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**The Impact of the Charities and Societies
Proclamation on Civil Society Organizations (CSOs)
in Addis Ababa: A case study on selected Women and
Children CSOs**

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List of Abbreviations

CAO	Civil Advocacy Organizations
CBOs	Community-Based Organizations
ChSA	Charities and Societies Agency
CIDA	Canadian International Development Agency
CFID	Center for integrated Development
CPA	Cotonou Partnership Agreement
CRDA	Christian Relief and Development Association
CSF	Civil Society Fund
CSO	Civil Society Organization
CSP	Charities and Societies Proclamation
DAs	Development Associations
DPPC	Disaster Prevention and Preparedness Commission
EC	European Commission
EU	European Union
EWDNA	Ethiopian Women with Disabilities National Association
FDRE	Federal Democratic Republic of Ethiopia
INGOs	International NGOs
JICA	Japan International Cooperation Agency
MCMDO	Mothers and Children Multi-sectoral Development Organization
NEWA	Network of Ethiopian Women's Association
NGO	Non-Governmental Organization
POs	People's Organizations

SIDA	Swedish International Development Cooperation Agency
WISE	Organization for Women in Self-employment
UEWCA	Union of Ethiopian Women Charitable Association
UNDP	United Nations Development Program
UNICEF	United Nations International Children's Fund
USAID	United States Agency for International Development

Abstract

Civil society has emerged as an important catalyst of change in the development and democratic processes, making tremendous contributions in developing countries where abject poverty still dominates the livelihood of the people; democratic values and system of governance are yet in their infancy. With this in mind, the Government of Ethiopia has recently come up with the Charities and Societies Proclamation (CSP) to aid and facilitate the role of Charities and Societies in Ethiopia. Therefore, the main objective of this thesis is to assess the impact of the CSP on Women and Children Civil Society Organizations (CSOs) in Addis Ababa.

To achieve the objectives of this thesis, the research method used was descriptive case study. Through the use of primary and secondary data sources, the researcher has gathered the necessary information regarding the impact of the proclamation. By employing purposive sampling technique those Charities and Societies working for women and children in Addis Ababa were purposively selected in consultation with the Network of Ethiopian Women's Association (NEWA) and the Union of Ethiopian Women Charitable Association (UEWCA). Semi-structured interviews were carried out with the selected eight Charities and Societies. In addition, structured interviews of key informants were carried out with three donor organizations and with the Charities and Societies Agency. Information obtained from these sources was then analyzed qualitatively based on descriptive analysis.

As the findings show, the proclamation has brought about new demands on the way these women and children Charities and Societies operate be it in terms of financial, existential, sustainability or structural change. Though the proclamation creates an autonomous Agency for the CSO sector, allows income generation activities, and tries to curb harmful practices by Charities and Societies; it has strict funding source requirements, potential going out of operation of organizations and termination of employees. The study reveals that the Ethiopian Charities and Societies are most affected by the proclamation. A great challenge for them has been raising 90% of their funds locally; which has led to termination of activities, closure of organizations and termination of employment of staff. The absence of a tradition of giving financial support to human rights organizations, and the lack of the necessary skill and experience in generating funds from local sources are currently challenging the Charities and Societies.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Civil society has emerged as an important catalyst of change in the development and democratic processes at both the national and international levels. It has begun to play a critical role in the worldwide drive for equality, social justice, human rights, fair trade, debt cancellation, and the elimination of poverty. (Forum for Social Studies, 2008)

In most developing countries, particularly in Africa the failure of the state as agent of development and the subsequent disappointment of donors has led to a shift of emphasis in development policy. This policy change calls for a greater participation of the private sector and civil society (of which non-governmental organizations are part) in the processes. (Clark, 2000)

Civil Society Organizations are also visible on the overall institutional landscape of the Ethiopian society. The involvement of CSOs in the economic and social life of the country began in early 20th century. Their forceful involvement in the development efforts of the country, however, starts with the drought induced famine of 1973/74 and the recurrence of the 1984/85 drought. Initially their operations focused on relief that saved millions of lives. However through time their roles and areas of intervention changed. (CRDA and DPPC, 2004)

According to Dessalegn et al., (2008), compared to many other African countries, the Ethiopian CSO community is not that developed in terms of diversity, size and capacity. During the last two decades, the community has had, in relative terms, some opportune moment for growth in size, diversification in make-up and self-organization for active participation in the national socio-economic process.

