”⁵⁶

However, important human rights and freedoms included in international human right agreements Ethiopia has ratified are not absolute. They can be limited. For instance, according to ICCPR the restriction on freedom of association is subject to a rigorous test, as defined by sub-Article 2 of the 2 of the same law. No restrictions may be placed on the exercise of freedom of association other than those which are prescribed by law and which are necessary in a democratic society in the interest of national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others. In a similar fashion, ACHPR states the rights and freedoms of each individual shall be exercised with due regard to the rights of others, collective security and common interest.⁵⁷

⁵²Ibid, Article 9(4)

⁵³Article 20(1) , Universal Declaration of Human Rights, 1948

⁵⁴Article 8(1(a)), International Covenant on Economic, Social and Cultural right, 1966

⁵⁵Article 22(1) , International Covenant on Civil and Political Rights, 1966

⁵⁶Article 12 , Africa Charter on Human and Peoples Right, 1986

⁵⁷Ibid, Article 27(2)

2.3.3. Other Subsidiary Legislation

The other important law that governs the conducts of CSOs/NGOs is the Council of Ministers Regulation that provide for Registration and Regulation of Charities and societies No.168/2009 which has been enacted on November 6, 2009 and it has been implemented since November 6, 2009. This important regulation gives more detailed explanation of the charities and societies proclamation No.621/2009 law. More specifically, Council of Ministers Regulation provides detailed rules as regards the conditions under which consortium may be established and related detailed rules about registration by charities and societies. Bearing this in mind, two other laws still governing the conduct of CSOs/NGOs are the Civil Code of 1960 and the Associations Registration Regulation of 1966. Since the CSOs/NGOs Proclamation and/or Regulation has not expressly repealed the former laws and it can be assumed that some of the later provisions that are not expressly covered by the new bills will continue to govern the relevant legal field.⁵⁸ Having this, the main law governing CSOs/NGO is Charities and Societies Proclamation No 621/2009. The author will deal with this proclamation in the following sections. However the author does not wish to discuss the detailed controversy of the law since the objective is to let the readers be familiar with the basic provisions governing the CSOs/NGOs.

2.3.4. Charity and Societies Proclamation

The proclamation was enacted by the House of Peoples Representative of the FDRE as a federal legislation with the objective of ensuring the constitutionality guaranteed right to freedom of association and giving support and facilitating the roles of charities and societies in the overall development of the peoples of Ethiopia.⁵⁹ As a result the purpose of the law is to regulate all

⁵⁸The charities and societies proclamation No.621/2009 law Article 111 and Charities and Societies Regulation No.168/2009 Article 35 provides that any rights or duty under any provision of repealed laws shall continue unless it contravenes this proclamation or regulation. Regulation No. 168/2009, The Charities and Societies Council of Ministry Regulation, Federal Negarit Gazeta, 15th Year No. 66, Addis Ababa, 9th November 2009.

⁵⁹See Preamble of the CSP, Supra note 11. There are two different views with regard to the rational for the enactment of the law. On the one hand, the government provides three basic reasons according to H.E Ato Sadik Adem. First, in Ethiopia there was no separate and comprehensive legislation governing the CSOs/NGOs sector. Second, the old legal framework fails to recognize the diverse nature and purpose of CSOs/NGOs and the establishment of Consortium. Thirdly, it was not possible to ensure transparency and accountability of the CSOs/NGOs sector. On the other hand, significant number of CSOs/NGOs believes that the government displays a hostile attitude towards "right watchdogs" and human right organization and thereby wants to control advocacy works.

domestic and international CSOs/NGO carrying out activities in the country and it is considered as a primary tool enhancing the transparency and accountability of civil society organization.⁶⁰ Generally Speaking, the Proclamation aims at governing two forms of association, namely Charities and Societies. Though the two types of organizations are governed by different rules, their formation, supervision, dissolution, e.t.c. is governed by rules that apply to both unless mentioned exceptionally. In the following sections the author will talk about the classification of the organizations, formation, registration and legal personality, monitoring, evaluation and control, termination, dissolution and liquidation, income generating and fund raising activities, administrative and operational cost and penalties.

2.3.4.1. The Classification of the Organizations under the Proclamation

The Proclamation recognizes three forms or types of CSOs, which may be established as either charities or societies. These are “Ethiopian Charities or Societies,” “Ethiopian Resident Charities or Societies,” and “Foreign Charities or Societies” based on the place of their incorporation, their source of funding or the nationality or the place of residence of their founders. The legal definitions of these categories are provided under Article 2 of the CSOs/NGOs law.

To begin with, Article 2(2) defines “Ethiopian Charities” or “Ethiopian Societies” to mean those charities or societies that are formed under the laws of Ethiopia; all of whose members are Ethiopians; generate income from Ethiopia; and are wholly controlled by Ethiopians. However, they may be deemed as Ethiopian Charities or Ethiopian Societies if they use not more than ten percent of their funds which received from foreign sources.

According to Article 2(2) of the CSOs/NGOs law, a charity/society is deemed Ethiopian if three conditions are fulfilled: it should be formed and controlled by Ethiopians; it must get at least 90% of its assets from Ethiopians and it must be formed in accordance with Ethiopian Law. In other words, any “local” CSOs/NGOs will be deemed to be as non- Ethiopian charities or societies if it gets more than 10% of its income from external sources. Here it should be noted that the 10%

⁶⁰There are different types of methods of accountability in the CSOs/NGO sector involving multiple actors. The study focuses mainly accountability to the government not to other actors that exists within and outside the structure of CSOs/NGO.

restriction relates to the use of foreign funds and not to the amount of foreign income the organization is receiving.⁶¹ This has become a major area of concern for Ethiopian CSOs/NGOs as it drastically changes the status of “local” CSOs/NGOs to foreign charities by the mere fact that they are funded by international donors and foreign governments.⁶²

The second category under the classification refers to “Ethiopian Resident Charities” or “Ethiopian Resident Societies” which include those charities or societies that are formed under the laws of Ethiopia, and that consist of members who reside in Ethiopia, and that receive more than 10% of their funding from foreign sources.⁶³ Ethiopian Residents Charities” or “Ethiopian Residents Societies” are legally speaking an association of Ethiopians. The difference between Ethiopian charities or societies and Ethiopian Resident charities or societies does not lie on their place of incorporation or nationality of their founders but on generating more than 90% funds from foreign sources.

The third category under the classification refers to foreign charities. Article 2(4) defines “Foreign Charities” as those charities that are formed under the laws of foreign countries or which consist of members who are foreign nationals or are controlled by foreign nationals or receive funds from foreign country sources. Thus, a charity is considered to be foreign if it has been established under foreign law, or it is a charity whose founders are not Ethiopian nations, or if it is a charity which is controlled by foreign nationals or which receives its funds from foreign sources. As one can observe, the criteria in this provision are outlined in the alternative, using the word “or” to indicate that if one of the distinguishing elements applies, then the organization is considered a “Foreign

⁶¹Debebe Hailegebriel, *Types of Restrictions on Foreign Funding on CSOs/NGOs under the Charities and Societies Proclamation*, The International Journal of Not-for-Profit Law, Issue 3, May 2010,P.2 available online at http://www.icnl.org/knowledge/ijnl/vol12iss3/special_3.htm accessed on February 4, 2011 07:41 A.M

⁶²Kumelachew Dagne, *Observation on the Draft CSO law*, 2008, P.1, available online at <http://www.ebookbrowse.com/search/ethiopian-law-pdf> accessed on February 4, 2011 07:41 A.M

⁶³CSP, Supra note 11, Art.2(3)

Charity.” Accordingly, an organization receiving funds from a foreign source could be classified as foreign charity even if none of the other criteria apply.⁶⁴

To sum up, the main bases of classification of charities or societies under the CSOs/NGOs law does not lie on corporate citizenship of CSOs/NGOs. It does not lie also on the national composition or citizenship of their members. Rather the fundamental bases of classifications lies on the source from which the organization gets its funding which is the most controversial part of the law.⁶⁵

2.3.4.2. Formation, Registration and Legal Personality

Registration as a form of regulation of CSOs/NGOs demands the fulfillment of set of conditions prescribed in advance by the government hosting the CSOs/NGOs activities. Many governments require that CSOs/NGOs be registered with a centralized agency in their countries. This enables the concerned governmental organ acquire information on the condition of establishment and places of operation of CSOs/NGOs thereby giving the chance for the government to check whether the operation of the CSOs/NGOs is in the interest of the general public and see to it that the activities of the CSOs/NGOs are in line with its policies and strategies.

To begin with, the new legislation has established central body called the CSA (hereinafter called Charities and Societies Agency) that administers and confers legal identity on the CSOs/NGO through registration.⁶⁶ One of the main tasks of the CSA is the registration and the licensing of the CSOs/NGO. The CSA has the power to license, register, not to register and supervise the CSOs/NGO including the nation and international NGOs.⁶⁷ In this regard section five of the CSOs/NGOs law governs the formation, licensing and registration of the CSOs/NGOs. It states

⁶⁴Debebe Hilegebriel, Supra note 61, P.3. Debebe further noted that the underlying justification for the restriction on foreign funding of CSOs/NGOs is that FDRE Government considers the free flow of foreign funding to CSOs/NGOs as means for perpetuating parasitism and rent seeking.

⁶⁵Debebe Hailegebriel, Supra note 35, P.3

⁶⁶CSP, Supra note 11, Art.4(1)

⁶⁷Ibid, Art.6(1)(a)

that any Charity or Society shall apply for registration within three month of its formation but the CSA may also allow a Charity or Society to apply for registration notwithstanding that the three months time limit has elapsed where good cause has been shown.⁶⁸ However, the CSOs/NGOs law does not provide the grounds that amount to good cause.

The CSOs/NGOs law demands the CSA to register an applicant CSOs/NGOs after ensuring that the legal pre set requirements are met. For this purpose, the applicant must submit such requisite documents and other details such as a copy of the rules of the Charity or the Society and where applicable a document showing the act of constituting of a Charitable Trust or a Charitable Endowment and such similar documents and duly completed forms as the CSA may require.⁶⁹ In addition to this, applicant CSOs/NGOs should submit particulars concerning its goals, objectives and activities as per the form prepared by the CSA.

In addition to the requirements set for any CSOs/NGOs, the CSOs/NGOs law demands further documents with regard foreign CSOs/NGOs. This requirements includes duly authenticated certificate of registration showing its establishment from its country of origin, proof of the decision of its competent organ to operate in Ethiopia, a letter of recommendation by the Embassy in which the Charity is incorporated or in the absence of such by a competent Government organ in that country letter of recommendation from the Ministry of Foreign Affairs of the FDRE and power of attorney of the country representative.⁷⁰ In this regard the CSOs/NGOs empower the CSA to demand unspecified additional documents under Article 68 sub article three. Ones these documents are fulfilled the CSA can still refuse registration on one of the grounds mentioned under Article ~~69~~ ⁶⁹ of the same law.⁷¹

⁶⁸Ibid,Art.64(2)(3)

⁶⁹Ibid,Art.68(3)

⁷⁰CSP, Supra note 11,Art 68(4)

⁷¹First, the rules of the proposed Charity or Society do not comply with the necessary conditions set by this Proclamation. Secondly, the proposed Charity or Society is likely to be used for unlawful purposes or for purposes prejudicial to public peace, welfare or good order in Ethiopia. Thirdly, the application for registration does not comply with the provisions of this law or any regulations made hereunder. Fourth, the name under which the proposed Charity or Society to be registered resembles the name of another Charity or Society or any other institution or is contrary to

Once the CSOs/NGOs are registered, its main legal effect is acquisition of personality. Article 22(2) of the proclamation clearly provided that the effect of registration is acquisition of legal personality and merely formed Charities and Societies do not have any legal personality. Following once CSOs/NGO gets registered and acquired legal personality according to the new legislation, every CSOs/NGO are required to renew the license every three years.⁷² The rational of renewal of license will enable the CSA to monitor and control the activities of the CSOs/NGO according to the constitutive acts of the CSOs/NGO and national interest of the country as crafted in the new legislation.⁷³

2.3.4.3. Monitoring, Evaluation and Control

Once the registration and establishment of CSOs/NGO has been established the next step is the approval of proposal and activities before the concerned organs. Once the activities of the CSOs/NGO are approved; the next phase is monitoring and evaluation of the projects.

One of the methods of monitoring and evaluation is checking projects compatibility with the allocation of 70% of the budget to operational costs and 30% to administrative costs.⁷⁴ The CSA is preparing a draft directive that will make the 70/30 % formula of operational and administrative cost into reality and check all the approved projects in line of the budget formula. This draft directive is expected to clarify the financial accountability of the CSOs/NGO. Furthermore, the CSA is given the power to monitor the activities of CSOs/NGO through review of annual reports and audited financial accounts.

In most extreme form of monitoring CSA is given the power to interfere and control CSOs/NGO activities. The given power is related to auditing and one could consider the CSA as an auditing

public morality or is illegal. Finally where the nomenclature of the Charity or Society is country wide and the composition of its members or place of business do not show the representation of at least five regional states.

⁷² CSP, Supra note 11, Art 76(1)

⁷³ Explanatory Memorandum, Supra note 31 ,P.43

⁷⁴ The CSA has the power to control budgeting as enshrined in Article 88. Any CSOs/NGO shall allocate not less than 70% of the expenses in the budget year for the implementation of its purpose and an amount not exceeding 30% for its administrative activities. The author will discuss about this issue in detail in the next coming sections.

governmental institution. CSOs/NGO is required to keep accounts of records according to the detailed specification provided under the CSOs/NGO law. The employees of the CSOs/NGO have legal obligation to keep records of accounting in a manner that shows clearly and sufficiently all the transaction concluded and should be available at any time.⁷⁵ Anonymous donations are to be recorded indicating the identity of the donors.⁷⁶ In addition to this, CSOs/NGO have also obligation of notifying bank accounts to the CSA with necessary particulars.⁷⁷

Moreover, control of CSOs/NGO extends to directly inspect them by instituting inquiries.⁷⁸ The CSA may from time to time institute inquiries with regard to the whole CSOs/NGO or a particular CSOs/NGO or class of CSOs/NGO, either generally or for the particular purpose.⁷⁹ The CSA can call any of the employees of CSOs/NGO and conduct investigation. For the purpose of discharging its function under the proclamation, the CSA can order to furnish orally or in writing any information which relates to any CSOs/NGO activities.⁸⁰ In addition to this, CSOs/NGO is required to request permission before deliberation or meeting of the general assembly. In this regard, any CSOs/NGO shall notify the CSA in writing of the time and place of any meeting of the general assembly of the CSOs/NGO not later than seven working days prior to such meeting.

2.3.4.4. Termination, Dissolution and Liquidation

The CSA can suspend and cancel licenses of CSOs/NGO. The license could be suspended or cancelled on the basis of trivial cases like, for citation purpose, failing to comply with the CSA order, failing to provide information and not respecting the time limit set by the agency.⁸¹ The law provides that a license of CSOs/NGO can be cancelled when the activities of the CSOs/NGO could

⁷⁵ CSP, Supra note 11, Art. 77(1)

⁷⁶ Ibid, Art. 77(2)

⁷⁷ Ibid, Art. 83

⁷⁸ Debebe Hailegebriel, Supra note 35, P.4

⁷⁹ CSP, Supra note 11, Art. 84

⁸⁰ Ibid, Art. 85(1)

⁸¹ Ibid, Art. 92

be detrimental to public peace, welfare or security. However, the legislation fails to provide precise definition and criteria as to what activities can be perceived as detrimental to public peace, welfare or security.

A CSOs/NGO may be dissolved by the CSA where, the CSA cancels the license of the CSOs/NGO in accordance with the above standards. The CSOs/NGO law provides the dissolution to be effected by the court decision in the case of Ethiopian CSOs/NGO only. The dissolution of Ethiopian CSOs/NGO is effected by the decision of the federal high court.⁸² Under such situation, the courts responsibility is to make ultimate approval of the cancellation of the CSOs/NGO.⁸³ The CSOs/NGO is initially cancelled by the administrative organ and the court is expected to make final legal order according to the provision of the law. The proclamation limits judicial oversights of executive actions in the case of Ethiopian CSOs/NGO and discriminates against foreign and Ethiopian resident CSOs/NGO by denying them recourse to judicial remedies.

2.3.4.5. Income Generating and Fund Raising Activities

The new Charities and Societies Proclamation clearly recognizes the legality of income generating activities.⁸⁴ In other words, the CSOs/NGOs law permits charities and societies to engage activities which may generate income such as door-to-door, telephone, direct mail, television, campaigns, lotteries and other fundraising events. In this regard the relevant article is provision 103(1)-(4). The recognition by the CSOs/NGOs law the right of CSOs/NGOs to engage in income activities will greatly help CSOs/NGOs to sustain themselves financially though not adequate.⁸⁵ Moreover, the CSOs/NGOs law allowing charities and societies to engage in income generating activities

⁸²Ibid, Art.93(2)

⁸³Debebe Hailegebriel and Teshay Wada, *Commentaries and Recommendations on the Latest Draft Charities and Societies Proclamation*, Ethiopian Civil Society Organizations Add-Hock Taskforce, Addis Ababa, Oct. 2008,P.4 (unpublished)

⁸⁴ CSP, Supra note 11, Art.103(1)

⁸⁵ Kumulachew Dagne, Supra note 62, P.3

helps CSOs/NGOs to strength their internal capacity and ensure the sustainability of their activities.⁸⁶

Art.103 Proclamation does not pass without putting limitations. Accordingly it puts five requirements. First charities and societies which want to engage in profit making activities are required to secure written approval from the Agency. Secondly, they have to engage in activities that are incidental to the achievement of their purpose. Thirdly, charities and societies are permitted to engage in income generating activities provided that no profit or earning are distributed to the founders, members, officers, board members, or employees of the entities under consideration. Fourthly, a charity or a society that undertake income generating activity is required to keep separate books of accounts with respect to such activity. Finally, the permission which is granted by the Agency to engage in income generating activities will not affect the requirement and procedure that are laid down in other laws as regards who and how may one engage in such activities.

In addition to the right of CSOs/NGOs to engage in income generating activities, other form of raising money or collecting property called public collection has been recognized by the legislation. Public collection is an appeal made to the public for money or other property in which the collected money is used for charitable purposes as defined by the CSOs/NGOs law.⁸⁷

Although the right of organizations to engage in public fundraising activities is legally recognized, no charity or societies can conduct any public collection unless permit is granted by the agency. Any money or property collected by a charity or societies prior to securing permission is subject to confiscation by the CSA and will be applied to the purpose of a similar charity or societies.⁸⁸

⁸⁶ Deslaegn Rahomato, Supra note 45, P.92

⁸⁷ CSP, Supra note 11, Article 2(10) defines "Public Collection" as it shall mean an appeal in any public place or by means of visits to places of work or residence; for money or other property whether for consideration or otherwise and which is made in association with a representation that the whole or any part of its proceeds is to be applied for charitable purposes and shall not include appeal made on a land or building used for the purposes of worship or burial or any land adjacent to it.

⁸⁸ Ibid, Article 98(3)

2.3.4.6. Administrative and Operational Cost

The CSOs/NGOs law provides rules regarding the utilization of the annual budget of the CSOs/NGOs and put limitation on the administrative and operational cost of the annual budget of the CSOs/NGOs. The CSOs/NGOs law provides under Article 88 that;

1/ Any charity or society shall allocate not less than 70 percent of the expenses in the budget year for the implementation of its purposes and an amount not exceeding 30 percent for its administrative activities.

2/ Notwithstanding sub article (1) of this Article, the government may confer various incentives to a charity or society that allocate more than 80% of its total income for its operational purposes or demonstrates outstanding performance.

In this regard Article 88 (1) states that charities or societies cannot expand more than 30% percent of their expense as administrative expenses. In other words charities or societies should check projects compatibility with the allocation of 70% of the budget to operational costs and 30% to administrative costs.⁸⁹ It is further provided in article 88(2) of the same law that the government may confer various incentives to a charity or societies that allocation more than 80 percent of its total income for its operational purposes. This Article is one size fits all and does not make any difference between charity and societies or among the different types of charities.⁹⁰ It appears that the requirement is applicable across the board, despite the difference in the nature and purpose of the organizations.

The rational for fixing this spending limit is to ensure that the institutions manage and spend their resources in a cost effective manner from the perspective of administrative expenses, i.e. it is intended to ensure that there will not be excessive administrative expenses by the institution under

⁸⁹Ibid, Article 2(14) defines Administrative costs” shall mean those costs incurred for emoluments, allowances, benefits, purchasing goods and services, travelling and entertainments necessary for the administrative activities of a Charity or society.

⁹⁰ Tsehai Wada, Supra note 18, P.180

consideration.⁹¹ On the other hand, according to one group of stakeholders, “the ceiling may provide an incentive for some CSOs to manage and account for their finance unethically and thereby undermine CSO accountability” and transparency... and forces them to engage in “creative accountability” in order to meet the stringent administrative cap.”⁹² And, the manner how the organizations have secured the fund for its budget does not make any difference.⁹³

2.3.4.7. Penalties

The CSOs/NGOs law contains enforcement mechanisms for violation of its provisions consisting of both administrative and judicial measures. The law provides that “any person” who violates its provisions is subject to punishment. Accordingly, any person who violates the provisions of the proclamation may be punished in accordance with the provisions of the criminal code, and the additional criminal liabilities listed under the CSOs/NGOs law.

In addition to the crimes listed under the penal code, the CSOs/NGOs basically list down four types of crimes and these are; failure to keep its books of accounts; failure to submit to the Agency an annual statements of account; failure to report annually or upon request about all its bank accounts and failure to allocate not less than 70 percent of its expenses in the budget year for the implementation of its purposes.

First, any Charity or Society who is found in violation of Article 77 i.e. fails to keep its books of accounts, to record money received, its source and the amount expended, to preserve any accounting records for at least five years from the end of its financial year is punishable with fine

⁹¹ Yesuf Jemaw, *The New Proclamation No.621/2009 of Charities and societies ; A Special Focus on its Basic Characteristics and Major Implications*, Master’s Thesis, Civil Service College, Faculty of Law, Addis Ababa June 2010 ,P.77 (Unpublished)

⁹² Development Assistant Group Ethiopia, *FDRE charities and societies proclamation No 00/2008: Technical analysis of second draft of proclamation*, Addis Ababa, July 28, 2008 cited in Tsehai Wada, *The Regulatory Framework for Civil Society Organizations in Ethiopia*, in Civil Society at Crossroads: Challenges and Prospects in Ethiopia, by Taye Assefa & Bahiru Zewde (eds.), Eclipse Press Ltd , Forum for Social Studies, Addis Ababa, 2008 P.180

⁹³ Yesuf Jemaw, Supra note 91, P.77

not less than birr 20,000.00 (Twenty thousand birr) and not exceeding Birr 50,000.00 (fifty thousand Birr). Article 77 requires CSOs/NGOs to keep accounting records to show financial transactions.

The second crime listed is failure to submit to the agency an annual statement of accounts. Article 102 sub article 2 provides that any charity or society who in violation of Article 78 fails to submit to the Agency an annual statements of account prepared in accordance with acceptable standards; to prepare statement of receipts, payments and assets and send the same to the agency; to preserve any statement of accounts and related documents for at least five years from the end of its financial year is punishable with fine not less than Birr 10,000.00 (ten thousand birr) and not exceeding birr 20,000.00 (twenty thousand Birr). Article 77 requires CSOs/NGOs to keep accounting records to show financial transactions.

The third crime listed is failure to submit to the agency an annual statement of accounts. Article 102 sub article 3 provides that any charity or society who in violation of Article 83 fails to report annually or upon request about all its bank accounts with the necessary particulars is punishable with fine not less than birr 50,000.00 (fifty thousand birr) and not exceeding Birr 100,000.00 (hundred thousand Birr). Article 83 talks about obligation of notification of bank accounts.

Fourth type of crime is a violation of Article 88. Article 88(1) of the CSOs/NGOs law provides charities and societies shall not allocate not less than 70 percent of the expenses in the budget year for the implementation of its purposes and an amount exceeding 30 percent for the administrative activities. A violation of this will result in criminal liability which is made punishable with fine not less than Birr 5,000.00 (five thousand Birr) and not exceeding birr 10,000.00 (ten thousand Birr) as per Article 102(4) of the CSOs/NGOs law.

Finally, any officer, or employee of a charity or society who fails to keep accounting records may be punished in accordance with the provisions of the criminal code, and in addition will also be punishable with fine not less than Birr 10,000 (ten thousand birr) and not exceeding Birr 20,000

(twenty thousand birr). This indicates that the punishments are not limited to officers and could potentially extend to members and volunteers.

In spite of the fact that the crimes listed are serious enough to call for such criminal sanctions and most of the sanctions are administrative measures, the law is vague with respect to which provisions of the penal code will be applied to determine the level of culpability and punishment individuals could face.

In addition to imprisonment and fines, criminal charges can lead to the cancellation of a CSOs/NGO's license. Article 92(2) (e) states that the license of any charity or society shall be canceled where "it commits a crime by violating the provisions of the criminal code or that of this proclamation." Thus, the CSO law fails to provide adequate notice regarding, first, the actions that could result in imprisonment, and, second, the extent of criminal liability for offenses. One should also recall that it is only Ethiopian Charities or Societies that have the right to a judicial appeal of the decision of the Agency, and thus Ethiopian Residents or Foreign CSOs do not have such rights.

2.3.5. The Major Implications of the CSOs/NGOs Law

The adoption of the Charities and Societies Proclamation has been met with strong opposition from some Ethiopian and international CSOs/NGO and there is a general and current debate on the different implication aspect of the law. This section deals with the negative implication of the CSOs/NGOs law in brief.⁹⁴

The first potential adverse implications of the CSOs/NGOs law are narrowing the scope of CSOs/NGOs engagement areas.⁹⁵ In this regard the definitional distinction between Ethiopian CSOs/NGOs, Ethiopian Resident CSOs/NGOs and Foreign CSOs/NGOs acquires significance

⁹⁴Kumulachew Dagne, Supra note 62, P.3. Kumulachew noted that there are positive implications of the CSOs/NGOs. First, the fact that there is a recent and updated law governing only the CSOs/NGOs is by itself a major step forward. Second, the fact that the CSOs/NGOs recognize CSOs/NGOs to engage in income generating activities and tax exemption greatly helps CSOs/NGOs to sustain their activities. Finally, the recognition of the establishment of consortium of charities and societies is also positive implication.

⁹⁵Deslaegn Rahomato, Supra note 45, P.95

because the classifications are made not without a reason.⁹⁶ There are major implications that follow from this classification. As stated above, the CSOs/NGOs law determines the nationality of a given CSOs/NGOs based on its source of income, and at the same time makes Ethiopian nationality (or corporate citizenship) a requirement for engaging in governance and advocacy activities. Organizations that receive more than 10% of their income from foreign sources are legally excluded from working on the advancement of human rights, promoting the rights of children and the disabled, gender equality, nations and nationalities, good governance and conflict resolution, as well as the efficiency of the justice system.

The implication of this would be on one hand the advocacy organization would be forced either to shift area of engagement into service delivery or maintain the advocacy engagement area and face severe resource constraint due to the difficulty of raising more than 90% of their fund and amount of fund they can raise from local sources would not be significant as such to be sufficient enough to advance advocacy works. On the other hand, the creation of new advocacy organizations would be difficult even though not halted. This will have a negative implication on the growth and engagement area of the CSOs/NGOs sector. According to some authors, this will in return reduce the effectiveness of CSOs/NGOs intervention in democracy.⁹⁷ In addition to this, it will also hamper the growth and development of the civic society sector finally reducing the democratization process and realization of human right in the country.⁹⁸

The CSOs/NGOs law will undermine the contribution of CSOs/NGOs in the areas of advocacy work and will have far-reaching consequences on the democratization process of the nation for three basic reasons. First, restrictions on Ethiopian Resident and Foreign charities and societies regarding engagement area in community empowerment programs and human rights issues will impact the participation of citizens which will lead to less pluralism, democracy and respect for human rights in the country. Second, the restriction on policy dialog will also prohibit CSOs/NGOs from participating in the formulation of policies, laws and programs related to governance and human rights and this will minimize policy dialogue among the public, which will,

⁹⁶ Yesuf Jemaw, Supra note 91, P.84

⁹⁷ Deslaegn Rahomato, Supra note 45, P.95

⁹⁸ Ibid, P.96

in turn, affect the formulation of appropriate and responsive policies. Finally, the restrictions on efficiency of the justice system have also implication on the justice system. The restrictions on efficiency of the justice system will lead to less efficiency of the justice and governance system. This will also affect the implementation of government's policies in the area such as decentralization, justice sector reform program, etc.

Another important implication of the proclamation will be splintering of the already beleaguered civil society sector.⁹⁹ Clustering the civil society organizations into Foreign CSOs/NGOs Ethiopian Resident CSOs/NGOs and Ethiopian CSOs/NGOs would not only undermine the unity of civil society organizations but also triggers further fragmentation within the sector.¹⁰⁰ This will inevitably rob them the potential of forging a unity of purpose in terms of union. As things stand now, it seems unlikely that these splinters groups will find any common ground to promote peoples cause as long as the legislation is in force.¹⁰¹

The other adverse implication of the CSOs/NGOs law is denial of access to justice. Article 104 clearly and unequivocally excludes Ethiopian Residents CSOs/NGOs and foreign CSOs/NGOs from making recourse to courts of law by way of appeal against administrative decision of CSA. The legislation provides for right of appeal on the decision of the CSA to the Board.¹⁰² But, where the Board fails to revise the decisions of the Agency, the CSOs/NGOs specifically accords for Ethiopian charities and societies only the right to recourse to judicial remedy to the Federal High Court.¹⁰³

⁹⁹ Abera Hailemariam, *The Implication of Charities and Societies Proclamation No.621/2009 on the exercise of rights to freedom of Association in light of Article 14(5)*, Senior Essay, Addis Ababa University, Faculty of Law, Addis Ababa, June 2010,P.58 (Unpublished)

¹⁰⁰ Ibid,

¹⁰¹ Ibid

¹⁰² It is the highest organ of the CSA which is composed of seven members to be nominated by the government of which two of them are from Charities and Societies which are also nominated by the government.

¹⁰³ CSP, Supra note 11, Article 104(3)

Finally, Ethiopian Resident and Foreign charities and societies working on justice issues will be forced to discontinue their services of promoting access to justice and this will have implication on right of access to justice. Furthermore, the implication of denial of access to justice is that it places to freedom of association in precarious situation. For one thing entrusting the power of reviewing appeal to the CSA board blurs the separation of powers among the three area of government.¹⁰⁴ As things stand now the executive that is CSA board has usurped the power of courts on matters related to the right to judicial review.¹⁰⁵ The usurpation of the judicial power by the CSA board is a sign of the disruption of the check and balance supposed to exist among the legislature, the executive and judiciary branches of government at every level of state structure.

¹⁰⁴ Abera Hailemariam, Supra note 99,P.65

¹⁰⁵ Ibid,P.66

CHAPTER THREE

RESEARCH METHODS

This chapter gives brief description of the study area and the profile of CSOs/NGOs in Addis Ababa. It deals with the historical, geographical and political profile of Addis Ababa. It also deals with the geographical distribution of CSOs/NGOs in Addis Ababa. Finally it deals with the methodology of the research.

3.1. Site Selection and Description of the Study Area

3.1.1. Description of the Study Area

Addis Ababa, the federal capital, was founded in 1886 by Empress Taytu who also gave the name to the new settlement.¹⁰⁶ The area was originally known by the Oromo term, Finfine, expressive of the bubbling hot spring.¹⁰⁷ Addis Ababa is characterized by its spontaneous growth as an indigenous city with very small impact of colonial powers unlike other cities of developing countries that have experienced the strong impact of colonization in city formation.¹⁰⁸ With the introduction of modern education, public services and the establishment of small and large scale industries, the city of Addis Ababa began to develop as a political, economic and cultural center in subsequent years. Currently, the city is a diplomatic capital of Africa serving as the seat of the African Union and many other international organizations.

Geographically speaking, Addis Ababa, the capital city of Ethiopia, is located at 38°44', longitude and 09 02° latitude with an average elevation of 2408 meters above sea level, which makes it the

¹⁰⁶Bahru Zewdie "*The City Center; a Shifting Concept in the History of Addis Ababa*" in *Urban Africa Changing Contours of Survival* by Abdouramatig Simone and Abdelgani Abouhani (eds.) , Codesria Books' Zed Books, London/New York, 2005, P.38

¹⁰⁷ Ibid

¹⁰⁸Addis Ababa City Government, *Addis Ababa City Year Books*, Communication Affairs Bureau of City Government of Addis Ababa, 2010, (Amharic)

highest capital in Africa.¹⁰⁹ The city is also known for its fairly constant air temperature throughout the year, with an average minimum temperature of 5°C and maximum temperature 27°C.¹¹⁰ Average rainfall is 1188.27 millimeters per year, with major rains occurring in July and August.¹¹¹

Addis Ababa currently covers a total area of 540 square kilometers.¹¹² The population of the city is growing by 2.3 % of growth rate.¹¹³ Currently, over 2.7 million people reside in this city.¹¹⁴ The major cause for the increase in population size is rural-urban migration. This over urbanization has brought about various economic as well as social problems. Different studies reveal that about 50% of the population of Addis Ababa lives below poverty line. Unemployment rate has reached 31%.¹¹⁵

The city was previously divided into 6 zones, 28 woredas and 284 kebeles or neighborhoods association before the currently administrative structure of 10 sub cities and reduced number of 99 kebeles.¹¹⁶ The metropolitan city has experienced major changes based on the Addis Ababa City General Restructuring Proclamation 361/2003 in instructional restructuring. This move was made with the aim of changing the rigid system to a more flexible and development oriented one and making services closer to public.¹¹⁷ With this in mind, the city administration has three tiers of government; the city center, the sub-cities and kebeles in the respective order, according to which

¹⁰⁹ Central Statistical Authority, *Statistical Abstract*, Addis Ababa, Ethiopia, 2005, P.8

¹¹⁰ Ibid

¹¹¹ Ibid

¹¹² Central Statistical Authority, *Demographic and Health Survey*, Addis Ababa, Ethiopia, 2007, P.56

¹¹³ Ibid

¹¹⁴ Ibid

¹¹⁵ Ibid

¹¹⁶ Addis Ababa City Government, Supra note 108,

¹¹⁷ AACCA, *The Second Five Years Development Plan(2000-2004)*, Addis Ababa, Addis Ababa City Administration, 2000

kebeles form the smallest administrative unit of the city. There are 10 sub cities and 99 kebeles in the city after the subsequent restructuring program (figre3.1).¹¹⁸

As a result the City of Government of Addis Ababa is currently sub divided into ten sub cities namely; Bole, Nefas Silk Lafto, Akaki Kality, Kirkos, Addis Ketema, Gulelle, Arada, Lideta, Yeka and Kolfe Keranyo.¹¹⁹ These sub cities are further divided into Kebeles which are the lower tier of government. In the 2005 National and Regional Elections, a party called coalition for Unity and Democracy (CUD) won all the seats of the city council. This party however was not willing to take on the city government and hence the job was given to a caretaker government from April, 2006 to April 2008 after which an election was held and EPRDF won all the seats in the city council.¹²⁰ The capital of the federal state is currently administered by Addis Ababa City Administration.

More specifically the study was conducted in the Addis Ababa City Administration which is one of the regions located in Federal Democratic Republic of Ethiopia. First, Addis Ababa City Administration was selected purposively based on the high number of Ethiopian and International CSOs/NGOs as compared to other regions. Further, all Sub cities were selected purposely given the limited number of Ethiopian CSOs/NGOs. In all Sub cities, there exist a limited number of CSOs/NGOs. Second, the CSOs/NGOs law scope of application mainly covers the charities and societies which conduct their activities in Addis Ababa or Dire Dawa.

3.1.2. The CSOs/NGOs Profile in Addis Ababa

The CSOs/NGOs profile in Ethiopia (see Table.3.11) shows unfair special distribution and concentration of CSOs/NGOs in Addis Ababa City Administration. Number and diversity of CSOs/NGOs till May 2011 indicates that 81.03 percent (1427 out of the total 1761 number of CSOs/NGOs) are located within the Addis Ababa City Administration. The number of Ethiopian

¹¹⁸ Addis Ababa City Government, Supra note 108

¹¹⁹ Ibid

¹²⁰ Ibid

Charities also indicates that it is high in Addis Ababa (87 percent) as compared with overall number of the nation. In the same vein, there is high concentration of Ethiopian Resident and Foreign Charities in Addis Ababa with 74.93 and 96.34 percent respectively. Moreover, a majority of the Ethiopian (96.34 percent) and Ethiopian Resident Societies (94.33 percent) are also located in capital nation (see also Table.3.1).

The figures indicated above shows that the distribution of CSOs/NGOs among the different regions of the country was not fair and a balanced one. Given the current socio-economic situation of the region, where the inputs of the CSOs/NGOs are badly needed at all levels, rural and urban and distance and near-by places, most CSOs/NGOs in the country, however, tended to gravitate in the capital city of the nation, Addis Ababa. These area preferences by the CSOs/NGOs appear to be an issue that demands the concerned efforts of all stakeholders, particularly, the CSOs/NGOs, to avert and correct the existing biased of CSOs/NGOs concentration in Addis Ababa.

As far as area preference of CSOs/NGOs is concerned, from the above observation at national level, most CSOs/NGOs preferred to be located in Addis Ababa endowed with infrastructure facilities like buildings, roads, health and education. In a survey study conducted in 2010 indicated as to why CSOs/NGOs exclusively tended to agglomerate in Addis Ababa City Administration and spelled out main distinct reasons namely, unwillingness of professionals to go away even offered attractive salary, limited availability of basic services and infrastructure facilities, the difficulty of coping-up with local government officials and employees and poor logistics base of most CSOs/NGOs, especially the local ones.¹²¹

In addition to this, the sub-cities distribution of CSOs/NGOs is highly skewed in favor of three major sub-cities, namely, Kirkose (21.7 percent), Bole (21.7 percent) and Arada (11.63 percent). The remaining eight sub-cities account for about 45 percent of the distribution of CSOs/NGOs. This shows the Kirkose, Bole and Arada sub-cities of Addis Ababa are the most privileged in

¹²¹Dagausasa Beyene Agaga, *The Role of NGOs in Promoting Community Participation; a case of Arada sub-city*, Master's Thesis, Addis Ababa University, College of Regional and Local Development Studies , 2010 P.32 (Unpublished)

terms of area preference by CSOs/NGOs. Conversely, distant sub-cities such as Addis Ketema (2.31%) and Kalitiy (2.03%) altogether make up for 4.34 percent are the less privileged terms of area preference by CSOs/NGOs. Furthermore, majority of the Ethiopian and Ethiopian resident Charities are located in Kirkose sub-city. Comparatively speaking a good number of foreign Charities and Ethiopian Resident Societies that is 40.07 and 21.7 percent are located in Bole sub-city respectively. Arara sub-city possesses the highest number of Ethiopian Societies (refer to table 3.1). In the same manner, as far as area preference of CSOs/NGOs is concerned, from the above observation at the sub-cities level, most CSOs/NGOs preferred to be located in localities that have good proximity to areas well endowed with infrastructure facilities like buildings, roads, health and education.

Table 3.1 The CSOs/NGOs Number and Composition in Addis Ababa

Sub Cities	EC	ERC	FC	ES	ERS	Total
Gullelle	7(9.33%)	80(9.76%)	6(2.20%)	23(10.9%)	5(10%)	121(8.47%)
Kirkos	14(18.66%)	160(19.53%)	66(24.26%)	61(2.84%)	10(20%)	311(21.7%)
Yeka	10(13.33%)	100(12.21%)	45(16.54%)	18(8.53%)	7(14%)	180(12.7%)
Bole	11(14.66%)	151(18.43%)	109(40.07%)	31(14.69%)	9(18%)	311(21.7%)
Kalitiy	1(1.33%)	18(2.19%)	3(1.1%)	7(3.31%)	0(0%)	29(2.03%)
Arada	12(16%)	96(11.72%)	10(3.67%)	35(16.58%)	13(26%)	166(11.63%)
Lafto	7(9.33%)	81(9.89%)	19(6.98%)	4(1.89%)	2(4%)	113(7.91%)
Lideta	4(5.33%)	49(5.98%)	7(2.57%)	16(7.58%)	0(0%)	76(5.32%)
Addis Ketema	3(4%)	22(2.68%)	0(0%)	8(3.79%)	0(0%)	33(2.31%)
Kifle Keranyo	6(8%)	62(7.57%)	7(2.57%)	8(3.79%)	4(8%)	87(6.09%)
Total	75(5.2%)	819(57.39%)	272(19.06%)	211(14.78%)	50(3.50%)	1427(100%)

Source; calculated and complied from raw data obtained Charities and Societies Agency, May 2011

With regard to the composition of the CSOs/NGOs, majority of the CSOs/NGOs are Ethiopian Resident Charities (57.39 percent) followed by Foreign Charities (19.06 percent) and Ethiopian Societies (14.78 percent) respectively. This show majority of the CSOs/NGOs sector at present in Addis Ababa City Administration is mainly composed of Ethiopian Resident Charities which depend on foreign governments and donors for the bulk of the financial and material resources deemed essential for carrying out activities.

3.2. Research Design and Methodology of the study

To achieve its objectives, the study uses both primary and secondary data. The details of the components are here below

3.2.1. Data Type and Sources

The study used both qualitative and quantitative research methods. These types have been collected from both primary and secondary sources of data. The primary data involves conducting interviews with key informants and administering a structured questioner to Ethiopian and international CSOs/NGOs. The primary data was used to collect information about the scope of the Ethiopian and international CSOs/NGOs, source of fund and budget, impact of the proclamation on criminal prosecution and perception of the CSOs/NGOs regarding the law governing the Ethiopian and international CSOs/NGOs. While the secondary source includes different office documents reports, internet, e.t.c. The secondary data were used to collect information pertaining to the CSOs/NGOs legal policy and related issues.

3.2.2. Research Design

3.2.2.1. Population

The population of this research is local and international CSOs/NGOs. The local CSOs/NGOs refer to Ethiopian Charities while international CSOs/NGOs refer to the Ethiopian Resident and Foreign Charities.

3.2.2.2. Unit of Analysis

All inference of the analysis is based on the samples and the response of the international and domestic CSOs/NGOs. Information has been gathered from the two categories sample work units which are domestic CSOs/NGOs on the one hand and foreign based and Ethiopian resident's CSOs/NGOs on the other hand. Moreover, the CSA, various ministry of justice office, civic society organization at the municipality have been also the unit of analysis.

3.2.3. Sample Design and Procedures

CSOs/NGOs work of area covers all regional states. The sample is drawn from international and domestic CSOs/NGOs located within the Addis Ababa city administration. The Addis Ababa Administration is selected as a research site because compared to other regional states there is a large portion and concentration of CSOs/NGOs. More specifically, Addis Ababa City Administration was selected purposively based on the high number of Ethiopian and International CSOs/NGOs as compared to other regions. Further, all Sub-cities were selected purposely given the limited number of Ethiopian CSOs/NGOs. In all Sub cities, there exist a limited number of CSOs/NGOs. Second, the CSOs/NGOs law scope of application mainly covers the Charities and Societies which conduct their activities in Addis Ababa or Dire Dawa.

According to the raw material complied from the CSA in may 2011, there are 75 Ethiopian Charities and 1091 Ethiopian Resident and Foreign Charities located in the Addis Ababa city Administration. From a total of 1166 Charities located in the Addis Ababa city administration, 110 CSOs/NGOs both domestic and international have been selected randomly. Moreover, the usable sample comprised 51 number of domestic and 59 number of international CSOs/NGOs.

3.2.4. Instruments of Data Collection

3.2.4.1. Organizational Survey

Survey have been conducted to collect data about organizations knowledge of the charities and society law, and the impact of the law on the scope work of the CSOs/NGOs and criminal prosecution. For this purpose, questionnaire is both open-ended and close ended. The questionnaire was first tested and then the necessary amendments were made. After wards, they were administered by the selected enumerators.