The CSOs in the country have been providing considerable support to capacity building of government agencies, particularly at local-levels and in the remote parts of the county. Such support has contributed to effective leadership, improved responsiveness and positive orientations to the poor, the rights of children, women, and other marginalised groups. The bulk of the development and service-oriented projects have gone to the rural areas. Poor peasants,

children, women, and vulnerable groups here have been the target of program activities. In the urban areas, the beneficiaries have been children, poor women, marginalized households and youngsters without opportunities for education and employment. (ibid)

Until recently, the basic laws that were governing the formation and operation of most type of CSOs were the 1960 and 1966 Civil Code and Association Registration Regulation, respectively. However, these laws were unresponsive to the current realities of the sector, as they failed to consider the diversity of profiles among CSOs and contemporary appreciation of their roles in good governance and development; implying the need to reform the legal framework governing the sector.

Recently, the House of the Peoples Representatives of the Federal Democratic Republic of Ethiopia (FDRE) adopted the Charities and Societies Proclamation (CSP) No 621/2009 to regulate the CSO sector in the country. This paper tries to explore the provisions of the Charities and Societies Proclamation and assess the impact of the proclamation on women and children CSOs in Addis Ababa.

1.2 Statement of the Problem

The government's enactment of the CSP has caused an undeniable difference in reaction between the government and most of the organizations the proclamation targets. As stated in the Preamble of the CSO law, it is aimed at ensuring "the realization of citizens' rights to association enshrined in the constitution... as well as ...to aid and facilitate the role of civil society in the overall development of the Ethiopian people."

Under Article 2 of the Charities and Societies Proclamation, CSOs are classified as 'Ethiopian Societies or Charities', 'Ethiopian Residents Charities or Societies' or 'Foreign Charities or Societies'. Charities and societies that get more than 10% of their funds from foreign sources are not allowed to engage in areas related to human and democratic rights, conflict resolution, issues of peace, gender equality, rights of children and the disabled, and justice administration, hence relegating them to term "Ethiopian Residents Societies or Charities".

This has led many organizations to make changes in their objectives, areas of operation and strategies while others have also closed down since they mainly relied on foreign sources of

funding. Still, there are other CSOs re-registered as “Ethiopian Societies or Charities” to maintain their scope of work and mobilize 90% of their resources locally. Below are some of the statements and concerns that were raised by various organizations and individuals.

According to a report by the Human Rights Watch (2008:4), “the labeling of Ethiopian CSOs which accept foreign funding as somehow non-Ethiopian would hit hard given the lack of...funding and development opportunities inside of Ethiopia, one of the poorest countries in the world”. Further, the proclamation will cripple “the few independent domestic CSOs who continue to work on human rights and governance issues by stripping them of access to foreign funding”.

Additionally, the International Center for Not for Profit Law (2009) states that by prohibiting charities and societies that receive more than 10% of their funding from foreign sources from participating in essentially all human rights and advocacy activities (including women and child rights), the new charity and society law may effectively silence civil society in Ethiopia by starving CSOs of resources, and thus essentially extinguish their right to expression.

Yalemzewd et al., (2009) noted that the law’s restrictions on ‘Ethiopian Resident’ and ‘Foreign’ NGOs will deprive Ethiopians of vital services. For example, Ethiopian Women’s Lawyers Association (EWLA) provides *pro bono* services to many Ethiopian women who do not have the resources to retain a lawyer. Without EWLA’s assistance, these women will be denied effective access to justice if no other organization is able to provide them adequate representation free of charge. It is clear that the government intends to use the CSO law as a means of rendering independent NGOs ineffective.

Further Dessalegn et.al (2008), asserts that most of the CSOs working on justice issues will be forced to discontinue their services of promoting access to justice and this will decrease the ability of citizens, especially the poor, women, children and other marginalized sections of the society to access the justice and administrative process. This restricts CSOs from undertaking right-based, advocacy-related work as most of these activities are foreign funded.

The knowledge gap the research addresses is focused on assessing the impact of the CSP on women and children CSOs though they are not the only groups affected by the proclamation.

Women and children both have been among the most vulnerable social groups to poverty, violence and conflicts. It was the researchers' personal interest to specifically focus on those CSOs that are working for women and children. Thus, this paper tries to explore the provisions of the proclamation and assess the impact of the proclamation on the selected CSOs working for women and children in Addis Ababa.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this research is to assess the impact of the Charities and Societies Proclamation on women and children CSOs in Addis Ababa.

1.3.2 Specific Objectives

The specific objectives are:

- To identify the impacts of the CSP on the operations, human power capacity, funding and beneficiaries of women and children Charities and Societies.
- To identify the changes and the coping mechanisms undertaken by the Charities and Societies engaged in women and children affairs due to the CSP.
- To assess the influence of the CSP on the potential reduction of foreign funds available to women and children Charities and Societies.

1.4 Research Questions

In order to meet the objectives set, some of the basic questions the researcher has tried to answer are:

1. What is the impact of the CSP on the operations, human power capacity, funding and beneficiaries of women and children Charities and Societies?
2. What type of changes and coping mechanisms have been undertaken by the women and children Charities and Societies due to the CSP?
3. What kind of influence does the CSP have on the potential reduction of foreign funds available to Charities and Societies?

1.5 Research Methodology

The research methodology used for this study was descriptive case study. Through the use of both primary and secondary sources of data, it has addressed the objectives of the study. The qualitative research techniques used to gather primary data were structured and semi-structured interviews. Secondary data was also reviewed to get better understanding and pertinent information about CSOs. The collected data was then analyzed qualitatively using descriptive method of analysis.

1.5.1 Sampling Techniques

This study has employed purposive sampling technique to select among the CSOs. The CSOs that are working on issues concerning women and children in Addis Ababa were purposively selected. Accordingly, eight CSOs (five Ethiopian Resident Charities and Societies and 3 Ethiopian Charities and Societies) working for women and children in Addis Ababa were selected. The selection of these CSOs was made in consultation with the Network of Ethiopian Women's Association (NEWA) and the Union of Ethiopian Women Charitable Association (UEWCA). Additional interviews were also conducted with three Donor (foreign) organizations as well as with the officials at the Charities and Societies Agency.

The CSOs were purposively selected to show whether the CSP had brought any impact be it in terms of financial, existential, sustainability or structural change in the organizations. From the five Ethiopian Resident Charities and Societies, three have continued with their former areas of involvement while the remaining two were formerly working on issues related to rights prior to the enactment of the proclamation. On the other hand, all of the Ethiopian Charities and Societies selected had opted not to change their former areas of involvement following the proclamation.

The individual respondents from the CSOs and the Donor organizations were chosen based on their seniority and their understanding about the newly enacted CSP and the impacts that it has brought about on their respective organizations.

1.5.2 Type and Sources of Data

As the nature of the problem at hand is mainly descriptive, it used mainly qualitative approach. Hence, both primary and secondary sources of data were used to gather pertinent information on the issue under study. The primary data was collected by conducting in-depth interviews with the selected CSOs, Charities and Societies Agency and Donor Organizations in Addis Ababa. The secondary data was collected from various proclamations, books, publications, journals and annual reports. In addition, other online materials were also from internet.

1.5.3 Data Gathering Tools

In order to collect pertinent data to the study, semi-structured and structured interviews were used in order to collect relevant information related to the study. Information from the various CSOs was gathered by making use of semi-structured interviews. In addition, structured interviews of key informants from the Charities and Societies Agency and Donor Organizations were conducted to get further information. Moreover, different policies, documents and proclamations were reviewed to get more understanding of the issue under study.

1.5.4. Method of Data Analysis

Information obtained from both the sources was analyzed in a qualitative approach. The data collected from the above-mentioned tools were organized and analyzed qualitatively based on descriptive analysis.

1.6. Significance of the Study

The Charities and Societies Proclamation having been enacted in 2009 is relatively new in Ethiopia; and so this study will be important to identify the impact of the proclamation on CSOs. Furthermore, the findings of the study and recommendations forwarded will serve as a reference for concerned government offices, the Charities and Societies Agency, CSOs and the general public who have an interest on the issue. Additionally, the paper will serve as a spring board for other researchers as well as initiate them to conduct further study on related issues.

1.7. Scope and Limitations of the Study

1.7.1 Scope of the Study

This research focuses on the impacts that the Charities and Societies Proclamation has on women and children CSOs. Further, the study is confined to assessing those charities and societies in Addis Ababa.

1.7.2 Limitations of the Study

Due to the amount of time given to undertake the research, this study has focused only on women and children CSOs in Addis Ababa. Moreover, as a qualitative study, it has employed a small sample of respondents and thus generalizations cannot be made.

Though the researcher had anticipated including more samples, there were some that did not want to be interviewed, due to the sensitive nature of the topic. Another limitation was contacting the Charities and Societies. Though the Agency had given contact addresses, most of the telephone numbers were either wrong or not working.

1.8 Organization of the Paper

This thesis consists of four chapters. The first chapter deals with the introductory issues about the research, the modalities of the research, what the problem in question is, the research's purpose and significance for undertaking this research.

The second chapter tries to explore related literature to the area under research, which helps in better understanding of the issues raised. It also includes the basic features of the CSP, the reasons for the enactment and the reviews that were put forward.

The third chapter presents the data analysis section of the paper, assessing the impact of the proclamation on the selected Women and Children CSOs and the fourth and last chapter discusses the conclusions as well as the possible recommendations that have been forwarded as to the researcher's findings.