3.2.4.2. Key Informant Interview

Key informant interview was conducted with officials of the CSA, ministry of justice and members of the Ethiopian and international CSOs/NGOs. Key informant interview was critical in understanding the politics of the charities and societies proclamation while the structured questionnaire was critical in understanding the impact of the legislation on the programs of CSOs/NGOs.

3.2.4.3. Secondary Data

The related secondary information have been collected from the literature developed by various researchers and information documented at the ministry of justice and various Local and international CSOs/NGOs and other relevant institutions found in the study area. In addition to this, secondary information have been collected from authoritative legal sources such as international conventions, constitutional provisions and other legislations of Ethiopia, including the Charities and Societies Proclamation No.621/2009 and Regulation No.168/2009 as well as other relevant laws.

3.5. Methods of Data Processing and Analysis

After clearing and tabulating the questionnaire data analysis technique is both quantitative and qualitative. The quantitative analysis is triangulated with data from key informant interviews. The study used both descriptive and statistical analysis to determine the impact of the charities and societies law on Ethiopian and international CSOs/NGOs. The descriptive result is presented using frequency tables' percentage, mean, charts and graphs. The statistical approach used Chi-square and t-test to compare the difference between domestic and international CSOs/NGOs on the outcome variables using research software STATA. In addition to this, a narrative analysis is used to examine the legal framework governing the CSOs/NGOs.

CHAPTER FOUR

ANALYSIS AND DISCUSSION

This chapter covers the analysis, interpretation and presentation of the research findings and deals with five sections. The first section contains a description of the organizations characteristics of the respondents. The second and third section describes the knowledge and perception of Ethiopian and international CSOs/NGOs regarding CSOs/NGOs law respectively. The impact assessment of the CSOs/NGOs law on the engagement areas and growth of Ethiopian and international CSOs/NGOs are discussed under the forth section. The impact of the CSOs/NGOs law on criminal prosecution, conviction and administrative measures against the CSOs/NGOs are examined under the fifth section of the chapter.

The data are collected and then analyzed in response to the objectives and problems posed in the first chapter of the study. When describing the results different tables and graphs are used. Additionally, the reliability and validity of data for statistical analysis is tested using the techniques of Chi-Square test (X^2 -test) and Two-Sample t Tests (T-test). Therefore, the data collected from both the Ethiopian and international CSOs/NGOs located in Addis Ababa are analyzed, interpreted and presented here under.

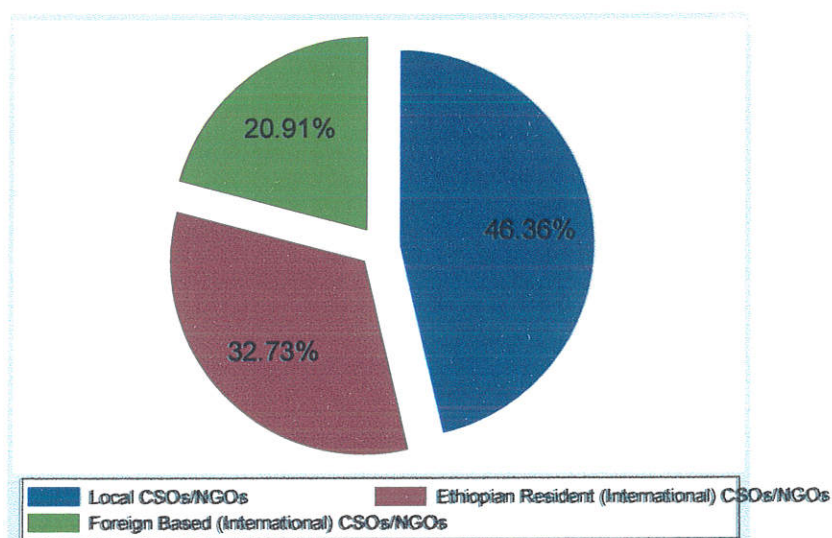
Primary data collected from a total of 110 CSOs/NGOs respondents (one individual person from each CSOs/NGOs) through a semi-structured questionnaire; interview and secondary data were used for analysis and interpretation of the results. In the primary data collecting technique which was via questionnaire and interview, all the respondents have provided their answers to all questions. The questions forwarded (See, *Appendix-I*) were designed in order to meet the general and specific objectives of the study by answering the research questions.

4.1 General Characteristics of sample CSOs/NGOs

This part of the chapter describes the general characteristics of the sample CSOs/NGOs. Accordingly, it explains type of the organization (whether local or international CSOs/NGOs); number of years the organizations have been registered and operating in Ethiopia; their operating regional areas of the country; their employment size; percentage share of foreign sources of fund and engagement areas they are currently involved.

Frequency distribution, percentage, and graphs are used for describing the characteristics of the respondents. Using random sampling technique, out of the 110 sample organizations, 51 were selected from local CSOs/NGOs while 59 were from international.

Figure 4.1 Type of the Sample CSOs/NGOs



(Source: Author survey-Apr. 2011)

Respondent's Rate

Figure 4.1 illustrates respondent's response from each type of categorizations of CSOs/NGOs. From the total 110 CSOs/NGOs of the sample organizations 46.3 percent account for the Ethiopian resident (international organizations) CSOs/NGOs. Whereas the remaining 32.7 percent and 20.9 percent constitutes foreign based (international organizations) CSOs/NGOs and Ethiopian (local) CSOs/NGOs respectively.

Table 4.1 General Characteristics of Sample CSOs/NGOs

No	Items		Categories and Observations (in %)				
1	CSOs/NGOs Duration of Intervention	Cat.	1	2 -4	5 to 7	8 to 10	>10
		Obs.	-	3.6%	13.7%	9.1%	73.6%
2	CSOs/NGOS Operating Regional Areas	Cat.	1	2	3	4	>4
		Obs.	6.4%	10%	12.7%	19.1%	51.8%
3	CSOs/NGOs Employee Number	Cat.	1	2 to 4	5 to 9	10 to 20	> 20
		Obs.	-	-	1.8%	34.6%	63.6%
4	CSOs/NGOs foreign country source of fund	Cat.	100%	91-99%	81-90%	71-80%	<=10%
		Obs.	32.7%	9.1%	7.3%	2.7%	48.2%

(Source: Author survey-Apr. 2011)

Organizations Work Experience

The number of years the respondent's organizations has been registered and operating in Ethiopia which is also given by table 4.1 clearly shows that from the sample 110 CSOs/NGOs that responded to the questionnaire, about 73.6 percent have experience of more than 10 years in implanting programs. While the other 13.7 percent of the sample reported to have an experience of 5-7 years. This implies majority of the organization have been operating in Ethiopia quite for a long time.

This is due to the fact that the CSOs/NGOs started working in Ethiopia in order to assist the affected people to cope with the effects of drought and provide humanitarian assistance in the affected area.¹²² Drought and famine have been the major challenges in Ethiopia. Since drought has become recurrent and the environmental degradation is becoming a continuous problem in order to improve the livelihood of the people while providing humanitarian assistance when drought and other crisis occur. In this context, many of the samples CSOs/NGOs have long served in the

¹²² Bezabih Emana and Dagnew Eshete, *A Study of the CSOs/NGOs Programs to the Implementation of the National Action Plan in Ethiopia*, Norwegian Church Aid, Addis Ababa, December, 2006 P.32

country. Moreover, this can be attributed due to the fact that the second half of the 1990s saw the formal voluntary sector undergo what in many ways can be considered dramatic changes.¹²³

Organizational Operating Regional Areas

Table 4.1 also illustrates the respondent's organization operating regional area. In order to know the nomenclature of the CSOs/NGOs and their composition and work place, the researcher has asked about the operating regional areas so far. In terms of regional distribution of the sample CSOs/NGOs, the operational areas of the CSOs/NGOs implementing projects are quite fairly distributed by the major regional states of Ethiopia. About 51.8 percent of the CSOs/NGOs operate in more than four states in Ethiopia which is high in terms of population and area coverage. While the second largest proportion of the CSOs/NGOs (about 19.1 percent) implements their program in four regions, the third largest number of CSOs/NGOs (about 12.7) operates in three regional states. Relatively, few CSOs/NGOs (about 6.4 percent) operate in one region only. This also indicates that majority of the sample CSOs/NGOs have a federal or national nomenclature.¹²⁴

Number of people employed

The number of people employed in the organization is one of the most important contributions of CSOs/NGOs to a given country economy. Table 4.1 also illustrates respondent's organization number of employee. Accordingly majority of the respondents indicated they hired more than 20 employees (63.6%). The remaining which is about 34.6 percent and 1.8 percent of respondents employs within the range of 10-20 person and 5-9 respectively. This implies majority of the organization employs quite a large number of people.

¹²³ Deslalegn Rahomato, Supra note 45, P.98

¹²⁴ CSP, Supra note 11, Article 57(6) provides "where the society or charity has a federal character and nomenclature, its work place and composition of the members shall show the representation of at least five regional states". The rationale behind this requirement is that the name should match with the reality of the CSOs/NGOs. But this does not imply that CSOs/NGOs cannot be established at federal or national level if they cannot have branch offices in at least five regional states or members drawn from these regions according to the Minute of the Legal and Administrative Affairs Standing Committee of the 'House of Peoples' Representatives on the Draft Proclamation, Addis Ababa, December 24, 2008 p.42 (unpublished).

Organizations foreign country sources of fund

The simple descriptive analysis that presents share of organizations foreign country sources of fund clearly shows that majority of their funds that is more than ninety percent are raised locally (48.2%). This is a result of the sampling technique that 46.36 percent of the sample respondents are local. The second largest sample of the CSOs/NGOs wholly depends on foreign sources (32.7 percent) whereas the remaining sample accounts 19.1 percent. This indicates majority of the respondents in sum raise their fund more than 10 percent from external donors. This in return shows there is much dependence on foreign sources even after the restriction on foreign funding as per the CSOs/NGOs law which will impact the viability and sustainability of the sector.

The overwhelming majority of both expatriate and local CSOs/NGOs in Ethiopia depend on foreign governments and donors for the bulk of the financial and material resources deemed essential for carrying out activities.¹²⁵ According to Hellinger, their involvement in joint projects funded by foreign governments and donors poses a threat to their independence and long-term survival.¹²⁶ This is substantiated by Weston who recognized that CSOs/NGOs entangles in such a situation and fails to distance themselves from economic and social policies with negative bearings on the poor.¹²⁷ The dependence of CSOs/NGOs operating in Ethiopia on foreign donors and governments can make them indifferent to unpopular measures even when these run counter to their stated objectives.

¹²⁵ Mary Kay Gugery, Supra note 9, P. 18

¹²⁶ Hellinger, D: "*NGOs and the Large Aid Donors*", in *World Development*, vol. 15, pp. 135–143, 1987 P. 63

¹²⁷ Weston, A: "*Reflections on NGOs, Sustainable Livelihoods, and Promoting an Enabling Environment*". The North South Institute, the North South Institute Press, 1994, P.76

Table 4.2 Share of Fund from Foreign Source Vs CSOs/NGOs Type

<i>Type of CSOs/NGOs</i>	<i>Share of foreign sources of fund</i>					<i>Total Freq.</i>
	<i>100%</i>	<i>91-99%</i>	<i>81-90%</i>	<i>71-80%</i>	<i><=10%</i>	
Local	-	-	-	-	51 (100%)	51
Ethiopian resident (International)	15(41.7%)	8 (22.2%)	8 (22.2%)	5 (13.9%)		36
Foreign based (International)	23 (100%)	-	-	-	-	23

(Source: Author survey-Apr. 2011)

Supplementing the organizational level data of share of organizations foreign country sources of fund with more information allows exploring the viability and sustainability of CSOs/NGOs activities. Table 4.2 illustrates the respondent's foreign country sources of fund cross tabulated with the different types of organizations. Financial independence is one of the determinant variables of independent CSOs/NGOs. In this regard, the whole local CSOs/NGOs raise more than 90 percent of their annual budget locally and those foreign based CSOs/NGOs depends on external source wholly. Furthermore, majority of Ethiopian resident CSOs/NGOs that depends on external source of support constitutes about 42 percent. This indicates that, proportion of Ethiopian resident CSOs/NGOs respondents with large amount of foreign country sources of fund is large.

This also implies majority of the CSOs/NGOs operating in Ethiopia and the international ones in particular, draw the bulk of their funding from external sources such as multilateral institutions and donor governments. This accounts for the apparent dependence of the Ethiopian resident and foreign based voluntary sector on external sources of support. Which the FDRE Government anxiety over whether international CSOs/NGOs managing huge grants from foreign governments enjoy autonomy and independence vis-à-vis the policy of their donors.

Table 4. 3 Employee Sizes Vs Type of CSOs/NGOs

Number of people currently employed in the organizations	Type CSOs/NGOs	
	Local CSOs/NGOs	International CSOs/NGOs
5 to 9	-	2 (3.4%)
10 to 20	31 (60.8%)	7 (11.8%)
More than 20	20 (39.2%)	50 (84.8%)
Total	51 (100%)	59 (100%)

(Source: Author survey-Apr. 2011)

In a similar fashion, table 4.3 shows the respondent employment size cross tabulated with the different types of organizations. Comparatively speaking, on the one hand international CSOs/NGOs have created highest number of employment opportunity within the range of more than 20 persons with a total percentage of 84.8. On the other hand, Ethiopian CSOs/NGOs have created highest number of employment opportunity within the range of 10-20 persons with a total percentage of 60.8. This shows majority of the employment opportunity is created by international CSOs/NGOs.

Organizational Intervention Areas

The CSOs/NGOs law has listed area of intervention that will be considered as having charitable purposes.¹²⁸ The areas of engagement that are undertaken by the CSOs/NGOs reveal their intervention areas (see Table 4.4, *Appendix-3*).

¹²⁸ CSP, Supra note 11, Article 2 of article 14 Article 14(5) states prevention or alleviation or relief of poverty or disaster, the advancement of the economy and social development and environmental protection or improvement, the advancement of education or health or the saving of lives, the advancement of capacity building on the basis of the country long term development directions and the relief of those in need by reasons of age, disability, financial hardship or other disadvantage. In addition to the area of intervention listed for the international CSOs/NGOs, Ethiopian CSOs/NGOs are involved in the advancement of human and democratic rights, the promotion of equality of nations, nationalities and peoples and that of gender and religion, the promotion of the rights of the disabled and children's rights, the promotion of conflict resolution and reconciliation and the promotion of the efficiency of the justice and law enforcement service and other as determined by the Agency are charitable purposes.

International CSOs/NGOs (Foreign and Ethiopian resident CSOs/NGOs) are mainly engaged in developmental activities and service delivery with the exception of advocacy and human rights works. This is due to the fact that the CSOs/NGOs law prohibited international CSOs/NGO from being involved in the area of work reserved for the Ethiopian CSOs/NGOs only.¹²⁹

Among the international CSOs/NGOs that responded to the questionnaire on their intervention areas, the majority of them indicated that they participate in education (72 percent) as main intervention area. This indicates developmental area of intervention is the major area of engagement between Foreign and Ethiopian resident CSOs/NGOs. Capacity building (56 percent) and health (50 percent) are the second and third most important area of intervention. In a similar manner, a high number of Ethiopian CSOs/NGOs are involved in the advancement of education and gender development (82 percent) followed by the advancement of capacity building (64 percent) and health and child development (55 percent). This is similar with a survey conducted in 1997 that indicated that 72 percent of all CSOs/NGOs operating in Ethiopia were engaged in welfare programs in the form of service delivery.¹³⁰

The number of Ethiopian CSOs/NGOs involved in the area of advocacy and human rights are insignificant in number. For example about 7 percent of the samples CSOs/NGO are involved in the promotion of equality of nations, nationalities and peoples. However, the numbers of Ethiopian CSOs/NGOs involved in the promotion of the rights of gender are high (73 percent). This is similar with the study conducted by Deslaegn Rahomato where he stated that many of the CSOs/NGOs involved in advocacy and group advocacy are small in number, tend to work in isolation, and have a small and limited consistency and area coverage.¹³¹

¹²⁹Ibid, Article 14(5) notes that the promotion of equality of nations, nationalities and peoples and that of gender and religion; the promotion of the rights of the disabled and children's rights; the promotion of conflict resolution or reconciliation; the promotion of the efficiency of the justice and law enforcement services are not permitted to Foreign charities and Ethiopian resident charities and societies.

¹³⁰Kassahun Berhanu, An Overview of Selected Ethiopian NGOs: A Baseline Situational Survey, A Report to the Swedish Save the Children, Addis Ababa, 1997, P.49

¹³¹Deslaegn Rahomato, Supra note 45, P.110

Moreover, the number of CSOs/NGOs that registered their programs as focusing on issues related to human rights, advocacy, and democracy was less than 10 in 1997.¹³² There is no convincing evidence that these few have made even modest attempts to follow this up. The contribution of CSOs/NGOs in Ethiopia towards the emergence and consolidation of democratic values has been insignificant.¹³³ This is due to the fact that experience in the past, has shown that many people shy away from engaging in rights related activities as the latter are sensitive subject that often put activities at logger hand with public authority.¹³⁴ Moreover, this failure to enhance democratic values, even in favorable environments is quite strange.¹³⁵

¹³²Kassahun Berhanu, Supra note 130, P.49

¹³³....., *Ethiopia: Civil Society Law and Community Based Organization*, P.5 available online at http://www.icnl.org/.../Ethiopia_CSL_%20indigneous.pdf accessed on February 4, 2011 07:41 A.M

¹³⁴ Abera Hailemariam, Supra note 99, P.66

¹³⁵Kassahun Berhanu, Supra note 130, P.49. Kassahun noted that a case in point is their failure to act when a window of opportunity arose during the change of regime in 1991. At this time, the “Transitional Period Charter” and “Constitution of the Federal Democratic Republic of Ethiopia” provided a legal avenue to promote democratic values and practice. But no attempt was made by NGOs, apart from a few notable exceptions such as the Ethiopian Human Rights Council (EHRCO) and the Ethiopian Women Lawyers Association (EWLA), to put the pledges and solemn declarations of the post-Dergue regime to the test.

4.2 Awareness Levels of CSOs/NGOs about the Law

One of the most important post enactment periods events among the CSOs/NGOs is the adaptability of the CSOs/NGOs law to help them adapt to the legal environment and raise awareness of the CSOs/NGOs on the content and nature of the law. Organizations ability to exploit the opportunities/threat afforded by the CSOs/NGOs law partially depends on their awareness of the legal situation. A measure of legal knowledge will be important in its own right in addition to allowing identification of gaps between perceptions and the law. It is of paramount importance to measure the knowledge of Ethiopia and international CSOs/NGOs on the different content and nature of the CSOs/NGOs laws. The researcher included questions of knowledge regarding income generation, utilization of budget, criminal prosecution and areas of engagement.

<Table 4.5>

Knowledge of the respondents regarding right of access to justice vis-à-vis the CSOs/NGOs law is measured as indicated in table 4.5 (See, *Appendix-4*). The data indicates that few of the respondents (about 24.4 percent) reported they are aware that the law limits the rights of judicial remedy resort to Ethiopian CSOs/NGO only and denies Ethiopian resident and Foreign CSOs/NGO access to justice. This shows that majority of them are not aware of the limitation on the right of access to justice which implies low level of knowledge between belief and legal provision. Moreover, there is no significant difference between Ethiopian and international CSOs/NGOs in terms of awareness on the extent of right of access to justice since the significance values for the chi-square test is high at 0.655 between the two group means at 0.05 level of significance (*see appendix-5*).

According to the CSOs/NGO law, a CSOs/NGO may be dissolved by the CSA where, the CSA cancels the license of the CSOs/NGO. The CSA makes the final decision to approve, deny or revoke registration of association. The CSOs/NGO law provides the dissolution to be effected by

the court decision in the case of Ethiopian CSOs/NGO only.¹³⁶ The dissolution of Ethiopian CSOs/NGO is effected by the decision of the federal high court.¹³⁷

Sample respondents were also asked regarding their knowledge of the requirements of federal or national nomenclature. Majority of the respondents (79.1 percent) are aware that in order any CSOs/NGO to have federal character and nomenclature, its work place and composition of the members should show the representation of at least five regional states. This implies low level of gap between belief and legal provision. In addition to this, a significance values for the chi-square test is high at 0.117 which indicates that there is no significant difference between the two group means at 0.05 level of significance (*see appendix-5*). This reveals there is no significant difference between Ethiopian and International CSOs/NGOs in terms of awareness on the federal nomenclature.

The rationale behind this requirement is that the name should match with the reality of the charity or the society in question.¹³⁸ A charity or society which has got members or which has its working place at a single city administration or two regions does not have to use the name Ethiopia or Federal or terms of that sort according to H.E and member of the Parliament Ato Sadik Adem. It would be misleading to use such name which indicates its countrywide existence or representation while it is a society whose members are from one or two regions or while it is a charity whose place of work is one or two region or city administration as is in the case of Addis Ababa and Dire Dawa.

Table 4.5(*see appendix-4*) also indicates the awareness of sample respondents about criminal prosecution and punishment vis-à-vis the CSOs/NGOs law which majority of them (79.1 percent)

¹³⁶CSP, Supra note 11, Article 104(3) provides that only Ethiopian CSOs/NGOs can appeal the decision of the CSA.

¹³⁷ Ibid, Art.93 (2) provides that under such situation, the courts responsibility is to make ultimate approval of the cancellation of the CSOs/NGO. The CSOs/NGO is initially cancelled by the administrative organ and the court is expected to make final legal order according to the provision of the law.

¹³⁸ The Minute of the Legal and Administrative Affairs Standing Committee of the 'House of Peoples' Representatives on the Draft Proclamation, Addis Ababa, December 24, 2008 (unpublished).

reported they don't know that prosecution and punishment under the CSOs/NGO law could potentially extend to members, volunteers and recipients of services which implies low level of knowledge between belief and legal provision. Furthermore, a significance values for the chi-square test is high at 0.117 which indicates that there is no significant difference between the two group means at 0.05 level of significance (*see appendix-5*) in terms of awareness on the prosecution and punishment under the CSOs/NGOs law.

The CSO law makes clear that those who violate its provisions are punishable under the criminal code as well as by administrative sanctions.¹³⁹ The law provides that "any person" who violates its provisions is subject to punishment.¹⁴⁰ Thus, punishment is not limited to officers and could potentially extend to members, volunteers and recipients of services.