CHAPTER TWO

THEORETICAL PERSPECTIVE AND LITERATURE REVIEW

2.1 Theoretical Perspective of Civil Society

As a concept, the origin of civil society can be traced to the liberal political theories of the West, which paralleled the desire to conceptualize the socio-economic and political realities that accompanied industrialization of the West in the 18th and 19th centuries. At least theoretically, the concept was intended to probe and comprehend the socio-economic, political and cultural realities of western industrial society; thus, it is essentially a Eurocentric construct and idealization. (Habermas and Gramsci cited in Bizuwork, K. and Zega, L., 2006)

During the early modern era, civil society was conceptualized as being an integral part of the state and, as the realm of secular state authority and power, distinct from ecclesiastical authority. It evolved to being seen as falling within the realm of civility and urbaneness, constituted by political and contractually binding market relations, as opposed to rural, personalized, kin-oriented ties. (Lowe, 1999)

Willems, P. (2001) asserts that civil society to encompass all public activity, by any individuals, organizations or movements, other than government employees acting in a governmental capacity. In the broadest sense, it encompasses all social, economic, cultural and political relations, but the emphasis is usually on the political aspects of these relations. Thus, it can be used in reference to any level from the local to the country as a whole, or even global interactions.

According to Habermas and Gramsci cited in (Bizuwor, K. and Zega, L., 2006), there are three views in western political thought about the concept of civil society:

- i. The liberalist: conceived civil society as a necessary condition for all forms of freedom and rights; hence a legitimate area for organizing individuals for collective action and

realization of human rights. Moreover, it conceived civil society as antithetical to the political state and yet it created a permitting arena for economic development, growth of democratic institutions and practices.

ii. The classical economist: this view bestowed utilitarian values to private property, unregulated market and individualism, conceiving civil society as an arena and array of activities to promote, protects and satisfies the interests and well-being of individuals.

iii. The classical economist tradition: this is essentially a critique of the liberal and the classical economist approach and interpretation of civil society concept. Here, civil society is not an ideal “natural state” of freedom and economic development but rather a historical outcome and manifestation of the contradictions inherent in society; its characters and temperaments are predominantly molded by elites. Moreover, as a “sphere of public life”, civil society is an area where public opinion and culture is formed, and hegemony based on consent and coercion is created.

However, in spite of the influential neo-liberal arguments of the 1980s and 1990s which sought to roll back the state, recent surveys find that citizens want state institutions that are democratic, efficient in the use of public resources, effective in delivering public goods, but also strong and capable of standing up to powerful global forces. People want the state and its public administration to act as a social and economic promoter, capable of ensuring equitable distribution of opportunities, sustainable management of resources and equitable access to opportunities (political, economic, social and cultural). (<http://www.undp.org/governance/public.htm>)

Since the 1980s, many Sub-Saharan African countries have been undergoing structural reforms with a view to promoting efficient service delivery (Robert, 2008:83). The main basis for these structural reforms was converged with New Public Management thinking about the public sector that promotes a reduced role for the state in the provision of public services and reducing the levels of both public expenditure in favor of non-state organizations, both private sector and CSOs (Clayton, Oakley and Taylor, 2000:4). This trend emerged from growing consensus on the need to develop new approaches to service provision based on partnership between the public and NGOs. The Rights Based Approach (RBA) is one of the development strategies used by

non-governmental organizations (NGOs) to reduce local communities' dependency on aid by improving government capacity. (ibid)

The Rights Based Approach (RBA) or also known as the Human Rights Based Approach (HRBA) emerged as a new development paradigm in the late 1990s. There are two stakeholder groups in rights-based development, the rights holders, or the group who does not experience full rights, and the duty bearers, or the institutions who are obligated to fulfill the rights of the rights holders. Rights-based approach aims at strengthening the capacity of duty bearers and empowers the rights holders. (Bosen and Martin, 2007)

This approach is a framework that integrates the norms, principles, standards and goals of the international human rights system into the plans and processes of development. It is characterized by methods and activities that link the human rights system and its inherent notion of power and struggle with development. (ibid)

Further, Bosen and Martin (2007), state that human rights form the basis of a rights-based approach. In short, human rights can be described as:

- universal legal guarantees protecting individuals and groups against actions and omissions that affect their freedom and human dignity
- basic minimum standards based on human needs
- universal and inalienable i.e. all people are born with the same human rights everywhere, at all times, and they cannot be taken away or given up
- indivisible and interdependent, i.e. all rights are equally necessary for human life and dignity.

In 2003, UNICEF, the UNDP, and OHCHR developed a “Common Understanding on the Human Rights Based Approach” to development. According to the UN Common Understanding, all UN development activities after 2003 were to be structured to advance the principles codified in the Universal Declaration of Human Rights and its associated conventions. As a result, the Common Understanding’s basic tenets include an emphasis on the universality, indivisibility,

and interdependence of all rights, along with principles of non-discrimination, popular participation, inclusion, accountability, and the rule of law. (Human Rights Quarterly, 2012)

According to the Common Understanding among UN agencies, the approach basically has three components (UN, 2003):

1. All programmes of development cooperation, policies and technical assistance should further the realization of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.
2. Programs have to be guided by standards and principles of human rights: human rights standards and principles shall “guide all development cooperation and programming in all sectors and in all phases of the programming process.” Among the human rights principles are: universality, inalienability, indivisibility, interdependence and inter-relatedness, non-discrimination and equality, participation and inclusion, accountability and rule of law.
3. Programmes of development cooperation should continue to building capacity of duty-bearers and rights-holders. This aims at enhancing the capacities of ‘duty-bearers’ to meet their obligations and/or of ‘rights-holders’ to claim their rights.

While the above points portray the skeleton of RBA, several elements that are common programming practices and special to RBA constitute the approach. From the experience of UN agencies, which should take much credit for the present state of RBA, ‘good programming practices’ are recognized as essential in approaching RBA. Those elements of ‘good programming practices’ enumerated in the Common Understanding as crucial include, *participation as a means to an end; empowering strategies; focus on marginalized, disadvantaged and excluded groups; building strategic partnerships; and accountability.* (ibid)

2.2 Overview of CSOs

The following sub-sections deal with providing better understanding about CSOs. The definitions of CSOs, their characteristics, roles and types are all discussed as follows.

2.2.1 Definitions of CSOs

In spite of the existing conceptual ambiguity, the concept of civil society is usually interpreted to mean many things to many actors in development and beyond.

The World Bank uses the term civil society to refer to “a wide array of non-governmental and non-profit organizations that have a presence in public life, expressing the interests and values of members or others based on ethical, cultural, political, scientific, religious or philanthropic considerations (namely community groups, NGOs, labor unions, indigenous groups, faith based organizations and professional associations).

According to Hyden (2002:11),

“Civil Society is a topic that has achieved prominence within the contemporary social science, as well as in international developmental discourse over the past two decades, particularly in connection with successive waves of democratization, which started in Latin America and Eastern Europe and spread across the developing world. In normative terms, civil society has been widely seen as an increasing crucial agent for limiting authoritarian government, strengthening popular empowerment, reducing the socially atomizing and settling effects of market forces enforcing political accountability and improving the quality and inclusiveness of governance.”

To the London School of Economics, civil society (CS) refers to “the arena of un-coerced collective action around shared interests, purposes, and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. CS commonly embraces a diversity of spaces, actors, and institutional forms, varying in their degree of formality, autonomy, and power. CS are often populated by registered charities, development NGOs, community groups, women's, youth and faith-based organizations, business and professional associations, trades unions, self-help groups, social movements, coalitions, and advocacy groups.” http://www.lse.ac.uk/collections/CCS/what_is_civil_society.htm

2.2.2 Characteristics of Civil Society Organizations

Regardless of the many definitions attached to civil society and civil society organizations, there exists a certain degree of similarity among these organizations. The following are some of the main characteristics of CSOs according to Bothwell (1997); Perlas (1999) cited in Organization for Social Justice in Ethiopia (2007):

Autonomy

Both the political and sociological definitions of civil society agree on the centrality of autonomy, and this is usually referred to as the freedom and independence of civic organizations to set their own agenda without the direct intervention or dictation from external forces especially the state.

In reality, CSOs exist not in a vacuum but in specific historical, political and socio-economic contexts and their autonomy is circumscribed by these contextual factors. Autonomy may therefore be relative: a matter of degree and subject to negative or positive change.

Voluntarism

Civil society institutions vary from small membership organizations, mainly engaged in self-help activities, to large and medium scale organizations engaged in all sorts of service, development and advocacy activities. Accordingly, they exhibit differences in their style of organization, internal democracy and the level of membership participation. The self-image of civil society institutions as democratic, participatory and accountable thus needs a scrutiny. However, voluntary membership and participation is one of the most important characteristics and principles of civic organizations.

Plurality

The notion of plurality indicates not only the large number and types of associations and organizations occupying the public sphere but also the diversity of interests, objectives, organizational forms and capacities. As Marcussen (1996) cited in Organization for Social Justice in Ethiopia (2007) noted, “Civil society is not a uniform and homogenous group of institutions. On the contrary, the institutions of civil society are a myriad of particular interests, which have an institutional form or an institutional expression. They express conflicts, rivalries and struggles – or consented action. They may act as integrating or disintegrating elements.”