Moreover, awareness of sample respondents about cancelation of CSOs/NGOs licenses vis-à-vis the CSOs/NGOs law reported that majority of them (54.5 percent) are not aware of the fact that criminal prosecution could lead to cancellation of licenses under CSOs/NGOs law. This implies low level of knowledge between belief and legal provision.

The significance value for the chi-square test is low at 0.000 which indicates that there is significant difference between the two group means at 0.05 level of significance (*see appendix-5*). This reveals there is significant difference between Ethiopian and International CSOs/NGOs in terms of awareness about cancelation of CSOs/NGOs licenses vis-à-vis the CSOs/NGOs law. In other words, the local CSOs/NGOs were more considerably aware than that of the international CSOs/NGOs.

The license of CSOs/NGOs could be suspended or cancelled on the basis of trivial cases like, for citation purpose, failing to comply with the CSA order, failing to provide information and not respecting the time limit set by the agency.¹⁴¹ The CSOs/NGOs law also provides that a license of

¹³⁹CSP, Supra note 11, Art. 102(1), 102(2)(a)-(d). The law lists four types of crime that is failure to keep accounting records (Art.78), failure to submit annual statement of accounts (Art.79), failure to notify bank account (Art. 84), and allocation of more than 30% of expenses for administrative purpose (Art 90).

¹⁴⁰Ibid, Art. 101(1)

¹⁴¹Ibid, Art.92

CSOs/NGO can be cancelled when the activities of the CSOs/NGO could be detrimental to public peace, welfare or security.

Knowledge of sample respondents about the legality of income generating activities vis-à-vis the CSOs/NGOs law indicates that majority of them (96.4 percent) are aware that the CSOs/NGO law allows charities and societies to engage in income generating activities which implies high level of knowledge between belief and legal provision.

The new Charities and Societies Proclamation recognizes the legality of income generating activities by charities and societies.¹⁴² In other words, the present legislation permits charities and societies to engage in activities which may generate income. This measure has been said to have been taken as a response to the continuous request of civil society organizations that they should be permitted to engage in lawful economic, business, or commercial activities.¹⁴³

In addition to this, awareness of sample respondents about renewal of licenses of registration vis-à-vis the CSOs/NGOs law reported that majority of them (85.4 percent) are aware that the CSOs/NGO license should be renewed every three years. This implies also high level of knowledge between belief and legal provision. Once the CSOs/NGO gets registered according to the new legislation, every CSOs/NGO are required to renew the license every three years.¹⁴⁴

In addition to this, a significance values for the chi-square test is low at 0.003 which indicates that there is significant difference between the two group means at 0.05 level of significance (*see appendix-5*). This reveals there is significant difference between Ethiopian and International CSOs/NGOs in terms of awareness about renewal of licenses every three years. In other words, the

¹⁴²Ibid, Art.103 does not pass without a limitation. Accordingly it puts five requirements. First Charities and Societies which want to engage in profit making activities are required to secure a written approval from the Agency. Secondly, they have to engage in activities that are incidental to the achievement of their purpose. Thirdly, charities and societies are permitted to engage in income generating activities provided that no profit or earning are distributed to the founders, members, officers, board members, or employees of the entities under consideration. Fourthly, a charity or a society that undertake income generating activity is required to keep separate books of accounts with respect to such activity. Finally, the permission which is granted by the Agency to engage in income generating activities will not affect the requirement and procedure that are laid down in other laws as regards who and how may one engage in such activities.

¹⁴³ Explanation Memorandum, CSP, Supra note 31, P.52

¹⁴⁴ CSP, Supra note 11, Art.76(1)

local CSOs/NGOs were more considerably aware than that of the international CSOs/NGOs on the issue of renewal of licenses.

Knowledge of sample respondent's about 70/30 % formula of operational and administrative cost vis-à-vis the CSOs/NGOs law shows that 45.5 percent are not aware that society or charity cannot spend less than 70% of its total budget on expenditure which are targeted for the implantation of the objectives annually. This implies low level of gap between belief and legal provision. CSOs/NGOs law provides that any charity or society shall allocate not less than 70 percent of the expenses in the budget year for the implementation of its purpose and an amount not exceeding 30 percent for its administrative activities.¹⁴⁵

Regarding average observations of each response categories over the overall knowledge of the sample respondents indicates that 57.3 percent have a high awareness level about the CSOs/NGOs legislation while the remaining 42.7 percent indicated low level of awareness. This implies low level of gap between belief and legal provisions. Table also 4.5(see appendix-4) shows the respondent overall knowledge of the law cross tabulated with the different types of organizations. Both Ethiopian and international CSOs/NGOs have high awareness level with a percentage of 58.8 and 55.9 percent respectively which implies high level of knowledge between belief and legal provision. To sum up, the overall knowledge of both Ethiopian and foreign CSOs/NGOs is satisfactory

4.2.1 Local CSOs/NGOs Knowledge about Scope of Work under the CSO/NGOs Law

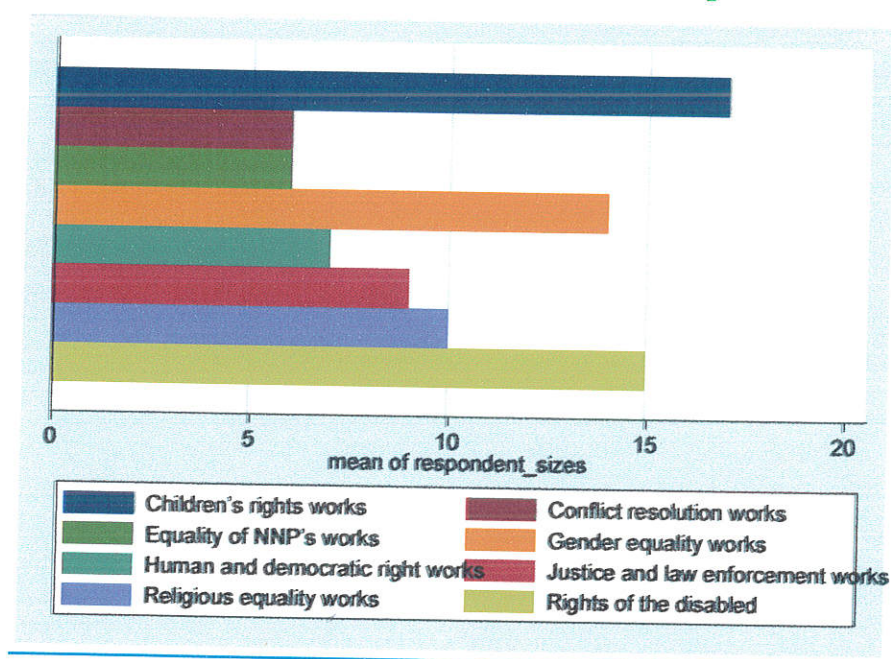
The CSO/NGOs law imposes limitations on the activities of all civil society organizations that do not fit the CSOs/NGOs law definition of "Ethiopian" Charities/Societies. Under the CSOs/NGOs law, "Ethiopian" Charities/Societies are NGOs formed under Ethiopian law that consist exclusively of Ethiopians and receive no more than ten percent of their income from foreign

¹⁴⁵Ibid, Art.88 (1)(2) of the same Proclamation provides that notwithstanding sub article (88)(1) of this Article, the government may confer various incentives to a charity or society that allocate more than 80% of its total income for its operational purposes or demonstrates outstanding performance

sources. Figure 4.2 shows awareness of the Ethiopian CSOs/NGOs on the extent of the engagement area allowed to the Ethiopian CSOs/NGOs as per the CSOs/NGOs legislation.

Accordingly, out of the 51 Ethiopian CSOs/NGOs respondents, only 13 percent know that Ethiopian CSOs/NGOs are allowed to engage in the promotion of equality of nations, nationalities and peoples while 11.7 percent know that the promotion of conflict resolution or reconciliation is reserved only to Ethiopian CSOs/NGOs. Moreover, few of the respondents have also indicated that Ethiopian CSOs/NGOs are allowed to involve in the promotion of gender (27.4 percent) and religion (19.6 percent). Relatively speaking about 33 percent are aware that Ethiopian CSOs/NGOs are allowed to engage in the promotion of children rights work.

Figure4. 2. Awareness Level of Local CSOs/NGOs about the Scope of Work under the Law



(Source: Author survey-Apr. 2011)

Awareness of respondents regarding the legality of involvement areas reserved to the Ethiopian CSOs/NGOs is low. This implies high level of gap between belief and legal provision which in return will have an impact on the local CSOs/NGOs adaptability to the legal environment and the working rules under the CSOs/NGOs law.

4.3 Effect of CSOs/NGOs Law on Perceptions of CSOs/NGOs

CSOs/NGOs sense of ownership and belonging of the CSOs/NGOs law allows a constructive relationship between the government and CSOs/NGOs sector. Some measures are included in the CSOs/NGOs law that may have either a positive or negative effect on the perception and security of CSOs/NGOs. CSOs/NGOs security refers to a specific perception that the CSOs/NGOs have as result of the enactment of the CSOs/NGOs law. To measure this, the researcher have asked about the discouragement the law have created, reduction of effectiveness in various areas of intervention and creating an enabling and constructive environment between the government and CSOs/NGOs. Perceptions by sample CSOs/NGOs on the effect of the CSOs/NGOs law on perception and security of CSOs/NGOs are presented below.

<Table 4.6>

Table 4.6 (See, *Appendix-6*) suggests average observation of each response categories on the perception and security of CSOs/NGOs. It shows that there is a substantial insecurity on the parts of the CSOs/NGOs as a result of the enactment of the CSOs/NGOs law. About 55.4 percent of respondents perceive that the CSOs/NGOs law reduces the effectiveness of the CSOs/NGOs intervention in different areas of engagement and discourages a constructive relationship between the donors, CSOs/NGOs and the government and makes them insecure due to the future uncertainty and restriction of the CSOs/NGOs law. This indicates the CSOs/NGOs law is not quite popular among the CSOs/NGOs.

The perception of sample respondents whether the CSOs/NGOs law discourages citizens to organize and establish new CSOs/NGOs reported that majority of them (75.45 percent) perceive CSOs/NGOs law discourage the establishment of new CSOs/NGOs. This implies negative attitude towards the CSOs/NGOs law. Some of the respondents especially the international CSOs/NGOs sample organizations also blamed the new law by arguing that too many restrictions on accessing resources and limited opportunities for local fund raising would make things hard for new beginners.

Moreover, a significance values for the chi-square test is high at 0.510 which indicates that there is no significant difference between the two group means at 0.05 level of significance (See, *Appendix-7*). This reveals there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law discouraging the establishment of new CSOs/NGOs.

As a principle the CSOs/NGOs law does not discourage citizens to establish new CSOs/NGOs. However, the same Charities and Societies law denies the same Ethiopian citizens the right of association¹⁴⁶ to involve on issues that are political in nature when it is applied to the “Ethiopian Residents Charities” or “Ethiopian Residents Societies”. The Proclamation contains restrictions on foreign funding that are fundamental to operational mandate of CSOs/NGOs. Organizations that receive more than 10% of their income from foreign sources are legally excluded from working on the advancement of human rights, promoting the rights of children and the disabled, gender equality, nations and nationalities, good governance and conflict resolution, as well as the efficiency of the justice system.

In addition to this, majority of sample respondents (84.54) perceives CSOs/NGOs law makes CSOs/NGO highly insecure and unsure of their roles and future prospects which imply also low level of attitude towards the CSOs/NGOs legal provisions. In line with this, they expressed that the form of insecurity which could be resulted in due to the law. Accordingly, they stated that future conditions of CSOs/NGOs could be in danger since the law made them feel lack sense of ownership and belongingness.

Likewise, they added that this lack of sense of ownership and belongingness could challenge the very existence of CSOs/NGOs because the sustainable sources of fund of the organizations would

¹⁴⁶The right of freedom of association is one of the most fundamental rights in which citizens can freely associate to form organization for any lawful purpose. In a similar fashion FDRE constitution also recognizes the right to freedom of association. In addition to this, the charities and societies proclamation No 621/2009 further lays down the legal framework in order to realize the right to freedom of association included in the FRDE constitution. See FDRE constitution and Preamble of the CSOs/NGOs law.

be halted due to the law. Thereby without sustainable sources of funds, the CSOs/NGOs would be in a position not to carry on their activities. For this reason, sample respondents suggested that for any development, the society's participation and ownership in any societal, political and economic perspectives is vital. Thus, mobilizing communities towards this would be very necessary.

In addition to this, there is no significant difference between Ethiopian and international CSOs/NGOs in terms of the law making them insecure and unsure of their future role since the significance values for the chi-square test is high at 0.029 between the two group means at 0.05 level of significance (*see appendix-7*).

Table 4.6 (See, *Appendix-6*) also shows the perception of sample respondents whether the CSOs/NGOs law reduces the effectiveness of CSOs/NGO intervention in development. Majority of the respondents about (69.09 percent) percent perceives CSOs/NGOs law reduces the effectiveness of CSOs/NGO intervention in development. This also implies low level of popularity between perception of CSOs/NGOs and legal provision.

Similarly, the respondents who argued that the CSOs/NGOs law would reduce the effectiveness of CSOs/NGOs' intervention in development tasks; described the way how it could negatively affect the development activities. They stated that working on rights and gender equality for instance leads to development and the financial lack in those areas is hindrance for development. And, they suggested that for all political and other issues of the country, the society should have concerns, otherwise it will not be effective and efficient. In this regard some authors stated that the passing the CSOs/NGOs law threatens opportunities for economic development that are generated by local-level NGOs due to the direct nexus between development and advocacy work.¹⁴⁷

¹⁴⁷Berhanu Nega and Carl Milofsky, *Ethiopians Anti-NGO Law and its Consequence for Economic Development*, Community Development Journal, Oxford, Oxford University Press, Volume 46, Supplement 2, March , 2011, P.1 ,available online at <http://cdj.oxfordjournals.org/content/early/2011/03/15/cdj.bsr> accessed on March, 2011 07:41 A.M

Furthermore, there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law reducing the effectiveness of the CSOs/NGOs intervention in development since significance values for the chi-square test is high at 0.119 (*see Appendix-7*).

The restrictions on access to foreign funding and operational areas will likely have an unprecedented effect not only on the development of CSOs/NGOs but also on the democratization process. This legislation will also affect the contribution of development partners who seek to support the country's development by working with both Government and CSOs/NGOs. Consequently, the CSOs/NGOs legislation may reduce (temporarily or permanently) foreign aid, particularly foreign aid channeled through NGOs this in return will affect development.

The perception of sample respondents whether the CSOs/NGOs law as such reduces the effectiveness of CSOs/NGO intervention in democratization and realization of human rights and ensuring good governance shows that almost half of them do think so. In a similar manner, those who also said the CSOs/NGOs law will affect the effectiveness of CSOs/NGOs intervention in democratization and realization of human rights, describe how the new law could reduce the values of CSOs/NGOs' involvement in democratization and realization of human rights. They stated that it would become a one man company.

Moreover, a significance values for the chi-square test is low at 0.000 which indicates that there is significant difference between the two group means at 0.05 level of significance (*See, Appendix-7*). This reveals there is significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law reducing the effectiveness of the CSOs/NGOs intervention in democratization and realization of human rights. In the regard, international CSOs/NGOs perceive more significantly than Ethiopian CSOs/NGOs that the law reduces intervention in the democracy process of the country.

Moreover, the role of CSOs/NGOs as watchdogs promoting human rights and good governance will be affected by this legislation. As stated repeatedly, generating over 90% of their budget from local sources will be a challenge for local CSOs/NGOs and, hence, their survival will be at risk. The law heavily curtails the involvement of CSOs in activities that are key to empowerment and

sustainable development. In other words, the CSOs/NGOs law discourages the rights-based approach to development, which is essential to holding government accountable for its actions.

Table 4.6 (See, *Appendix-6*) also indicates the perception of sample respondents whether the CSOs/NGOs law as such negatively affects CSOs/NGOs' internal capacity and affects the sustainability of their activities of CSOs/NGOs'. Majority of them (about 77.27 percent) thinks the CSOs/NGOs law positively affects the sustainability of their activities. This indicates that the CSOs/NGOs welcomed the positive implication of allowing CSOs/NGOs to engage in income activities. However, a considerable number of informants forwarded that the law could also negatively affect CSOs/NGOs' internal capacity and sustainability of their activities. Particularly, the international CSOs/NGOs reported that despite CSOs/NGOs can generate income; however, this will be a difficult task in the absence of a strong voluntarism culture in the country.

Furthermore, there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law affecting the activities of the CSOs/NGOs since significance values for the chi-square test is high at 0.852 (*see Appendix-7*).

The perceptions of sample respondents if the CSOs/NGOs law forces CSOs/NGOs to completely cease their operation and reduce the size of the sector reported that majority of them (59.09 percent) thinks the CSOs/NGOs law will not ultimately hamper the growth and development of the CSOs/NGOs.

Additionally, out of the overall sample respondents, 45 (40.1 percent) who thought that the new law could force CSOs/NGOs to completely cease their operation and reduce the size of their sectors especially, the local sample CSOs/NGOs reason out that this could happen since the law could result reduction of staff, limitation of areas of intervention and suspension / closing down of some programs or projects. In a similar circumstance, the international sample CSOs/NGOs also said that lack of resources could lead to termination and closure of some NGOs.

Moreover, there is significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law reducing the size of the CSOs/NGOs since a significance value for the chi-square test is low at 0.000 (See, *Appendix-7*). In this regard, Ethiopian CSOs/NGOs

perceives more greatly than Ethiopian CSOs/NGOs that the law reduces the size of the CSOs/NGOs sector.

The perception of majority of the sample respondents (78.18 percent) indicates CSOs/NGOs law reduces the right of access to justice. Furthermore, local CSOs/NGOs expressed their fear about the risk of the new law in reducing the ability of citizens, especially marginalized sections of the society to have access to justice and administrative process. They testified their view points as the number and capacity of CSOs/NGOs working on those groups will decrease and this will have an impact on the ability to get justice by these groups. Likewise, they supplemented that because these issues are addressed only through the government sector offices so that there is nobody who acts as a counter balance. Furthermore, there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law reducing the right of access to justice since significance values for the chi-square test is high at 0.686 (*see Appendix-7*).

Table 4.6 (See, *Appendix-6*) also shows the perception of sample respondents whether the CSOs/NGOs decreases and/or increase confidence to mobilize sources domestically. Majority of them (60 percent) thinks the CSOs/NGOs law increases confidence to mobilize sources domestically. Furthermore, a significance values for the chi-square test is high at 0.086 which indicates that there is no significant difference between the two group means at 0.05 level of significance (See, *Appendix-7*).

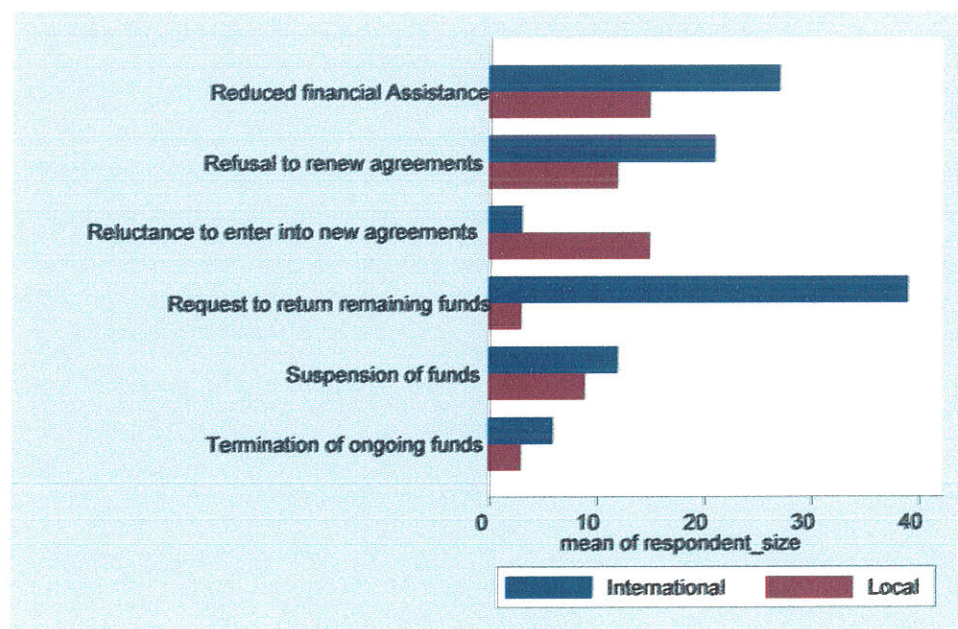
Leaving aside the issue of survival and effectiveness without foreign funding, the restriction may have in the long run some positive implication. The first positive implication could be that it encourages Ethiopian to generate their own fund to promote the activities which are restricted to Ethiopian Charities and Societies. They have very much dependent on foreign sources for the majority of works, including the advancement of human rights, which are done by charities and societies. This attitude of dependency, although it can be attributed to the economic reality of the country, will be reduced in the long run.¹⁴⁸

¹⁴⁸ Yesuf Jemaw, Supra note 91,P.87

The perception of sample respondents if the CSOs/NGOs law discourages donors from supporting CSOs/NGOs reported that majority of them (60.9 percent) thinks the CSOs/NGOs law discourages donors from supporting CSOs/NGOs which implies negative attitude towards the CSOs/NGOs legal provision. The informants also added that donors have become hesitant to engage in long-term project agreements because of the uncertainty and restrictions of the CSOs/NGOs. Furthermore, there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law discouraging donors from supporting CSOs/NGOs since significance values for the chi-square test is high at 0.725 (*see Appendix-7*).

Respondents who said that the CSOs/NGOs law discourages donors from supporting CSOs/NGO (60.9 percent) were asked about the forms of discouragements manifested on the part of donors. Figure 4.3 shows these different forms of discouragements. Comparatively speaking, about 50 percent of international CSOs/NGOs have been requested to return remaining funds. On the parts of Ethiopian CSOs/NGOs, about 19.23 percent have experienced reduction of financial assistance. This implies majority of the international respondents CSOs/NGOs have experienced the request to return remaining funds while majority of the Ethiopian CSOs/NGOs have experienced reduced financial assistant.