Trust and Solidarity

Trust and solidarity refer to the reciprocal mutuality and confidence individual members place on the reliability of the behavior and actions of fellow members. For example, in informal community based organizations, mutual dependence is the binding factor rather than published rules and regulations. Trust and solidarity, however, do not necessarily imply the absence of competition and conflict in associational life. As they grow in size and complexity, trust and solidarity become more diluted to assume more abstract and remote characteristics.

2.2.3 Roles of Civil Society Organizations

It is widely recognized that CSOs have played and continue to play an important role in development, good governance and democratization in developing and transitional societies. (Heinrich, 2004) They have invested considerable effort and resources in poverty reduction, protection of vulnerable population groups, promotion of gender equality, and enabling citizen participation in the political process.

CSO activities may be grouped into several categories depending on the countries or regions concerned. In many African countries, including Ethiopia, these include three major areas: providing essential services and pro-poor development work; promoting the cause of the common good, in particular environmental protection and sustainable resource use; and citizen's empowerment and human rights. (Dessalegn, 2010)

In general, CSOs are perceived to play valuable roles in both the developmental and democratization process of a country. According to CIVICUS, the international network of civil society groups, lists five "essential roles" for civil societies:

1. Influencing public policy: this dimension consists of three sub-areas, namely roles in influencing the national budget process, human rights issues and social policy issues.
2. Holding state and private corporations accountable for their decisions and actions. Here CSOs' role in "monitoring, making transparent and if appropriate, speaking out against actions undertaken by government and the private sector in violations of their stated goals, objectives and tasks" has been significant.

3. Responding to social interests: this relates to the role of CSOs in taking up and voicing societal concerns, and their ability to function as “representatives” and “particulars” of their interests of communities.
4. Empowering citizens: enabling citizens, particularly the poor and the disadvantaged, to have more choice and to take more control over decisions that affect their lives through information and education, developing capacity for collective action, and building social capital.
5. Meeting societal needs: this concerns service delivery, promoting self-help initiatives, helping people to meet their pressing societal needs.

According to Cangas (2004), CSOs are expected to fulfill several roles as **welfare service deliverers, advocates** and **watchdogs**.

- **Welfare Service Delivery** – CSOs can provide the necessary institutional basis for service delivery. At the local grassroots, organizations can promote collective action to improve access to basic education.
- **Advocacy** – CSOs can play a role in political life by reiterating the legitimate right of citizens to make demands upon the state. Civic education programs can help mobilize people and encourage previously marginalized groups to enter the political arena. CSOs are effective vehicles for representing and negotiating citizens’ interest vis-à-vis the state.
- **Watchdog** – CSOs can promote good governance and social equity by monitoring both state and market performance.

2.2.4 Types of Civil Society Organizations

A number of people have sought to categorize CSOs into different types. Some typologies distinguish them according to the focus of their work. For instance whether it is primarily service-or welfare-oriented or whether it is more concerned with providing education and development activities to enhance the ability of the poorest groups to secure resources. Such organizations are also classified according to the level at which they operate, whether they

collaborate with self-help organizations (i.e. community-based organizations), whether they are federations of such organizations or whether they are themselves a self-help organization. They can also be classified according to the approach they undertake, whether they operate projects directly or focus on tasks such as advocacy and networking.

According to Togbolo (2005:10-12), CSOs are classified by their types of orientation and level of operation.

A. Based on their Orientation

Charitable Orientation - often involves a top-down paternalistic effort with little participation by the "beneficiaries". It includes CSOs with activities directed toward meeting the needs of the poor -distribution of food, clothing or medicine; provision of housing, transport, schools etc. Such CSOs may also undertake relief activities during a natural or man-made disaster.

Service Orientation - includes CSOs with activities such as the provision of health, family planning or education services in which the program is designed by the CSOs and people are expected to participate in its implementation and in receiving the service.

Participatory Orientation - is characterized by self-help projects where local people are involved particularly in the implementation of a project by contributing cash, tools, land, materials, labor etc. In the classical community development project, participation begins with the need definition and continues into the planning and implementation stages. Cooperatives often have a participatory orientation.

Empowering Orientation - is where the aim is to help poor people develop a clearer understanding of the social, political and economic factors affecting their lives, and to strengthen their awareness of their own potential power to control their lives. Sometimes, these groups develop spontaneously around a problem or an issue, at other times outside workers from CSOs plays a facilitating role in their development. In any case, there is maximum involvement of the people with CSOs acting as facilitators.

B. Based on their Level of Operation

Community-based Organizations (CBOs) - arise out of people own initiatives. These can include sports clubs, women organizations, and neighborhood organizations, religious or educational organizations. There are a large variety of these, some supported by CSOs, national or international CSOs, or bilateral or international agencies, and others independent of outside help. Some are devoted to raising the consciousness of the urban poor or helping them to understand their rights in gaining access to needed services while others are involved in providing such services.