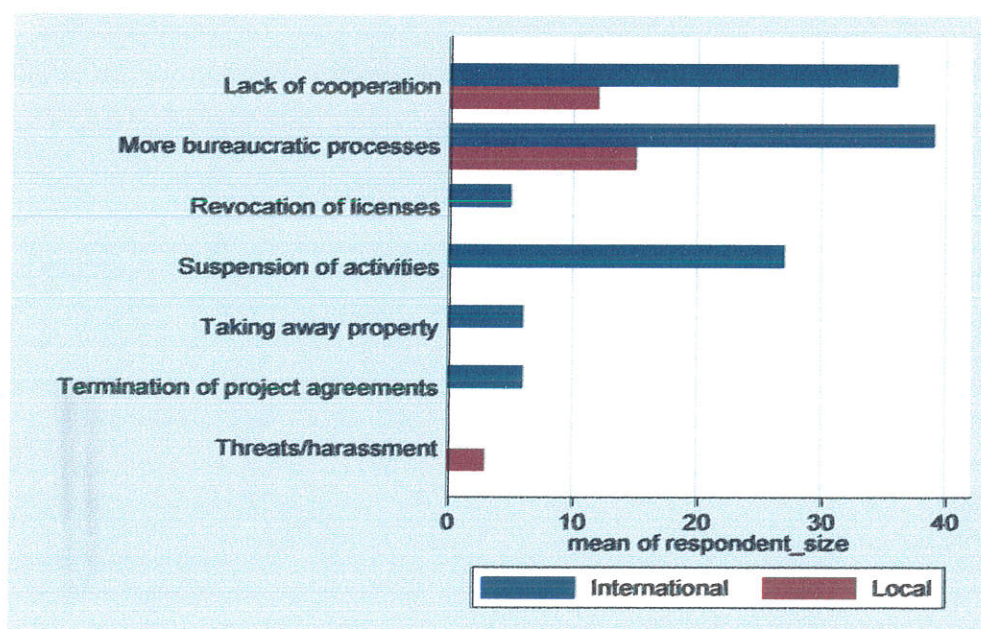
Figure 4.3 Forms of Discouragements Manifested on the Part of Donors



(Source: Author survey-Apr. 2011)

Last not the least, majority of the respondents (76.36 percent) thinks the CSOs/NGOs law negatively affects CSOs/NGOs relationships with government agencies. The success of CSOs/NGOs depends very much on the response of the political authorities. Without government support, they can hardly accomplish tangible result. Respondents who said that the CSOs/NGOs law negatively affects the CSOs/NGOs constructive relationships with government agencies were asked about forms of unconstructive relationship with Government agencies.

Figure 4.4 Forms of Unconstructive Relationship with Government Agencies



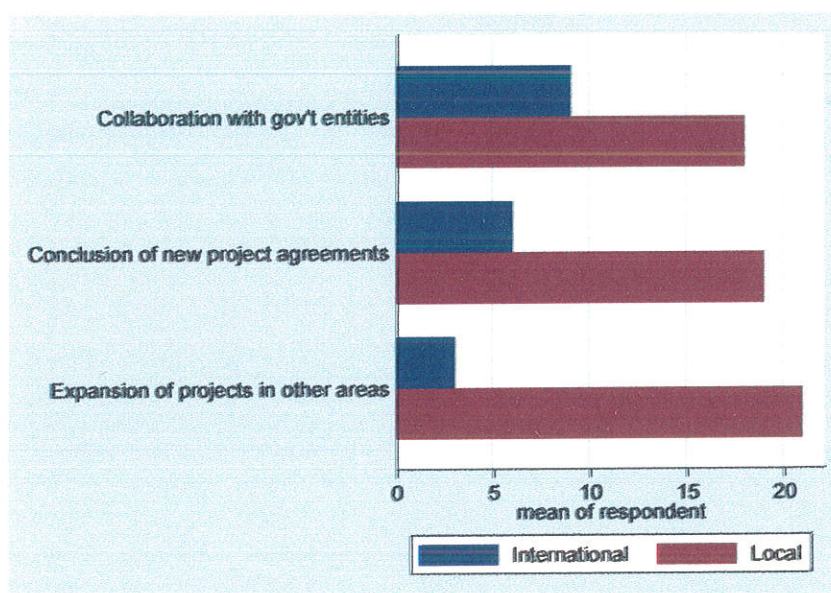
(Source: Author survey-Apr. 2011)

Figure 4.4 shows these different forms of unconstructive relationship. Comparatively speaking, about 46.42 percent of international CSOs/NGOs have experienced more bureaucratic process. On the parts of Ethiopian CSOs/NGOs, about 17.85 percent have experienced more bureaucratic process followed by 14.28 percent and 3.57 have experienced lack of cooperation and threat/harassment respectively. This implies majority of the respondents from the international CSOs/NGOs and Ethiopian CSOs/NGOs have experienced more bureaucratic process after the enactment of the CSOs/NGOs.

In addition to this, a significance values for the chi-square test is high at 0.381 which indicates that there is no significant difference between the two group means at 0.05 level of significance (See, *Appendix-7*). This reveals there is no significant difference between the perception of Ethiopian and international CSOs/NGOs in terms of the law negatively affecting the CSOs/NGOs relationship with government agencies.

Respondents who said that the CSOs/NGOs law positively affects the CSOs/NGOs relationship with government agencies (23.63 percent) were asked about their perception towards the forms of support from Government agencies.

Figure 4.5 Forms of Constructive Relationship with Government Agencies



(Source: Author survey-Apr. 2011)

Figure 4.5 shows these different forms of constructive relationship. Comparatively speaking, about 30.76 percent of international CSOs/NGOs have had a more collaboration with the government entities. On the parts of Ethiopian CSOs/NGOs, about 84.61 percent have experienced expansion of projects in other areas. This implies majority of the respondents from the international CSOs/NGOs have experienced more collaboration with the government while majority of the Ethiopian CSOs/NGOs have experienced expansion of projects in other areas.

Table. 4.7 Perception of CSOs/NGO on the Law Vs their Type

Mean Response for the 11 items	CSOs/NGOs Type				Overall Observations	
	Local		International			
	Freq.	Percent	Freq.	Percent	Freq.	Percent
YES	26	51	35	58	61	55.4
NO	25	49	24	42	49	44.6
Total	51	100	59	100	110	100

(Source: Author survey-Apr. 2011)

When the mean perception of the CSOs/NGOs with regard to the CSOs/NGOs law is cross tabulated with the different types of CSOs/NGOs as given by Table 4.7 shows majority of Ethiopian (51 percent) and International (58 percent) CSOs/NGOs reported negative attitude towards the law.

At global level the civil society enjoys a high level of public trust and a recent survey indicated that NGOs are the institutions most trusted by average citizens.¹⁴⁹ In Ethiopia there are few references to the level of public trust on the civil society organizations however the trust which the government has on NGOs is negative in nature.¹⁵⁰ This leads to the role of transparency and accountability factor that plays an important part in trust building by the CSOs/NGOs.¹⁵¹ The purpose of the CSOs/NGOs law is primarily to regulate all domestic and international CSOs/NGO

¹⁴⁹Naidoo, Kumi, *Civil Society, Governance and Globalization*, World Bank Presidential Fellows Lecture, World Bank, Washington, DC.2003 ,p.56 available online at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20095848~pagePK:220503~piPK:220476~theSitePK:228717,00.html> accessed on February 4, 2011 07:41 A.M

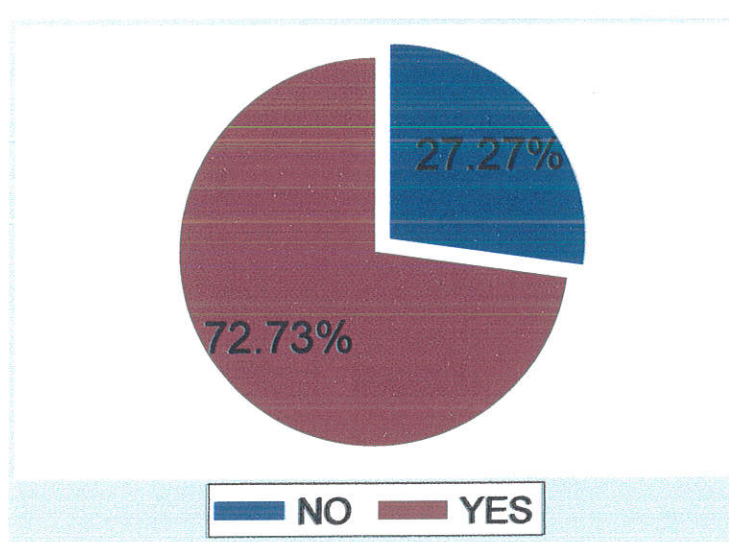
¹⁵⁰Qualman, Ann. *Ethiopia: Building Civil Society A Case Study in Capacity Development*, Prepared for the Canadian International Development Agency (CIDA), Policy Branch, Political and Social Policies. Canadian International Development Agency, Quebec. 2000, P.78 available online at [http://www.cida.gc.ca/INET/IMAGES.NSF/vLUIImages/CapacityDevelopment/\\$file/2006EthiopiaCivilSocietycase-AnnQualman.pdf](http://www.cida.gc.ca/INET/IMAGES.NSF/vLUIImages/CapacityDevelopment/$file/2006EthiopiaCivilSocietycase-AnnQualman.pdf) accessed on February 4, 2011 07:41 A.M

¹⁵¹Many also agree that the sector itself contributed to the enactment of such law mainly due to its weak accountability and transparency of CSOs to their constituencies and the public.

carrying out activities in the country and it is considered as a primary tool for enhancing the transparency and accountability of civil society organization.¹⁵² However, there is a controversy whether the CSOs/NGO law as such helps CSOs/NGO to ensure accountability and enhance transparency.

Accordingly, figure 4.6 illustrates the perception of the respondents on the accountability and transparency effect of the law. **Majority of the respondents (72.73 percent) perceive that the law indeed helps to ensure accountability and transparency of the CSOs/NGOs.**

Figure 4.6 Perception on Accountability and Transparency Effect of the Law



(Source: Author survey-Apr. 2011)

The CSOs/NGO law employed different mechanisms such as registration, monitoring and evaluation, suspension and cancelation of licenses of CSOs/NGO to enhance transparency. Out of **the respondents who said that the CSOs/NGOs law does help to ensure accountability and enhance transparency (72.73 percent)** were asked about perception towards the forms employed by the CSOs/NGOs law to promote accountability and enhance transparency.

¹⁵² There are different types of methods of accountability in the CSOs/NGO sector involving multiple actors. The study focuses mainly accountability to the government not to other actors that exists within and outside the structure of CSOs/NGO. See the preamble of the CSOs/NGOs law

Table 4.8 shows these different means of ensuring the transparency and accountability. Comparatively speaking, about 94 percent of international CSOs/NGOs have positive attitude towards the establishment of a central body called the CSA that administers and confers legal identity to the CSOs/NGO through registration.¹⁵³ Furthermore, about 89 and 62 percent perceive that it is good periodic re-registration and keeping accounting records respectively enables the CSA to monitor and control the activities of the CSOs/NGO according to the constitutive acts of the CSOs/NGO. Additionally, keeping accounts of records according to the detailed specification provided under the CSOs/NGO law helps to ensure accountability and enhance transparency.

On the parts of Ethiopian CSOs/NGOs, about 96 percent perceive keeping account of records according to the detailed specification helps to ensure accountability and enhance transparency. About 92 and 81 percent have also positive attitude towards the establishment of CSA and period registration. This implies majority of international and Ethiopian CSOs/NGOs perceive that the method employed to promote accountability and enhance transparency is good.

Table 4.8 Forms of Ensuring Accountability and Transparency

NO	Items	CSOs/NGOs Type	
		Local	International
1	Through the establishment of charities and society's agency	24 (92%)	51 (94%)
2	Through periodic registration and renewal of license registration	21 (81%)	48 (89%)
3	Through approval activities of the CSOs/NGO	18 (69%)	33 (61%)
4	Through Monitoring and evaluation	17 (65%)	18 (33%)
5	Through control CSOs/NGO activities by keep records of accounting	25 (96%)	34(62%)
6	Through instituting inquires	18 (69%)	16 (29%)
7	Through suspend and cancel license of CSOs/NGO	19 (73%)	17 (31%)
8	Through Criminal Prosecution	16 (61%)	13(24%)

(Source: Author survey-Apr. 2011)

¹⁵³ CSP, Supra note 11, Art.4(1)

When the positive and negative attitude status of CSOs/NGO on the law is cross tabulated with the different categorization of CSOs/NGO as indicated by table 4.9 shows that an overwhelming majority of international CSOs/NGO (92%) have a high level positive attitude on the methods employed by the law in promoting accountability and transparency as compared to the Ethiopian CSOs/NGO (51 %).

Table 4.9 Perception Effect of the Law in Promoting Accountability and Transparency

Attitude status	CSOs/NGOs Type				Overall Observations	
	Local		International			
	Freq.	Percent	Freq.	Percent	Freq.	Percent
Positive	26	51	54	92	80	73
Negative	25	49	5	8	30	27
Total	51	100	59	100	110	100
Pearson chi2(1) = 22.6714				Pr = 0.000		

(Source: Author survey-Apr. 2011)

Above also shows at the statistical difference between international and Ethiopian CSOs/NGOs on the attitude of the methods the law employed to promote accountability and transparency as it is depicted in table 4.9. The result indicates that the statistical value for the chi-square test is low at 0.000 which indicates that there is significant difference between the international and Ethiopian CSOs/NGO group means at 0.05 level of significance. This shows there is significant difference between international and Ethiopian CSOs/NGO on the attitude of the methods the law employed to promote accountability and transparency. In this regard, international CSOs/NGOs perceive positively and more significantly than Ethiopian CSOs/NGO on the attitude towards law employed to promote accountability and transparency.

4.4. Impact of CSOs/NGO Law on Growth and Engagement of CSOs/NGOs

4.4.1. The Impact on the Composition and Number of CSOs/NGOs at Present

Comparatively speaking the composition and number of CSOs/NGOs has changed pre and post registration, with a change of the name of registration of most local NGOs into Ethiopian Resident CSOs/NGOs as per the new CSOs/NGOs law. Moreover, there is a decrease of the total number of CSOs/NGOs. The figures in Table 4.10 are taken from the Ministry of Justice (hereinafter MOJ) database and give the registration of CSOs/NGOs till the end of March 2007. The categorization shown is that used in the database. The figures in Table 4.11 are taken from the new CSA data base till the end of May 2011.¹⁵⁴ The categorization shown is that used in the database as per the new CSOs/NGOs law.

There is some difficulty in interpreting the figures, as the categories employed are unclear and different in pre and post enactment of the new CSOs/NGOs law registration. On the one hand, in the 2007 MoJ figure many of the organization included in the “Religious” categories are faith based relief and/or developmental organizations.¹⁵⁵ Moreover, the Ministry in 2007 registers only those organizations which are active in more than one Killil and Zonal based organizations are registered with the relevant office in their zones or killil and do not appear in the MOJ figures.¹⁵⁶ Similarly, many urban community based organizations may not register at all and if they do the local city or sub city office takes responsibility for registering them.¹⁵⁷ Moreover, the figure does not include organizations that are registered by other branches of government, such as the Ministry of Labor and Social Affairs (MoLSA). MoLSA in particular was responsible for registering

¹⁵⁴ Ibid, Article .3(1)(b) .The new legislation has established central body called the CSA that administers and Confers legal identity to the CSOs/NGOs through registration. One of the main tasks of the CSA is the registration and licensing of the CSOs/NGOs. The CSA has the power to license, register, not to register and the supervising the CSOs/NGOs including both Ethiopian and International CSOs/NGOs.

¹⁵⁵ Deslalegn Rahomato, Supra note 45,P.99

¹⁵⁶ Ibid

¹⁵⁷ Ibid

welfare organizations supporting elderly people, people with physical disabilities, woman and children in distress pre the enactment of the CSOs/NGOs law.¹⁵⁸

On the other hand, in the 2011 Charities and Societies Agency data base there is clear classification between purely religious organizations and faith based developmental organization. Moreover, CSA register Foreign and Ethiopian Residents Charities and Societies even if they don't operate in more than one regional state unlike the 2007 figure.¹⁵⁹ In addition to this, the 2011 CSA data base does not show the number of consortium.¹⁶⁰

The 2011 figure also does not show international and/or Foreign CSOs/NGOs in Ethiopia by a virtue of a special agreement with the Government of the Federal Democratic Republic of Ethiopia.¹⁶¹ In addition to this, the 2011 figure doesn't also show societies governed by other laws.¹⁶² For example, sport associations that operate at the national level would be registered by the Ministry of Youth and Sports of the FDRE.¹⁶³

In both Figures, Needless to say, this does not include traditional structures or informal associations such as "Edir", "Ekub" and other similar cultural or religious associations. To sum up, the 2011 data indicated the minimum number of CSOs/NGOs operating in Ethiopia. Although this number may seem considerable, there is more number of CSOs/NGOs in the rest of African states.

¹⁵⁸Ibid

¹⁵⁹CSP, Supra note 11, Art.3(1)(b)

¹⁶⁰Consortium (Networking and Coalition Building) is a concept defined as 'a group of individuals and/or organizations who, on voluntary basis, exchange information or goods, or implement joint activities, and who organize themselves for that purpose in such a way that their autonomy remains intact'. Aster Birke, *The Voluntary Sector in Ethiopia: Networking and Coalition Building in Ethiopia*, in Civil Society at Crossroads: Challenges and Prospects in Ethiopia, by Taye Assefa & Bahiru Zewde (eds.), Fourm for Social Studies, Addis Ababa, 2008, P.159. The relevant Articles of the Proclamation in this connection are Article 15(3) and 55(20) of the Proclamation. The former provision states that charities may form a consortium charity to coordinate their activities and the particulars shall be determined by the directives of the Agency. Similarly, the latter provisions provide as regards societies in the same fashion.

¹⁶¹CSP, Supra note 11, Art.3(2)(b). The Ministry of Foreign Affairs concludes these special agreements with the International or Foreign CSOs/NGOs on the behalf of the FDRE.

¹⁶²Ibid, Art.3(2)(d)

¹⁶³Art.28(10) of proclamation providing for the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia, Proclamation No. 471/2005, Federal Negarit Gazeta, 12th Year No.1, Addis Ababa, 17th November 2005

The comparative low level of CSOs/NGOs in Ethiopia illustrates the domestic constraints of the various kinds with regard to forming CSOs/NGOs.¹⁶⁴

Table.4.10 Number and Diversity of CSOs/NGOs (2007)

Organizations	Number
Local NGOs	1742
International NGOs	234
Professional Association	149
Civil Advocacy	125
Religious Groups	289
Adoption Agencies	47
Total	2586

Source; MOJ Data Base, March 2007

As shown in Table 4.11, the number of CSOs/NGOs has decrease dramatically, by about 43 percent in the short space of less than four years. Moreover, a closer examination of the Charities and Societies Agency database shows that after the enactment of the CSOs/NGOs law 0.4 percent (or 9 of them) and 5.6 percent (or 99 of them) are a newly established Ethiopian Charities and Ethiopian Resident Charities respectively. A close examination of the data also reveals that after the enactment of the CSOs/NGOs law 0.9 percent (or 16 of them) and 1.3 percent (or 23 of them) are newly established Foreign Charities and Ethiopian Societies respectively. About 0.6 percent (or 11 of them) are also newly established Ethiopian Resident Societies.

¹⁶⁴ Kassahun Berhanu, Supra note 130,P.45

Table.4.11. Number and Diversity of CSOs/NGOs (2011)

Organizations	Number
Ethiopian Charities	86
Ethiopian Resident Charities	1093
Foreign Charities	308
Ethiopian Societies	219
Ethiopian Resident Societies	53
International Adoption Agencies	2
Total	1761

Source; Charities and Societies Agency Data Base, May 2011

In comparison, a closer examination of the 2007 data shows that more than 21 percent of the organization (or 408 of them) were registered since 2005, i.e., during and after the national election. More organizations were formed in there two years than any other time. A closer examination of the 2011 data shows that about 9 percent of the organization (or 158 of them) were registered since 2009, i.e., after the enactment of CSOs/NGOs law. This shows that fewer number of CSOs/NGOs have been established since the enactment of the CSOs/NGOs law.

Furthermore, beginnings from the month of July 2010 till May 2011 in total 330 civic societies are newly established organization according to nine months performance report of the CSA. In the mean time the same source also indicates that 130 civic societies organization registration process is pending at the time of writing this study due to procedural reasons and are most likely to be registered. According to the nine months performance report majority of the newly registered Civic society organizations are Ethiopian Resident Charities (231) followed by Ethiopian Societies (61) and Foreign Charities (11) respectively. Only nine Ethiopian Resident societies and Charities are newly established and registered organizations. The same numbers of Foreign Charities are also registered in the same period. All the above figures show that the numbers of newly established and registered organizations after the enactment of the law are few in number.

Much of this decrease is accounted for the reclassification of CSOs/NGOs according to the new law and religious groups/ organizations/ is not the subjects of the new CSOs/NGOs law.¹⁶⁵ In addition to this, the decrease in number can be attributed to the fact that the new CSOs/NGOs law makes the establishments and registration of CSOs/NGOs who wishes to operate in Ethiopia much harder. Other factor is the financial restriction imposed has limited the opportunity to form new CSOs/NGOs.