Citywide Organizations - include organizations such as chambers of commerce and industry, coalitions of business, ethnic or educational groups and associations of community organizations. Some exist for other purposes, and become involved in helping the poor as one of many activities, while others are created for the specific purpose of helping the poor.

National CSOs - include organizations such as the Red Cross, professional organizations etc. Some of these have state and city branches and assist local CSOs.

International CSOs - range from secular agencies such as Save the Children Organizations, OXFAM, CARE, and Foundations to Religiously Motivated Groups. Their activities vary from mainly funding local CSOs, institutions and projects to implementing the projects themselves.

2.3 Civil Society Organizations in Ethiopia

2.3.1 Historical Overview of CSOs in Ethiopia

Civil Society Organizations are important social actors that can contribute to the overall development and democratization process of any society. These contributions become more significant in developing countries like Ethiopia, where abject poverty still dominates the livelihood of the people; democratic values and system of governance are yet in their infancy. (Organization for Social Justice in Ethiopia, 2007)

In Ethiopia, civil society as we know it today is a recent phenomenon. The earliest predecessors of civil society organizations in Ethiopia were traditional community-based organizations such as *idir*, the *iqub* and other self-help organizations. (Forum for Social Studies, 2008)

When the Civil Code containing the articles governing “associations” was issued in 1960, there were hardly any active organizations that could be described as CSOs in the proper sense of the word. By the latter part of the 1960s, a small number of professional associations had been registered with the Ministry of Interior, which was then the regulating body, but these were mainly concerned with serving the interests of their professions and did not play significant role in development or other public issues. There were also government-supported women’s associations, patriotic groups and others, but these played a marginal role and had only a muted voice. (Dessaiegn, 2010)

According to CRDA (2006: 6), the development of CSOs in Ethiopia exhibit three phases: full engagement in relief and humanitarian work; the de-linking of relief and humanitarian work and focusing on basic services provision; engagement in governance, advocacy and human rights in addition to the service delivery. Until 1991, the legal and political conditions were not conducive for the third phase of the NGOs development in the country due to the Imperial (1930-1974) and the Derge (1974-1991) governments’ very restrictive and oppressive regulations and laws.

Nevertheless, with the fall of the Dergue Regime in May 1991 and the political liberalization during the transitional period, the voluntary sector saw a marked transformation in both quality and size. Not only was there a sharp rise in the number of CSOs, both national and international, but there was a shift from relief operation to development interventions (ibid).

By the end of that decade, advocacy organizations had emerged, namely organizations engaged in human rights concerns (including rights of women and children), in promoting good governance and access to justice, in voter education, environmental protections, and public policy reform. It was the first time such organizations had appeared in the country.

The major legal instruments issued to regulate these voluntary institutions in Ethiopia include, but not limited to, the following:

- Decree for the regulation of churches providing spiritual services to their followers (issued on 10th March 1942);
- Legal Notice on the missions working to establish hospitals and non-denominational schools (Legal Notice No.59/1944);

- Legal Notice No.99/1947 on the establishment of the Ethiopian Red Cross (established in accordance with the Geneva Convention of 1906);
- Order No.5/1950 establishing Young Men’s Christian Association (YMCA) in Ethiopia for helping humanity without distinction, to be non-denominational and to be non-political;
- General Notice No.169/1953 establishing Ethiopian Women’s Welfare Association with the objective of support for women;
- Menelik II Memorial Fund was founded in April 1933 for establishing of schools as well as for charitable and religious purposes;
- General Notice No. 235/1959 providing a Charter that establishes the Haile Sellasse I Foundation, with the objectives of engaging in medical, scientific, artistic and pedagogic activities to support the Ethiopian people;
- The Ethiopian Civil Code of 1960 in which Associations are recognized as legal persons that can be formed not for profit;
- Church Development Commission of 1972 was established as a non-state actor with the objective of providing training and vocational education. (Bekalu, 2011)

The following table shows the growth of National and International NGO’s in the country post-Dergue period.

Table 2.1: Growth of National and International NGO’s

NGOs	1994	1996	1998	2000	2007
National NGOs	24	96	160	246	1742
International NGOs	46	96	119	122	234
Total	70	192	270	368	1976

Source: Dessalegn et al. (2008)

As the table shows, there has been significant increase in the number of both National and International NGOs post-Dergue period. One of the encouraging factors for the increase according to the Forum for Social Studies (2008) is the recognition of civil and political rights in

the 1995 constitution of the Federal Democratic Republic of Ethiopia (FDRE) and the country's ratification of major international human rights.

Currently, according to the data that was provided by the ChSA, the number of Charities and Societies has been increasing in the country. As the following table shows, until March of 2012 there were 2,507 organizations re-registered as according to the proclamation.