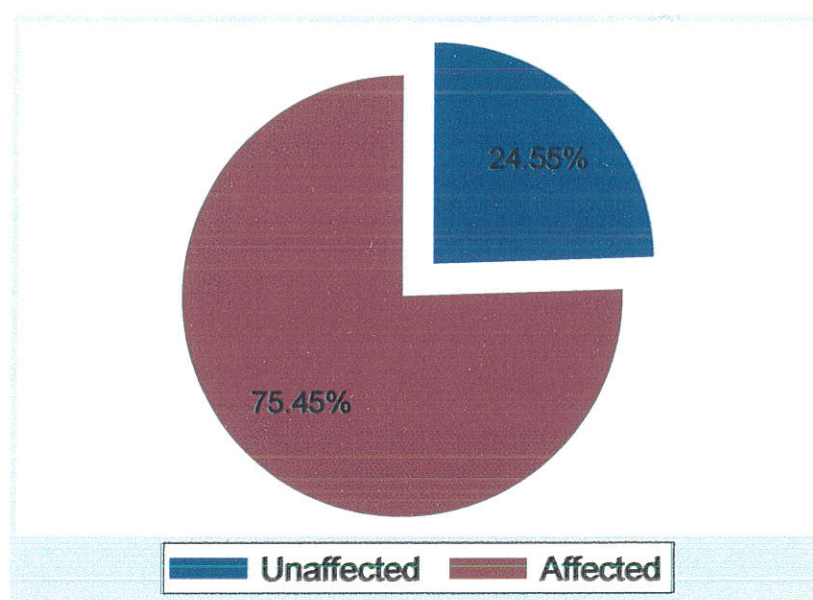
4.4.2. The Impact on the Number of Programs and Beneficiaries of CSOs/NGOs

As the CSOs/NGO law is adopted by the parliament and being effective, there is a general understanding among the different stake holders in the sector that it will have a direct impact on the engagement and growth of CSOs/NGOs in one way or another.¹⁶⁶ Accordingly, the respondents were asked about the effect of the law in any way such as change of name of registration, effect on the number of programs and/or employee e.t.c. As a result, figure 4.7 indicates, 75 percent are affected in one way or another due to the enactment of the CSOs/NGOs law while the remaining 24.55 percent are not affected in any ways. This implies majority of the CSOs/NGOs are affected.

¹⁶⁵ Religious institutions are not governed by the proclamation. This is the case in so long as their engagement is limited to activities which are purely religious such as preaching or faith related education. Otherwise, if faith-based organizations choose get involved in education, healthcare, other social activities or income generating activities, they will be governed by the same rules and regulations that apply to the charities and societies law.

¹⁶⁶ Berhanu Nega and Carl Milofsky, Supra note 147, P.13

Figure 4.7 Size of CSOs/NGOs Affected due to the Legislation



(Source: Author survey-Apr. 2011)

When the effect of the CSOs/NGOs law is cross tabulated with the different categorization of CSOs/NGO, as indicated by table 4.10 shows that out of the 83 respondents who indicated that they are affected due to the enactment of the law, majority of international CSOs/NGO (51%) are affected as compared to the Ethiopian CSOs/NGO (49 %) due to the enactment of the law.

Table 4.12 Existence of Effect due to the Legislation Vs CSO/NGO Type

Type of CSO/NGO	Response Categories		Total (based on Org. type)
	Affected	Unaffected	
Local	41 (49%)	10(37%)	51 (46%)
International	42 (51%)	17(63%)	59 (54%)
Total (based on response type)	83 (100%)	27(100%)	110 (100%)
Pearson chi2(1) = 1.2517		Pr = 0.263	

(Source: Author survey-Apr. 2011)

Above also shows at the statistical difference between international CSOs/NGOs and Ethiopian CSOs/NGO on the effect of the CSOs/NGOs as a result of the enactment of the law as it is depicted in table 4.12. The result indicates that the statistical value for the chi-square test is high at 0.263 which indicates that there is no significant difference between the international CSOs/NGOs and Ethiopian CSOs/NGO group means at 0.05 level of significance. This shows there is no significant difference between international CSOs/NGOs and Ethiopian CSOs/NGO on effect of the law.

Some Civic Society have stated that the cutting of the source of funding for Ethiopian Charities and Societies, would result in the closing down of many of the CSOs/NGOs organizations, particularly those who continue to work in the area of human rights and good governance and policy advocacy, etc. or else they will be forced to confine them themselves to relief and service delivery activities.¹⁶⁷ As a consequence, it has been stated that by some institution that this in return have resulted in the reduction of the number of beneficiary of the programs, decrease in the number of employee, branch offices, diversity of source of income and organizational departments of CSOs/NGOs.¹⁶⁸

Table 4.13 Effect Types of the Law

No	Items	Effect of the law, in line with CSO/NGO type (Obs. Among the Affected (83))		Total Obs.
		<i>Local</i>	<i>International</i>	
1	Number of Programs/Projects affected	39 (95%)	42 (100%)	81 (98%)
2	Number of beneficiary of the Programs/ Projects affected due to the legislation	24(58.53%)	22(52.36%)	46(55.4%)
3	Number of employees of the Programs/ Projects affected due to the legislation	23(56.09%)	22(52.38%)	46(55.4%)
4	Numbers of branch offices of your organization affected due to the legislation	20 (48.78%)	21(50%)	41(49.3%)
5	Number diversity of your organization's sources of income affected due to the legislation	21 (51.21%)	20 (47.61%)	41(49.3%)
6	Number of your organization departments affected due to the legislation	26 (63.41%)	14 (33.33%)	40(48.1%)

(Source: Author survey-Apr. 2011)

¹⁶⁷ Comments of the Ethiopian Civil Society Organizations of the Draft Charities and Societies proclamation submitted to the Ministry of Justice by some Non-Governmental Organizations, Addis Ababa, NOV.16, 2008,P.1(unpublished)

¹⁶⁸ Interview with Ato Kumulachew Dagne, Program/Project Coordinator of Inter-African Group, conducted on May 10, 2011, Addis Ababa

Table 4.13 illustrates the impact of the CSOs/NGOs law among the 83 respondents who are affected by the law in terms programs, number of beneficiaries, employment, branch offices, diversity of sources of income and organizational departments. Accordingly, majority of the respondents (98%) have been affected in terms of change in programs/projects with Ethiopian and international CSOs/NGOs affected 95 and 100 percent respectively. Moreover, majority of the respondent's number of beneficiaries of the program (55.42 percent) have been affected with beneficiaries of the Ethiopian and international CSOs/NGOs affected 58.53 and 52.38 percent respectively. In addition to this, majority of the respondent's number of employee of the program (55.42 percent) have been affected with employee of the Ethiopian and international CSOs/NGOs affected 56.09 and 52.38 percent respectively.

As result of the enactment of the CSOs/NGOs law, mainly advocacy based CSOs/NGOs have already been obliged to reduce the number of their staff. It has been reported that Ethiopian Human Rights Council (EHRCO) and Ethiopian Women Lawyers Association (EWLA) are some of the organizations engaged in layoffs.

Table 4.13 also illustrates that almost half of the respondent's number of branch offices (49.39 percent) have been affected with branch office of Ethiopian and International CSOs/NGOs affected 48.78 and 50 percent respectively. In the same manner, some CSOs have already been obliged to reduce the number of their branch offices. It has been reported that EHRCO and EWLA are some of the organizations engaged closing branch offices. EHRCO has decided to close nine branch offices and to confine its activities at the head office and three branches.¹⁶⁹

Moreover, almost half of the respondent's numbers of diversity of CSOs/NGOs sources of income (49.39 %) have been affected with number of diversity of CSOs/NGOs sources of income of Ethiopian and international CSOs/NGOs affected 51.21 and 47.61 percent respectively. Moreover, few of the respondent's number of organizational departments (48.19 percent) have been affected with Ethiopian and international CSOs/NGOs affected 63.41 and 33.33 percent respectively.

The restriction on foreign funding is already having an effect on both the operation and existence of CSOs/NGOs, and particularly advocacy-based CSOs/NGOs. Donors have become hesitant to

¹⁶⁹ Debebe Hilegebriel, *Supra* note 61, P.4

engage in long-term project agreements because of the uncertainty and restrictions of the CSOs/NGOs.¹⁷⁰

Table 4.14 Level of Effect of the Law among the Items

No.	Items	Obs.	Mean	Std. Dev.	Min.	Max.
1	Number of Programs/Projects affected Due to the legislation	81	2.3	2.034274	1	10
2	Number of beneficiary of the Programs/Projects affected due to the legislation	46	9583	16947	5907	13592
3	Number of employees of the Programs/ Projects affected due to the legislation	46	26	28.7863	7	45
4	Numbers of branch offices of your organization affected due to the legislation	41	2.292	28.7	1	8
5	Number diversity of your organization's sources of income affected due to the legislation	41	1.34	0.749	1	2
6	Number of your organization departments affected due to the legislation	41	1.8	0.405	1	6

(Source: Author survey-Apr. 2011)

Table 4.14 shows the level of impact of the law on the different variables mentioned in table 4.11. For the valid collected data of the 81 respondents, CSOs/NGOs indicated that on average 2.3 numbers of programs are affected with a minimum 1 to 10 projects affected. For the valid collected data of the 46 respondents, CSOs/NGOs indicated that on average 9583 numbers of beneficiaries are affected with a minimum 5907 to 13,592 number of beneficiary affected. Moreover, for the valid collected data of the 46 respondents, CSOs/NGOs indicated that on average 26 numbers of employees are affected with a minimum 7 to 45 employees affected. Additionally, for the valid collected data of the 41 respondents, CSOs/NGOs indicated that on average 2.3 numbers of branch offices are affected with a minimum 1 to 8 branch offices affected. For the valid collected data of the 41 respondents, respondents indicated that on average 1.8 numbers of organizational departments are affected with a minimum 2 to 3 organizational department affected.

¹⁷⁰ Ibid

Table 4.15 indicates the impact of the CSOs/NGOs in terms of the number of programs/projects affected vis-à-vis the classification of the CSOs/NGOs. For the valid collected data of the 39 and 42 Ethiopian and international CSOs/NGOs respondents, CSOs/NGOs indicated that on average 1.9 and 2.5 numbers of programs are affected respectively.

Table 4.15 Number of Programs/Projects Affected Vs CSO/NGOs Type

CSO/NGO Type	Obs.	Mean	Std. Err	Std. Dev.	[95% Conf. Interval]	
Local	39	1.948718	.1321917	0.8255371	1.68111	2.216326
International	42	2.52381	.4163305	2.69813	1.683013	3.364606
Combined	81	2.246914	.2260305	2.034274	1.797099	2.696729
Diff		-.5750916	.4506037		-1.471996	0.3218127

Degrees of freedom: 79

Ho: mean(Local CS) - mean(Internat) = diff = 0

Ha: diff < 0

Ha: diff != 0

Ha: diff > 0

t = -1.2763

t = -1.2763

t = -1.2763

P < t = 0.1028

P > |t| = 0.2056

P > t = 0.8972

Table 4.15 also shows at the statistical difference between international CSOs/NGOs and Ethiopian CSOs/NGO on the impact of the CSOs/NGOs law regarding the number of programs/projects. The result indicates there is no significant difference between the international CSOs/NGOs and Ethiopian CSOs/NGO group means at 0.05 level of significance since the statistical value for the t- test is high at 0.2056. This shows there is no significant difference between international CSOs/NGOs and Ethiopian CSOs/NGO on impact of the law in terms of the number of programs/projects affected.

Table 4.16 indicates the impact of the CSOs/NGOs in terms of the number of beneficiary of the programs/projects affected vis-à-vis the classification of the CSOs/NGOs. For the valid collected data of the 24 and 22 Ethiopian and International CSOs/NGOs respondents, the organizations indicated that on average 5907 and 13592 numbers of beneficiaries are affected respectively.

as to strengthening and create harmonic relationship among all stakeholders, government bodies, partners and foreign donors. It will also be wise for the government bodies to help organizations in local fund raising and income generation activity. In addition to this, it will be better that the CSA and other relevant government bodies make the implementation of the new proclamation unproblematic as much as possible so that it can create an enabling environment for the operation of the CSOs/NGOs.

4. The law has affected almost every CSOs/NGOs irrespective of its classification as per the new proclamation. The centrality and root cause of the problem is not basically the enactment of the legislation by itself but actually it is the classification of charities and societies and the prohibited area of engagement such as the advancement of human rights, promoting the rights of children and the disabled, gender equality, nations and nationalities, good governance and conflict resolution, as well as the efficiency of the justice system. Therefore, the centrality of the cause of impact of the law on CSOs/NGOs is two dimensional. On the one hand the significance of foreign funding restriction has made it hard for the Ethiopian CSOs/NGOs to operate under the new proclamation. On the other hand, the legal restriction placed on international CSOs/NGOs to engage in advocacy activities have made operation space limited.

Notwithstanding this, the objective of the law in creating an enabling environment for the operation of CSOs/NGOs cannot be guaranteed by the enactment of the law by itself unless it is complemented by improvements in the root cause of the problem. In order to realize the meaningful contribution of CSOs/NGOs to the development and democratization process and making the Ethiopian CSOs/NGOs activities sustainable in the long run, the restriction on foreign funding should be relaxed. In this regard it is better to introduce progressive reduction of dependence on foreign funding. In order to realize this, it is better to reconsider the definitional part of Ethiopian Resident Charities and Societies and make them also a citizen corporate.

The CSOs/NGO law will be advisable to be revised as far as the “Ethiopian Residents Charities” or “Ethiopian Residents Societies” is concerned. The legal reform should be able to empower the “Ethiopian Residents Charities” or “Ethiopian Residents Societies” to involve in the areas that are reserved to the Ethiopian charities by introducing adjustment in the definitional part that defines

“Ethiopian Residents Charities” or “Ethiopian Residents Societies” so that to facilitate the role of Ethiopian charities and societies in the overall development of Ethiopian peoples.

Accordingly the Ethiopian Resident Charities and Societies should be considered as Ethiopian Charities and Societies provided that Ethiopian Resident Charities and Societies can decrease the percentage of their dependence on foreign source of income by 15 percent annually and then ultimately raise 90 percent from local sources. This will help organizations in local funding rising and income generation activities as per the legislation. This will also help to develop a better copying mechanisms and specific strategies to adapt and catch-up with the impact of the law. Finally, the organizations will be able to mobilize and generate resources from the local source. The above points call for a legal reform process through assessment of the existing legal framework governing CSOs/NGOs with a series of consultation and dialogue meeting between the concerned groups.

5. The fact that the CSOs/NGOs law allows Charities and Societies Proclamation to engage in income generating activities and thereby help CSOs/NGOs to strength the internal capacity and ensure the sustainability of their activities is not an end by itself. Given the fact that the culture of local fund raising and voluntarism in Ethiopia is not well developed culture and/or absent due to the economic reality of the nation. Given also the fact that only few CSOs/NGOs have resorted to local fund raising as a better coping mechanism to adapt the impact of the law still shows that majority of the CSOs/NGOs operating in Ethiopia ones in particular currently are dependent on external source of fund. This raises the question of the capacity of CSOs/NGOs in domestic resource mobilization. In this regard, government and other interest group should provide a technical assistance to CSOs/NGOs in the form of capacity building in areas such as fundraising, income generation, cost share, etc. In addition to this, government and other interest group should also provide funding for capacity building and adaptation strategies. This will help CSOs/NGOs to better cope up and adapt the impact of the law.

6. The study shows that there are significant numbers of civic Society Organizations operating without legal permission. There are significant numbers of closing down organizations due to the failure of the organizations to be reregistered as per the new law. This failure is partly due the

reason that the Agency is not sufficiently staffed with the necessary quantity and quality of personnel. The Agency has little experience in enforcing the law. The Agency as an infant agency who does not have the required capacity to track down the unregistered organizations cannot enforce the law if this capacity of CSA is not coupled with staffing the CSA with the necessary and required resource, quality and quantity of staff.

Last not least, assessment of impact of the law in other context like on societies would not only be highly desirable but also could provide a fruitful avenue for research that consider CSOs/NGOs sector as one of many avenues to secure developed and democratic nation.

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VI. List of Interviewee

1. H.E Ato Sadik Adem, Member of the Parliament and Vice Chairman for the Legal and Administrative Affairs Standing Committee of the 'House of Peoples' Representatives conducted on May 10, 2011, Addis Ababa, Ethiopia.

2. Ato Kumulachew Dagne, Program/Project Coordinator of Inter-African Group, conducted on May 12, 2011, Addis Ababa, Ethiopia.

ANNEX.1

**ADDIS ABABA UNIVERSITY
COLLEGE OF LAW
DEPARTMENT OF LAW
ORGANIZATIONAL LEVEL QUESTIONNAIRE ON**

**Impact Assessment of the Charities and Societies Law on the
Perception, Growth and Programs of Non- Governmental
Organizations**

A Survey Study of Addis Ababa City Administration, Addis Ababa,
Ethiopia

**For the Purpose of Partial Fulfillment of the Requirements
for the Masters of Art Degree in Law
(Public International Law)**

Organization Code _____

Woreda: _____

By: Abiy Chelkeba Worku

Introduction

Dear Respondent,

The following questionnaire is developed by the second year student of masters program of law. The aim of the study is educational purpose and the information supplied by you will play a significant role for the success of this study.

I am glad to extend my gratitude for your cooperation in advance and kindly requested to give appropriate answer for each question honestly. The information also will be kept strictly confidential.

I. Organization Level Characteristics

Q101. What is the type of the organization that you are currently registered?

- A) Ethiopian (Local) CSOs/NGO
- B) Ethiopian resident(International) CSOs/ NGO
- C) Foreign based (International) CSOs/ NGO

Q102. What is the number of years the organization has been registered and operating in Ethiopia?

- A) 1 B) 2-4 C) 5-7 D) 8-10 E) more than 10 years

Q103. What is your Organizational Operating Regional Areas?

- A) One B) Two C)Three D)Four E) More than Four

Q104. What is the number of people that are employed in the organization currently?

- A) 1 B) 2-4 C) 5-9 D) 10-20 E) more than 20 years

Q105. What are the organizational engagement areas currently?

1 = yes O=No

<i>Organization Engagement Areas</i>	<i>Yes</i>	<i>No</i>
Health		
Education		
Capacity building		
Community empowerment		
Water and Sanitation		
Children development		
Agriculture (crop production, animal husbandry, irrigation, watershed mng't)		
Gender and development		
Cooperatives promotion		
Promotion of equality of gender		
Micro-finance		
Emergency relief		
Promotion of rights of the children		
Support to people with physical disabilities		
Promotion of good governance		

Productive safety net		
Housing development		
Promotion of rights of the disabled		
Advancement of human and democratic rights		
Promotion of conflict resolution and reconciliation		
Promotion of equality of religion		
promotion of equality of nations, nationalities and peoples		

Other please state it

Q106. What is the share of the Organizations foreign country sources of fund?

- A) 100% B) 91-100% C) 81-90% D) 61-70% E) 71-80%
 F) 51-60% G) 11-20% H) $\leq 10\%$ I) None

II. Organization knowledge of the CSOs/NGO Law

No	Items	Yes	No
Q201.	Are you aware that CSOs/NGO law defines as “foreign” CSOs/NGO as any Ethiopian CSO/NGOs that receive more than 10 percent of its funding from foreign sources?		
Q202.	Are you aware that the law limits the rights of judicial remedy resort to Ethiopian CSOs/NGO only and denies Ethiopian resident and Foreign CSOs/NGO access to justice?		
Q203.	Are you aware that CSOs/NGO demands representation in at least five regional states to have a federal or national nomenclature?		
Q204.	Are you aware that prosecution and punishment under the CSOs/NGO law is not limited to officials and could potentially extend to members and volunteers?		
Q205.	Do you know that the license of your organizations could be cancelled as a result of criminal prosecution under the CSOs/NGO law?		
Q206.	Do you know the CSOs/NGO law allows charities and societies to engage in income generating activities?		
Q207.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the advancement of human and democratic right works?		
Q208.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion of equality of nations, nationalities and peoples works?		
Q209.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion gender equality works?		
Q210.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in		

	the promotion religious equality works?		
Q211.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion of the rights of the disabled?		
Q212.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion of the children’s rights works?		
Q213.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion of conflict resolution or reconciliation works?		
Q214.	Can Ethiopian resident CSOs/NGO and “foreign” CSOs/NGO be involved in the promotion of the efficiency of the justice and law enforcement services works?		
Q215.	Can Any CSOs/NGO allocate less than 70% of the expenses in the budget year for the implementation of its purpose and an amount exceeding 30% for its administrative activities?		

Q216. What do you know about renewal registration of CSOs/NGO?

A-Every CSOs/NGO is required to renew the license every year.

B-Every CSOs/NGO is required to renew the license every two years.

C-Every CSOs/NGO is required to renew the license every three years.

D-Every CSOs/NGO is required to renew the license every four years.

III.Effect of CSOs/NGO law on the Perception and Security of CSOs/NGO

Q301. Do you think the CSOs/NGO law discourages citizens to organize and establish new CSOs/NGO? 1=yes O= No

Q301. 1. If your answer is yes, in what form does it discourage?

Q302. Do you think the CSOs/NGO law discourages donors from supporting CSOs/NGO?

1=yes O= No

Q303. If your answer to Q302 is yes, in what forms of discouragements is manifested on the part of donors? 1=yes O= No

	Yes	No
Reduced financial assistance		
Termination of ongoing funds		
Suspension of funds		
Refusal to renew agreements		
Request to return remaining funds/balance		
Reluctance to enter into new agreements		

Other please state it

Q304. Do you think the CSOs/NGO law makes the CSOs/NGO highly insecure and unsure of their role and future prospective? 1=yes O= No

Q304.1. If your answer is yes, in what form of insecurity can it be described?

Q305. Do you think the CSOs/NGO law reduces the effectiveness of CSOs/NGO intervention in development? 1=yes O= No

Q305.1.If your answer is yes, describe how the new CSOs/NGO law reduces the effectiveness of CSOs/NGO intervention in development?

Q306. Do you think the CSOs/NGO law will reduce the effectiveness of CSOs/NGO intervention in democratization and realization of human rights?

1=yes O= No

Q306.1.If your answer is yes, describe how the new CSOs/NGO law reduces the effectiveness of CSOs/NGO intervention in intervention in democratization and realization of human rights?

Q307. Do you think the CSOs/NGO law will reduce the effectiveness of CSOs/NGO intervention in ensuring good governance? 1=yes O= No

Q307.1. If your answer is yes, describe how the new CSOs/NGO law reduces the effectiveness of CSOs/NGO intervention in ensuring good governance?

Q308. Do you think the CSOs/NGO law helps CSOs/NGOs to strengthen their internal capacity and ensure the sustainability of their activities by allowing charities and societies to engage in income generating activities? 1=yes O= No

Q308.1.If your answer to question Q307 is yes, describe how the new CSOs/NGO law ensures the sustainability of their activities by allowing charities and societies to engage in income generating activities?

Q309. Do you think the CSOs/NGO law helps CSOs/NGO to ensure accountability and enhance transparency? 1=yes O= No

Q310. If your answer to Q308 is yes, in what forms does the law ensure accountability and enhance transparency? 1=yes O= No

	Yes	No
Through the establishment of charities and society's agency		
Through periodic registration and renewal of license registration		
Through approval activities of the CSOs/NGO		
Through Monitoring and evaluation		
Through control CSOs/NGO activities by keep records of accounting		
Through instituting inquires		
Through suspend and cancel license of CSOs/NGO		
Through Criminal Prosecution		

Other please state it

Q311. Does CSOs/NGO law encourage constructive relationship between government agencies and CSOs/NGOs and increase opportunity for CSOs/NGOs to participate in sector policy processes? 1 =Yes O =No

Q312. If your answer to Q310 is yes, in what forms of constructive relationship with the Government agencies can it manifest itself? 1 =Yes O =No

	Yes	No
Closer collaboration with government entities		
Conclusion of new/additional project agreements		
Expansion of projects in other areas		

Other please state it

Q313. If your answer to Q310 is No, in what forms of unconstructive relationship with the Government agencies can it manifest itself? 1 =Yes 0 =No

	Yes	No
Lack of cooperation		
Termination of project agreements		
Revocation of licenses		
Suspension of activities		
Taking away property		
More bureaucratic/cumbersome processes		
Threats/harassment		

Other please state it

Q314. Do you think the CSOs/NGO law force CSOs/NGOs to completely cease their operation and reduce the size of the sector? 1 =Yes 0 =No

Q314.1. If your answer is yes, describe how the new CSOs/NGO law forces CSOs/NGOs to completely cease their operation and reduce the size of the sector?

Q315. Does CSOs/NGO law reduce the ability of citizens, especially the poor, women, children and other marginalized sections of the society to have access to justice and administrative process? 1= Yes 0 =No

Q315.1.If your answer is yes, describe how the new CSOs/NGO law reduces the ability of citizens, especially marginalized sections of the society to have access to justice and administrative process?

Q316. Does CSOs/NGO law reduce efficiency of the justice and governance system and the implementation of government's policies in the area such as decentralization, justice sector reform program, etc.? 1= Yes 0 =No

Q316.1.If your answer is yes, describe how the new CSOs/NGO law reduces the efficiency of the justice and governance system?

Q317. Does the CSOs/NGO law increase confidence to mobilize sources domestically? 1= Yes 0 =No

IV. The Impact of the CSOs/NGO law on Scope work of CSOs/NGO

Q401. Are you currently affected due to the legislation?

A) No

B) Yes

If your answer to Q401 is yes, would you please answer the questions from Q402 to 414, otherwise skip it.

<i>No</i>	<i>Items</i>	<i>Increased by</i>	<i>Decreased by</i>
Q402	The number of <u>Programs/Projects</u> affected due to the legislation		
Q403	The number of <u>beneficiary</u> of the Programs/Projects affected due to the legislation		
Q404	The number of <u>employees</u> of the Programs/Projects affected due to the legislation		
Q405	The numbers of <u>branch offices</u> of your organization affected due to the legislation		
Q406	The number <u>diversity</u> of your <u>organization's sources of income</u> affected due to the legislation		
Q407	The number of your <u>organization departments</u> affected due to the legislation		

Q408. Is there any change in your engagement of area in the following scope of work?

1=yes O= No

<i>Change in Engagement Areas</i>	<i>Yes</i>	<i>No</i>
Promotion of rights of the children		
Support to people with physical disabilities		
Promotion of good governance		
Promotion of rights of the disabled		
Advancement of human and democratic rights		
Promotion of conflict resolution and reconciliation		
Promotion of equality of religion		
promotion of equality of nations, nationalities and peoples		
Promotion of Gender Equality		
promotion of the efficiency of the justice and law enforcement services		

Other please state it

Q409. Organizations foreign country sources of fund affected due to the legislation?

A) 100% B) 91-100% C) 81-90% D) 61-70% E) 71-80%

F) 51-60% G) 21-30 H) 11-20% I) $\leq 10\%$ J) None

Q410. What are the Organization coping mechanisms? 1=yes O= No

<i>Organization coping mechanisms</i>	<i>Yes</i>	<i>No</i>
Don't have any copying mechanisms		
Revisited our strategic plan for a while and we are Working with new strategy		
Mobilize and generate resources from the local sources		
Limited to few particular development activities and Shift to service delivery Approach		
changed our Categories Entity Registration of the Organization		

Other please state it

V. CSOs/NGO Law Effect on Criminal Prosecution or/and Conviction and Fines

Q501. Is there any prosecution pending against your organization due to the crimes related to the enactment of the legislation? 1 =Yes O =No

Q502. Is there any conviction against your organization due to the crimes related to the enactment of the legislation? 1 =Yes O =No

Q503. Are there any administrative measure and/or fines taken against your organization due to violation of one or more of the CSOs/NGO laws? 1 =Yes O =No

Q503.1.If your answer is yes, what is the type of administrative measure and/or fines?

Q504. If your answer to Q501 is yes, is there any prosecution pending against an officials/employee in your organization? 1 =Yes O =No

Q504.1.If your answer is yes, what is the type of prosecution? 1 =Yes O =No

Types of Prosecution	Yes	No
Failure to keep accounting records		
Failure to submit annual statements of accounts		
Failure to notify bank account		
Allocation of more than 30% of expense for administrative purposes		
Other please state it		

Q505. If your answer to Q501 is yes, is there any prosecution pending against a members in your organization? 1 =Yes O =No

Q505.1.If your answer is yes, what is the type of prosecution? 1 =Yes O =No

Types of Prosecution	Yes	No
Failure to keep accounting records		
Failure to submit annual statements of accounts		
Failure to notify bank account		
Allocation of more than 30% of expense for administrative purposes		

Other please state it

Q506. If your answer to Q501 is yes, is there any prosecution pending against a voluntary in your organization? 1 =Yes O =No

Q506.1.If your answer is yes, what is the type of prosecution? 1 =Yes O =No

Types of Prosecution	Yes	No
Failure to keep accounting records		
Failure to submit annual statements of accounts		
Failure to notify bank account		
Allocation of more than 30% of expense for administrative purposes		

Other please state it

Q507. If your answer to Q502 is yes, is there any conviction against an official/employee in your organization? 1 =Yes O =No

Q507.1.If your answer is yes, what is the type of crime and conviction? 1 =Yes O =No

Types of Conviction	Yes	No	Conviction Type
Failure to keep accounting records			
Failure to submit annual statements of accounts			
Failure to notify bank account			
Allocation of more than 30% of expense for administrative purposes			

Other please state it

Q508. If your answer to Q502 is yes, is there any conviction against members in your organization? 1 =Yes O =No

Q508.1. If your answer is yes, what is the type of crime and conviction? 1 =Yes O =No

Types of Conviction	Yes	No	Conviction Type
Failure to keep accounting records			
Failure to submit annual statements of accounts			
Failure to notify bank account			
Allocation of more than 30% of expense for administrative purposes			

Other please state it

Q509. If your answer to Q502 is yes, is there any conviction against voluntary in your organization? 1 =Yes O =No

Q509.1.If your answer is yes, what is the type of crime and conviction? 1 =Yes O =No

Types of Conviction	Yes	No	Conviction
Failure to keep accounting records			
Failure to submit annual statements of accounts			
Failure to notify bank account			
Allocation of more than 30% of expense for administrative purposes			

Other please state it

Q510. Was there any cancelation of your organizations license previously as a result of criminal prosecution under the CSOs/NGO law? 1 =Yes O =No

Q511.1.If your answer is yes, what is the type of crime for which the license was cancelled? 1 =Yes O =No

Types of Conviction	Yes	No
Failure to keep accounting records		
Failure to submit annual statements of accounts		
Failure to notify bank account		
Allocation of more than 30% of expense for administrative purposes		

Other please state it

Any recommendation or suggestion to improve the CSOs/NGO law to achieve its intended objective and to create an enabling environment for the works of CSOs/NGO

Annex.2. Questions guideline for Interviews with key Informants

1. What do you think are the positive implications of the CSOs/NGOs law?
2. What do you think are the negative implications of the CSOs/NGOs law?
3. Some say that the new CSOs/NGOs law will reduce the growth and engagement areas of CSOs/NGOs thereby affect the Democratization process of the country? Do you Agree or disagree? Why?
4. Some say that the new CSOs/NGOs law will reduce the contribution of CSOs/NGOs in the development of the country? Do you Agree or disagree? Why?
5. Do you think the CSOs/NGOs law helps to ensure accountability and transparency of CSOs/NGOs sector?
6. How do you describe the relationship between the government and the CSOs/NGOs pre and after the enactment of the legislation?
7. Is there any prosecution and/or conviction taken against CSOs/NGOs due to the crimes related to the enactment of the legislation?
8. Is there any administrative measures taken against CSOs/NGOs due to the violations of one of the provisions of the legislation?
9. What do you recommend or suggest to improve the CSOs/NGO law to create an enabling environment for the works of CSOs/NGO?

Table4. 4. Organizational Engagement Areas Currently Involved (Annex Three)

No	Organization Engagement Areas	Type of CSO/NGO	
		<i>Local (In %)</i>	<i>International (In %)</i>
1	Health	55	50
2	Education	82	72
3	Capacity building	64	56
4	Community empowerment	45	39
5	Water and Sanitation	36	44
6	Children development	55	33
7	Agriculture	27	56
8	Gender and development	82	27
9	Cooperatives promotion	-	27
10	Promotion of equality of gender	73	-
11	Micro-finance	36	17
12	Emergency relief	27	33
13	Promotion of rights of the children	45	-
14	Support to people with physical disabilities	27	11
15	promotion of the efficiency of the justice and law enforcement	9	-
16	Productive safety net	8	6
17	Housing development	10	-
18	Promotion of rights of the disabled	36	-
19	Advancement of human and democratic rights	37	-
20	Promotion of conflict resolution and reconciliation	9	-
21	Promotion of equality of religion	6	-
22	Promotion of equality of nations, nationalities and peoples	7	-

(Source: Author survey-Apr. 2011)

Table 4.5. Organizations' Awareness Levels about the CSOs/NGOs Law(Annex four)

NO	Items	Frequency	
		YES	NO
1	Are you aware that the law limits the rights of judicial remedy resort to Ethiopian CSOs/NGO only and denies Ethiopian resident and international CSOs/NGO access to justice?	28(24.4%)	82(75.6%)
2	Are you aware that CSOs/NGO demands representation in at least five regional states to have a federal or national nomenclature?	87(79.1%)	23(20.9%)
3	Are you aware that prosecution and punishment under the CSOs/NGO law is not limited to officials and could potentially extend to members, volunteers and recipients of services?	23(20.9%)	87(79.1%)
4	Are you aware that the license of your organizations could be cancelled as a result of criminal prosecution under the CSOs/NGO law?	50(45.5%)	60(54.5%)
5	Are you aware the CSOs/NGO law allows charities and societies to engage in income generating activities?	106(96.4%)	4(3.6%)
6	Are you aware the CSOs/NGO law requires the license registration to be renewed every three years?	94(85.4%)	16(14.6%)
7	Can Any CSOs/NGO allocate less than 70% of the expenses in the budget year for the implementation of its purpose and an amount exceeding 30% for its administrative activities?	50(45.5%)	60(54.5%)
Average Observations of each response categories (Out of the 110 Freq.)		63 (57.3%)	47 (42.7%)
T Y P E	Local CSOs/NGOs (Out of the 51 Freq.)	30 (58.8%)	21 (41.2%)
	International CSOs/NGOs (Out of the 59 Freq.)	33 (55.9%)	26 (44.1%)

(Source: Author survey-Apr. 2011)

Table 4.5. Organizations Knowledge of the CSOs/NGOs Law (Annex Five)

Variables		Is the organization Aware?		Total	Chi-square	P-value
Right of access to justice		Yes	No			
Local CSOs/NGOs	Count	14	37	51	0.1997	0.655
	% of Total	50.00%	45.12%	46.36%		
International CSOs/NG	Count	14	45	59		
	% of Total	50.00%	54.88%	53.64%		
Total	Count	28	82	110		
	% of Total	100.0%	100.0%	100.0%		
Federal Representation						
Local CSOs/NGOs	Count	37	14	51	2.4607	0.117
	% of Total	42.53%	60.87%	46.36%		
International CSOs/NGOs	Count	50	9	59		
	% of Total	57.47%	39.13%	53.64%		
Total	Count	87	23	110		
	% of Total	100.0%	100.0%	100.0%		
Knowledge about Prosecution and Punishment						
Local CSOs/NGOs	Count	37	14	51		0.117
	% of Total	42.53%	60.87%	46.36%		
International CSOs/NGOs	Count	50	9	59		
	% of Total	57.47%	39.13%	53.64%		
Total	Count	87	23	110		
	% of Total	100.0%	100.0%	100.0%		
Knowledge about Cancellation of License						
Local CSOs/NGOs	Count	38	13	51	32.3761	0.000
	% of Total	76.00%	21.67%	46.36%		
International CSOs/NGOs	Count	12	47	59		
	% of Total	24.00%	78.33%	53.64%		
Total	Count	50	60	110		
	% of Total	100.0%	100.0%	100.0%		
Knowledge about Renewal Of License						
Local CSOs/NGO	Count	49	2	51	8.6341	0.003
	% of Total	52.13%	12.50%	46.36%		
International CSOs/NGO	Count	45	14	59		
	% of Total	47.87%	87.50%	53.64%		
Total	Count	94	16	110		
	% of Total	100.0%	100.0%	100.0%		
Average observation of each Responses categories(out of the 110 frequency)				Frequency		
				yes	N0	
TYPE	Local CSOs/NGOs (Out of the 51 Freq.)			63(57.3%)	47(42.7%)	
				30 (58.8%)		
	International CSOs/NGOs (Out of the 59 Freq.)			33 (55.9%)	21 (41.2%)	
					26 (44.1%)	

(Source: Author survey-Apr. 2011)

(Source: Author survey-Apr. 2011)

Table 4.6 Perception of CSOs/NGOs on the Law (Annex six)

NO	Items	Frequency	
		YES	NO
1	Do you think the law discourages citizens to organize and establish new CSOs/NGO?	83(75.45%)	27(24.54%)
2	Do you think the law makes the CSOs/NGO highly insecure and unsure of their role and future prospective?	93(84.54%)	17(15.45%)
3	Do you think the law reduces the effectiveness of CSOs/NGO intervention in development?	76(69.09%)	34(30.90%)
4	Do you think the law will reduce the effectiveness of CSOs/NGO intervention in democratization and realization of human rights?	56(50.90%)	54(49.09%)
5	Do you think the law will reduce the effectiveness of CSOs/NGO intervention in ensuring good governance? (Deleted)	56(50.90%)	54(49.09%)
6	Do you think the law negatively affects CSOs/NGOs' internal capacity and affects the sustainability of their activities?	25(22.72%)	85(77.27%)
7	Do you think the law force CSOs/NGOs to completely cease their operation and reduce the size of the sector?	45(40.90%)	65(59.09%)
8	Do you think the law reduces the ability of citizens, especially the poor, women, children and other marginalized sections of the society to have access to justice and administrative process?	86(78.18%)	24(21.81%)
9	Do you think the law decreases confidence to mobilize sources domestically?	44(40%)	66(60%)
10	Do you think the law discourages donors from supporting CSOs/NGO?	78(70.90%)	32(29.09%)
11	Do you think the law negatively affects the CSOs/NGOs relationships with government agencies?	84(76.36%)	26(23.63%)
Average Observations of each response categories (Out of the 110 Fq		61 (55.4%)	49 (44.6%)

(Source: Author survey-Apr. 20

Table 4.6. Organizations Perception Towards the CSOs/NGOs Law(Annex seven)

Variables		Is the CSOs/NGOs Discouraging?		Total	Chi-square	P-value
Perception on Establishing New CSOs/NGOs		Yes	No			
Local CSOs/NGOs	Count	37	14	51	0.4334	0.510
	% of Total	44.58%	51.85%	46.36 %		
International CSOs/NG	Count	46	13	59		
	% of Total	55.42%	48.15 %	53.64%		
Total	Count	83	27	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about Insecurity						
Local CSOs/NGOs	Count	39	12	51	4.7450	0.029
	% of Total	41.94%	70.59%	46.36%		
International CSOs/NGOs	Count	54	5	59		
	% of Total	58.06%	29.41%	53.64%		
Total	Count	93	17	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about reduction in Development						
Local CSOs/NGOs	Count	39	12	51	2.4248	0.119
	% of Total	51.32%	35.29%	46.36 %		
International CSOs/NGOs	Count	37	22	59		
	% of Total	48.68%	64.71%	53.64%		
Total	Count	76	34	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about reduction in Democracy						
Local CSOs/NGOs	Count	12	39	51	28.5214	0.000
	% of Total	21.43%	72.22%	46.36 %		
International CSOs/NGOs	Count	44	15	59		
	% of Total	78.57%	27.78%	53.64%		
Total	Count	56	54	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about reduction in Good Governance						
Local CSOs/NGO	Count	12	39	51	28.5214	0.000
	% of Total	21.43%	72.22%	46.36 %		
International CSOs/NGO	Count	44	15	59		
	% of Total	48.57%	27.78%	53.64%		
Total	Count	56	54	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about sustainability of activities of CSOs/NGOs						
Local CSOs/NGO	Count	12	39	51	0.0348	0.852
	% of Total	48.00%	45.30%	46.36 %		
International CSOs/NGO	Count	13	46	59		
	% of Total	52.00%	54.12%	52.64%		
Total	Count	25	85	110		
	% of Total	100.0%	100.0%	100.0 %		
Perception about reduction in of the CSOs/NGOs Sector						
Local CSOs/NGO	Count	33	18	51	22.2745	0.000
	% of Total	73.33%	27.69%	46.36%		
International CSOs/NGO	Count	12	47	59		
	% of Total	26.67%	72.31%	52.64%		

Table 4.6. Organizations Perception Towards the CSOs/NGOs Law(Annex seven)

Variables		Is the CSOs/NGOs Discouraging?		Total	Chi-square	P-value
Perception on Establishing New CSOs/NGOs		Yes	No			
Local CSOs/NGOs	Count	37	14	51	0.4334	0.510
	% of Total	44.58%	51.85%	46.36 %		
International CSOs/NG	Count	46	13	59		
	% of Total	55.42%	48.15 %	53.64%		
Total	Count	83	27	110		
	% of Total	100.0%	100.0%	100.0 .0%		

Table 4.6. Organizations Perception Towards the CSOs/NGOs Law(Annex seven)

Variables		Is the CSOs/NGOs Discouraging?		Total	Chi-square	P-value
Perception in Reduction in Access to Justice		Yes	No			
Local CSOs/NGOs	Count	39	12	51	0.1632	0.686
	% of Total	45.35%	50.00%	46.36 %		
International CSOs/NG	Count	47	12	59		
	% of Total	54.65%	50.00 %	53.64%		
Total	Count	86	24	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about Decrease In Confidence to Mobilize Resource Domestically						
Local CSOs/NGOs	Count	16	35	51	2.9489	0.086
	% of Total	36.36%	53.03%	46.36%		
International CSOs/NGOs	Count	28	31	59		
	% of Total	63.64%	46.97%	53.64%		
Total	Count	44	66	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about discouraging Donors from Supporting about CSOs/NGOs						
Local CSOs/NGOs	Count	37	14	51	0.1240	0.725
	% of Total	47.44%	43.75%	46.36 %		
International CSOs/NGOs	Count	41	18	59		
	% of Total	52.56%	56.25%	53.64%		
Total	Count	78	32	110		
	% of Total	100.0%	100.0%	100.0%		
Perception about Relationship with Government						
Local CSOs/NGOs	Count	37	14	51	0.7688	0.381
	% of Total	44.05%	53.85%	46.36 %		
International CSOs/NGOs	Count	47	12	59		
	% of Total	55.95%	46.15%	53.64%		
Total	Count	84	26	110		
	% of Total	100.0%	100.0%	100.0%		
Average observation of each Reponses categories(out of the 110 frequency)				Frequency		
				Yes		N0
				61(55.4%)		49(44.6%)

(Source: Author survey, Aug. 2011)

(Source: Author survey-Apr. 2011)

Table 4.20 Existence of change in Engagement area (scope of work) due to the Law (Annex Eight)

<i>No</i>	<i>Change in Engagement Areas</i>	<i>Existence of change in Engagement Areas</i>		<i>Total Obs.</i>
		<i>Local</i>	<i>International</i>	
1	Promotion of rights of the children	2 (5%)	11 (26.2%)	13 (15.7%)
2	Promotion of rights of the disabled	-	8 (19%)	8 (9.6%)
3	Advancement of human and democratic rights	4 (10%)	9 (21.4%)	13 (15.7%)
4	Promotion of conflict resolution and reconciliation	-	5 (11.9%)	5 (6%)
5	Promotion of equality of religion	2 (5%)	7 (16.6%)	9 (10.8%)
6	promotion of equality of nations, nationalities and peoples	-	6 (14.2%)	6(7.2%)
7	Promotion of Gender Equality	5 (14%)	18 (42.8%)	23 (27.7%)
8	promotion of the efficiency of the justice and law enforcement services	-	6 (14.2%)	6(7.2%)

(Source: Author survey-Apr. 2011)

CSOs/NGOs law adaptation facility and copying mechanism is one of the most important subject matter and talking point of the post enactment period.¹⁷² Accordingly, many CSOs/NGOs have adopted many mechanism and adopting strategies such as evaluating and revising their establishment documents, area of intervention, and make readjustment on their mandate in accordance with the new proclamation and mobilizing sources e.t.c so as to make themselves compatible with the implementation of the CSOs/NGOs law.¹⁷³

Since majority the sample respondent's CSOs/NGOs are affected (75%) , the respondent were asked about the coping mechanism they have adopted in order to adapt with the effects of the CSOs/NGOs law. Accordingly, Table 4.21 shows that only few CSOs/NGOs do not have any copying mechanism (7.2%). About 65 percent of the respondents have revisited there strategic plan for a while and are working with a new strategy with 36.5 and 92.8 percent of them constitutes from the Ethiopian and international CSOs/NGOs respectively.

Moreover, the data also includes that a total of 19 percent have shifted to mobilize and generate resources from the local sources with 36.5 percent of them constitute from Ethiopian CSOs/NGOs only. About 53 percent of CSOs/NGOs have adopted to limit to few particular development activities and shift to serve delivery approach with 14.6 and 90.4 percent of them constitutes from the Ethiopian and international CSOs/NGOs respectively. About 51 percent of the respondents have changed their categories entity registration of the organization 7.2 and 92.8 percent of them constitutes from the Ethiopian and international CSOs/NGOs respectively.

¹⁷² Debebe Hilegebriel, Supra note 61,P.9

¹⁷³ Befikadu Alemayehu, *The Implication of the New Charities and Societies Legislation on NGOs and CSOs and Possible Coping Mechanism*, Rapid Assessment Report, Christian Relief and Development Association, Addis Ababa, May 2009 P.28

Table 4.21 Coping Mechanisms

<i>No</i>	<i>Organization coping mechanisms</i>	<i>CSO/NGO type</i>		<i>Total Obs.</i>
		<i>Local</i>	<i>International</i>	
1	Don't have any copying mechanisms	3 (7.3%)	3 (7.1%)	6 (7.2%)
2	Revisited our strategic plan for a while and we are Working with new strategy	15 (36.5%)	39 (92.8%)	54 (65%)
3	Mobilize and generate resources from the local sources	16 (39%)	-	16 (19%)
4	Limited to few particular development activities and Shift to service delivery Approach	6 (14.6%)	38 (90.4%)	44 (53%)
5	changed our Categories Entity Registration of the Organization	3 (7.3%)	39 (92.8%)	42 (51%)

(Source: Author survey-Apr. 2011)

Organizations that have employed different coping mechanisms to catch up with the impact of the CSOs/NGOs law have made important evaluation and revision of their establishment documents, area of intervention and make readjustment on their mandate in accordance with the proclamation. In addition to this, the organization have also employed the service delivery approach to cope up with the impact of the CSOs/NGOs and engage in the non prohibited activities such as policy analysis and research, engage in participatory action research e.t.c. However, organizations are still dependent on foreign sources and there is a limited mobilization and generation of resource from the local sources.

4.5. Effect of the Law on Criminal Prosecution, Conviction and Administrative Measures

The CSOs/NGOs law has 112 provisions, and out of these few entails penal and administrative sanctions. Like other laws, it is provided under Sub Article 1 of Article 102 of the CSOs/NGOs law that any violation of the law provisions will be punishable in accordance with the provisions of the criminal code. In additions to this, the law provides for specific criminal penalties for a handful of administrative infractions. This mainly deals with accounting and financial reporting requirements. Failure to comply with any of these requirements puts the CSOs/NGOs in jeopardy fines and even dissolution.

The organizations have been asked if there is or have been some sort of prosecution, conviction and/or administrative measure against the organization due to the acts that have been made crimes in the CSOs/NGOs legislation. This have been found important to ask due to the fact that the criminal sanctions and administrative parts of the CSOs/NGOs law are the subject of controversy to the present day and some also feared that the CSOs/NGOs law would result in the de facto criminalization of any and all independent human rights works that seeks to document or challenge the Ethiopian government appealing human right record.¹⁷⁴ However, the time dimension of the analysis and finding of the research should be taken into consideration since the law has been implemented since January 6, 2010. This time dimension is short to make full analyses of the impact of the law with regard to criminal prosecution and administrative measures and may not show the full picture.

Accordingly, Table 4.22 shows the effect of the CSOs/NGOs law on the criminal prosecution, conviction and administrative measures against officials, members and volunteers who violates its provisions. About 2.7 percent of the sample respondents have indicated that there is prosecution pending against the organizations due to the crimes related to the enactment of the legislation with 5.1 percent constitutes from the international CSOs/NGOs which implies low level of prosecution. This in return indicates the impact of the law as far as prosecution is concerned is not like what is

¹⁷⁴ Human Rights Watch, Supra note 10,P.3

feared at the early period of the enactment of the CSOs/NGOs law and there is low level of breaking the CSOs/NGOs law.

In addition to this, about 5.08 percent have indicated that there is a prosecution pending against officials of the CSOs/NGOs who are involved in the crimes of failure to submit annual statements of accounts and failure to notify bank account. But the sample respondents have stated that there is no any prosecution pending against any members and voluntary. Moreover, none of the respondents have reported that there has been some sort of criminal conviction against officials, members and volunteers which implies low level of conviction and breaking the CSOs/NGOs law.

About 44.5 percent of the respondents have reported that there has been some sort of administrative measure and/or fines taken against their organizations due to violation of one or more of the CSOs/NGO laws with 64.7 and 27 percent count for Ethiopian and international CSOs/NGOs respectively. The sample have indicated that freezing bank account have been the most common form of administrative measures and some of them have indicated that the CSA have frizzed there bank account up to seven million Ethiopian Birr. In this regard two prominent advocacy and governance CSOs/NGOs namely EWLA and EHRCO have given up much of their current funding due to the 90/10 percent budget formula and there most bank account is withheld.

Table 4.22 Effect on Criminal Prosecution or/and Conviction and Administrative Measures

No	Items on Criminal Prosecution and/or Conviction and Administrative Measures	CSO/NGO type		Total Obs.
		Local	International	
1	There has been some sort of prosecution pending against our organization due to the crimes related to the enactment of the legislation.	-	3 (5.1%)	3 (2.7%)
2	There has been some sort of conviction against our organization due to the crimes related to the enactment of the legislation.	-	-	-
3	There has been some sort of administrative measure and/or fines taken against our organization due to violation of one or more of the CSOs/NGO laws.	33 (64.7%)	16 (27%)	49(44.5%)
Out of the total Sub-samples and Sample Frequencies.		51	59	110

(Source: Author survey-Apr. 2011)

Table 4.23 indicates the effect of the CSOs/NGOs law on administrative measures against the CSOs/NGOs vis-à-vis the classification of the CSOs/NGOs. For the valid collected data of the 51 and 59 Ethiopian and international CSOs/NGOs respondents respectively, CSOs/NGOs indicated that administrative measures were taken against Ethiopian (67.35 percent) and international CSOs/NGOs (32.65 percent). This indicates that more administrative measures are taken against the Ethiopian CSOs/NGOs than international CSOs/NGOs. This is attributed due to the fact that the law puts restriction on a foreign fund access. Ethiopian CSOs/NGOs involved in advocacy and human rights work in one way or another have been a victim of administrative measures of the CSA because the law states that Ethiopian CSOs/NGOs cannot raise 10 percent of their annual budget from foreign sources and there bank account is frozen to the extent of 10 percent legal limit.

Table 4.23 Effect on Administrative Measures

Variables		Is administrative measure taken against CSOs/NGOs?		Total	Chi-square	P-value
An administrative measure and/or fines		Yes	No			
Local CSOs/NGOs	Count	33	18	51	15.6448	0.000
	% of Total	67.35%	29.51%	46.36 %		
International CSOs/NG	Count	16	43	59		
	% of Total	32.65%	70.49 %	53.64%		
Total	Count	49	61	110		
	% of Total	100%	100%	100.0%		

(Source: Author survey-Apr. 2011)

Moreover, a significance values for the chi-square test is low at 0.000 which indicates that there is significant difference between the two group means at 0.05 level of significance as depicted in Table 4.23. This reveals there is significant difference between Ethiopian and international CSOs/NGOs in terms of the administrative measures taken. In other words, more administrative measures and fines were considerably taken against the local CSOs/NGOs than that of the international CSOs/NGOs.

Furthermore, recently two Ethiopian Resident charities operating under the new proclamation were shut down and banks were instructed to freeze their assets.¹⁷⁵ The official reasons given for such actions by the Government include the engagement of the organizations in advocacy work and non-transparent accounting practices.¹⁷⁶

The CSA has also taken different administrative measures against CSOs/NGOs as per the Charities and societies proclamation. At the time of writing this study 38 children development and care organizations have been ordered to be closed step by step due to poor child management care.¹⁷⁷ In addition to this, the following five Charities license have been revoked and cancelled. Out of these five charities four of them are Foreign Charities and other one is Ethiopian Resident Charity.

First, Better International Adoption Organization license has been cancelled by the Agency. The official reasons given for such cancellation was that the organization failed to show up for reregistration within one year period into coming into effect of the law without a good cause.¹⁷⁸

Secondly, Semeretan Perse International organization license was also revoked. In this regard the one of the official reasons given for such revocation was that the organization was found of hiring 14/fourteen/ non-Ethiopian for a long time without getting the official permission.¹⁷⁹ In addition to this, the organization was also found of tax evasion of seven million birr it had collected from its employees for years without paying to custom and revenue authority and the organization had not disclosed this information to the agency at the registration period.¹⁸⁰

Thirdly, a Foreign Charity organization called Mobility without Barriers Foundation license was also revoked. The official reason was that the foundation has failed to honor its contractual

¹⁷⁵ CSA, Supra note 8. In this regard two Ethiopian Resident Charities namely Bethany Children's Village and Biruh Zemen Yewelaj Ate Hitsanat Mahbier have been closed as per the new Charities and Societies Proclamation. These two CSOs/NGOs are reregistered Charities as per the new law.

¹⁷⁶ Ibid

¹⁷⁷ The Charities and Societies Agency, *Nine Months Performance Report*, Addis Ababa, May 2011, P.10 (unpublished)

¹⁷⁸ Ibid

¹⁷⁹ Ibid

¹⁸⁰ Ibid

agreement with the government.¹⁸¹ The representative of the foundation in Ethiopia has entered a contact with the government to work for free.¹⁸² However the representative was found of receiving in total 50,000 American dollars.¹⁸³ Following this event the Agency replaced the representative with another manager and the Mobility without Barriers Foundation home organization decided to close down its office in Ethiopia.¹⁸⁴

Fourthly, an organization called Better Future Adoption Agency license was also cancelled. The Adoption agency was found of illegal child trafficking outside Ethiopia without the consent of parents and hiding the true identity of the adopted children.¹⁸⁵

Finally, an Ethiopian Resident Charity called Coalition against poverty organization license was also revoked. This is due to the fact that the organization manager has used the organizations property and money for his personal use and the organization was also found not having an office and permanent address.¹⁸⁶

In addition to this, an Organization called Islamic International Relief Organization was refused reregistration according to new proclamation.¹⁸⁷ The official reasons given for such refusal was that the Islamic International Relief Organization failed to show up for reregistration within one year period into coming in to effect of the law without a good cause.¹⁸⁸

Moreover, the Agency has also issued a warning against four other organizations that have violated the rule of proper utilization of property and management of employees under the new law.¹⁸⁹ In

¹⁸¹ Ibid

¹⁸² Ibid

¹⁸³ Ibid

¹⁸⁴ Ibid,P.11

¹⁸⁵ Ibid

¹⁸⁶ Ibid

¹⁸⁷Reporter Amharic” biweekly Amharic newspaper issue 28/1140, April 03/2011, Sunday Edition,2011,P.5 available online at <http://www.ethiopianreporter.com> accessed on February 4, 2011 07:41 A.M

¹⁸⁸ Ibid

¹⁸⁹ CSA Performance Report, Supra note 177,P.12

addition to this, the agency has find out that about 2000 organizations were supposed to be reregistered and has failed to get registered according to the new proclamation.¹⁹⁰ As a result more than 2000 organizations do not have legal personality and are operating without legal permission currently in Ethiopia. The Agency has located more than 500 organizations and has ordered banks to freeze their bank accounts.¹⁹¹ In addition to this, 47 organization located in Addis Ababa who were registered pre the enactment period but failed to be reregistered as per the new law have been ordered to be closed.¹⁹²

All the above administrative measures indicate three important facts. First, apart from freezing bank accounts, there are significant numbers of cancelation of organizations license. Secondly, the cancelled organizations are mostly adoption charities which are involved in child development and care. Finally, there are significant numbers of closing down organizations due to failure of the organizations to be reregistered as per the new law.

¹⁹⁰ Ibid

¹⁹¹ Ibid

¹⁹² Ibid

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the finding of the study and conclusion drawn from the finding. It also presents the recommendation for policy and legal changes to the Charities and Societies Proclamation and other laws governing the CSOs/NGOs. The recommendation is based on the result obtained from analysis of descriptive and inferential statistics and suggestion of respondents to improve legal policy governing the CSOs/NGOs.

5.1. Summaries

Today, the CSOs/NGOs have become important agents of development both in developed and developing nations in the area of provision of social services, advocacy works and other important areas of engagements. Moreover, there is a general consensus on the fact that NGOs stands as a key force of development.

The performance and contribution of CSOs/NGOs depend, among others, on enabling legal environment for operation of the CSOs/NGOs. The EPRDF government has introduced a charities and societies proclamation No.621/2009 law on January 6, 2009 and it has been implemented since January 6, 2010. The purpose of the law is to regulate all domestic and international CSOs/NGO carrying out activities in the country so as to create an enabling environment for the works of CSOs/NGOs. However, the proclamation has been met with strong opposition from some Ethiopian and international CSOs/NGO actors on the ground that the main target of the law is local-level civil society and advocacy organizations. Others contend that the law has a much broader objective to create an environment of fear in the CSOs/NGOs community and ensure some sort of self-censorship in their activities by using the law as a scarecrow that can be selectively applied to ensure compliance. On the other hand, the government claims that it will lead to greater

openness and financial probity on the part of NGOs. As a result, there is a general and current debate on the different aspect of charities and society proclamation.

Therefore, the objective of this study was to investigate knowledge and perception of the CSOs/NGOs towards Charities and societies laws and analyze the impact of the law on the growth and engagement of CSOs/NGOs sector and sanctions against the CSOs/NGOs so as to give suggestion and recommendation to improve the CSOs/NGOs law. To address the objectives of the study, relevant and related studies were reviewed.

The primary data, on which the study mainly depends, was collected from a sample of 110 organizations drawn from Ethiopian and International CSOs/NGOs. A structured survey questionnaire and interview was employed to interview the selected CSOs/NGOs, whereas the secondary data was gathered from various sources such as publications, journal, internet and the like. In the study inferential statistics test was used to see the mean difference of Ethiopian and international CSOs/NGOs in terms of knowledge, perception towards the law. Furthermore, inferential statistics test was also used to see the mean difference of Ethiopian and International CSOs/NGOs in terms of impact of the law on different variables. In addition to the inferential statistics test, descriptive statistics were also used.

5.2 Conclusions

The overall knowledge of the sample respondents indicated high level of awareness of the CSOs/NGOs law which shows low level of gap between belief and the legal provisions. However, knowledge of the respondents is low in respect of awareness about the right of access to justice, criminal prosecution and punishment, cancelation of licenses. In addition to this, knowledge of the local CSOs/NGOs regarding the legality of involvement areas reserved to the Ethiopian CSOs/NGOs is low. This implies low level of knowledge between belief and legal provision which in return will have an impact on the local CSOs/NGOs adaptability to the legal environment and the working rules under the CSOs/NGOs law.

The study also found out that there is no significant difference between the Ethiopian and international CSOs/NGOs in terms of awareness about the law governing CSOs/NGOs with the exception of knowledge about cancelation of license and renewal of license. In both cases the local CSOs/NGOs were considerably more aware than that of the international CSOs/NGOs.

Concerning the perception of the CSOs/NGOs towards the law, average observations of each response categories shows that there is a substantial insecurity and negative level of perception. However, majority of them thinks the CSOs/NGOs law positively affects the sustainability of their activities by allowing them to engage in income generating activities and increases confidence to mobilize sources domestically. The study also finds out that there is no statistically significant difference between the perception of Ethiopian and international CSOs/NGOs towards recognition of income generating activities. But, there is significant difference between the perception of Ethiopian and international CSOs/NGOs towards law reducing the size of the CSOs/NGOs sector. In this regard, Ethiopian CSOs/NGOs perceives more greatly than that of international CSOs/NGOs that the law reduces the size of the CSOs/NGOs sector.

The study also reveals that there is significant difference between the perception of Ethiopian and International CSOs/NGOs in terms of the law reducing the effectiveness of the CSOs/NGOs intervention in democratization and realization of human rights. International CSOs/NGOs perceives more significantly as compared to Ethiopian CSOs/NGOs that the law reduces intervention in the democracy process of the country. In addition to this, there is also significant difference between international and Ethiopian CSOs/NGO towards the methods the law employed to promote accountability and transparency.

One of the impacts of the law is change of the name of registration of most local NGOs into Ethiopian Resident CSOs/NGOs as per the new CSOs/NGOs law. Moreover, the research has found out that there is a decrease of the total number of CSOs/NGOs and the decrease in number is attributed to the fact that the new CSOs/NGOs law makes the establishments and registration of CSOs/NGOs much harder. Other factor is the financial restriction imposed has created limited the opportunity to form new CSOs/NGOs.

Regarding the impact of the law in terms of change in programs/projects, majority of the respondents have been affected. However, there is no significant difference between international CSOs/NGOs and Ethiopian CSOs/NGO on impact of the law in terms of the number of programs/projects affected. In addition to this, majority of the respondent's number of beneficiaries of the program have been affected but there is no considerable different between the local and international CSOs/NGOs in the numbers of beneficiary affected due to the legislation. In addition to this, majority of the respondent's number of employee of the program have been affected. However, there is no considerable different between the local and international CSOs/NGOs in the numbers of employees affected due to the legislation. Almost half of CSOs/NGOs have already been forced to reduce the number of their branch offices and source of fund. However, few of the respondent's number of organizational departments have been affected.

There is no considerable difference between the local and international CSOs/NGOs in the numbers of employees and branch office affected due to the legislation. However, there is considerable different between the local and international CSOs/NGOs in the numbers of departments that were affected thereby closed down due to the legislation. The local CSOs/NGOs departments were more affected than that of the international CSOs/NGOs. The study also indicates that few of the CSOs/NGOs which have been formerly operating in the area of human rights and good governance have changed their area of involvement.

Organizations have employed different coping mechanisms to catch up with the impact of the CSOs/NGOs law. More specifically most organizations have made important evaluation and revision of their establishment documents, area of intervention and make readjustment on their mandate in accordance with the new proclamation. In addition to this, the organizations have also employed the service delivery approach to cope up with the impact of the CSOs/NGOs and engage in the non prohibited activities such as policy analysis and research, engage in participatory action research e.t.c. However, organizations are still dependent on foreign sources and there is a limited mobilization and generation of resource from the local sources.

Finally the study found out there is little or almost no criminal prosecution and conviction against the officials and voluntary of CSOs/NGOs. However, relatively speaking more administrative measures and/or fines is taken against the organizations due to violation of one or more of CSOs/NGOs laws. There are significant numbers of cancelation of organizations license involved in child development and care. There are also significant numbers of closing down organizations due to failure of the organizations to be reregistered as per the new law.

5.3. Recommendations and Policy Implications

1. Presently CSOs/NGOs legislation is found in different titles and in different proclamation on piece meal basis. The two important legal frameworks governing the CSOs/NGOs operation are the 2009 Charities and Societies Proclamation that is enacted to provide for the Registration and Regulation Charities and Societies and Charities and Societies Regulation. In addition to this, the 1960 Civil Code of the Empire of Ethiopia and Association Regulation of 1966 are also still in operation governing the formation and operation of CSOs/NGOs. Moreover, the law governing CSOs/NGOs are partly found at the national and international legislation level. The law governing CSOs/NGOs are also partly found at the national and regional legislation level. For this reason, today the Organizations being affected by the legislation finds it difficult to be aware about the CSOs/NGOs legislations.

The collection of all CSOs/NGOs laws in a comprehensive simple and logical order is a decisive measure which the present fast developing CSOs/NGOs sector seeks a lot. The further unified CSOs/NGOs law has to be formulated in such a way that any user can have an easy access to CSOs/NGOs law related to legal formulation in optimum clarity and comprehensiveness. It has to be developed in such a way that it encompasses all major subjects of CSOs/NGOs legislation in a single code with the best content, clarity and logical coherence.

2. Organizations will fully exploit the opportunity /threat offered by the CSOs/NGOs law only if they are aware of their legal rights and obligations. Organizations should clearly understand and internalize the new proclamation. The study discovered lack of knowledge or gap between perceptions and the law in respect of awareness about the right of access to justice, criminal prosecution and punishment, cancelation of licenses. In addition to this, knowledge of the local

CSOs/NGOs regarding the legality of involvement areas reserved to the Ethiopian CSOs/NGOs is low. Filling this gap at the same time help CSOs/NGOs to adapt to the legal environment and raise awareness of CSOs/NGOs on the content and nature of the law will be important. As a result, awareness creation about content and nature of the law through public legal education and media need to be made. More specifically, a crafted and disseminated tailored message to diverse organizations to strength awareness on the content and nature of the law is important. Extensive and deep training on the legal policy governing the CSOs/NGOs will be important. Radio spots about legal education will be important. Copies of CSOs/NGOs laws and regulation need to be printed and distributed.

3. The CSOs/NGOs security and certainty over the CSOs/NGOs law can further increase over time. However, they can easily be undermined if the CSOs/NGOs lose confidence in the present legal policy governing the operation of the CSOs/NGOs. The law has affected the confidence and perception of the CSOs/NGOs on the positive role they can play in the development and democratization process. The law has also created unconstructive and hostile relationship between government entity and the CSOs/NGO sector. The more bureaucracy and limited freedom and independence of the CSOs/NGOs is shaking and testing the confidence of the organization on the contribution of the sector to the overall development of the nation. Especially the bureaucracy process at the registration stage and strong tone of the government is becoming worrying. In addition to this, the study notes that many in the CSOs/NGOs are still maintaining unfavorable view or opinion on the CSOs/NGOs law at large and denying credit for the introduction of updated laws governing the operation space for the CSOs/NGOs sector. This has created unconstructive relationship between the government and the CSOs/NGOs that have hampered a room for review of the current laws and regulations.

As a result, the implementation of the law by the government and the CSOs/NGOs without friendly environment could jeopardize partly the development and democratization process of the country. In order to create a friendly and enabling environment, lobby and further discussion is important between the government on the one hand and CSOs/NGOs and other interested stakeholders on the other hand. In this regard it will be wise for the CSOs/NGOs to employ user-friendly and diplomatic languages for series of further discussions and lobbying with the agency so