Table 2.2: Number of Charities and Societies

Organizations	Total
Foreign Charities	354
Societies	
Ethiopian Societies	349
Ethiopian Resident Societies	405
Charities	
Ethiopian Charities	101
Ethiopian Resident Charities	1235
Adoption	63
Total	2507

Source: ChSA, March 2012

There are 1,604 organizations registered as Ethiopia Resident Charities and Societies and about 450 organization registered as Ethiopian Charities and Societies. Previously before the proclamation there used to be yearly increase of 70 new registrations, but following the proclamation between 300 and 400 new organizations are registered yearly. Altogether a total of about 1,006 new organizations have registered in the country. (ChSA, 2012)

2.3.2 Types of CSOs in Ethiopia

As an associational life of any society, CSOs are diverse and heterogeneous in all aspects. According to Bizuwork and Zega (2006), the following are the different types of CSOs in Ethiopia.

Traditional CSOs (Community Based Organizations, CBOs) are a cluster of various self-help organizations that have existed in Ethiopia's traditional society for generations. These groups operate in multiple strata of society and perform different roles but primarily exist to provide

self-reliance for individuals, households and the larger local community. These include such CBOs as Idir, Debo, Iqub, Mahber, Ezen group etc.

Non-governmental Organizations (NGOs) are more traditional national NGOs were first formed in Ethiopia in the 1960s, but emerged as potentially significant players in the nation's development only after the fall of the Dergue regime.

Membership Organizations are organizations formed to cater for the interest of their members. These include professional associations, which are based primarily on profession. They are predominantly formed to address needs and interests of their members (teachers, lawyers, medical, and trade associations, etc.)

Civil Advocacy Organizations (CAO) is sometimes called rights based organizations as their focus is on rights. They include organizations working on women empowerment, human rights, governance and democracy and conflict prevention and resolution.

Development Associations (DAs) are formed with encouragement from the government and occupying a niche somewhere between governmental and non- governmental in their essential makeup are operating with a substantially different profile from traditional NGOs. These entities are supported by contributions from large membership bases and receive project funds from the government to carry out various development schemes.

Other categories

- mass associations (youth, women, etc.);
- faith based organizations;
- the free press associations, chambers of commerce and research institutions;

2.3.3 The Contribution of CSOs towards Ethiopia's Development

The decisive role of civil society in enhancing the quality of peace and equity in the economic, social and political development of a country along with the public and private sectors has been gaining recognition. Likewise, in a developing country like Ethiopia, the contribution of the various CSOs/NGOs is immense.

Therefore, in this section of the paper, the researcher has tried to look into the contributions of CSOs towards development in Ethiopia by examining the resources mobilized, invested and distributed across projects and Regions by the sector.

Resource Mobilization

There is lack of data in the country, which shows accurate figures of the resources mobilized by the voluntary sector. The EC mapping study produced in mid-2008 estimates that between 2004 and 2007 NGOs' budget for over 2000 projects throughout the country came to 10 billion Birr. (Dessalegn et al., 2008)

The table below gives a comparative picture of resources acquired through exports earnings, transfers to NGOs and remittances sent by Ethiopians abroad.

Table 2.3: Earnings from Selected Exports, NGO and Private Transfers (In Million USD)

	2004/05	2005/06	2006/07	2007/08*
Coffee Export	335.2	354.3	424.2	145.0
Oil Seeds Export	125.0	211.4	187.4	66.9
Chat	100.2	89.1	92.8	55.4
Leather and Products	67.6	75.0	89.6	49.4
NGO Transfers (Cash)	444.0	497.8	537.4	305.3
Private Individual Transfers(Cash)	350.8	354.9	632.6	415.4

Source: National Bank of Ethiopia (2008) cited in Dessalegn et al. (2008)

* For the first two quarters of the year only

The importance of NGO transfers to the country's economy and development effort can be clearly seen by comparing the export earnings and earnings through NGO transfers as the table above shows.

Though coffee export remains the largest hard currency earner for the country, the earnings flowing into the country through transfers to NGOs have been far higher than earnings from coffee exports.

By looking at the table above, one can see that for all the years for which data is provided, the transfers to NGOs in all the years was higher than the coffee earnings.

Resource Use and Distribution

The following table shows the number of projects and amount of expenditure in each region. For the years (2004-2008) a total of 2,065 projects amounting close to 10 Billion Birr were carried out in the country. The largest number of projects was carried in Oromia followed by Amhara and SNNPR. With more than 800 projects, Oromia has nearly 45 percent of CSO/NGO resources invested in the region.

Table 2.4: Actual and Planned NGO Project Expenditures (2004 - 2008)

Region	No of Projects	Total Expenditures in Birr
Addis Ababa	281	1,114,223,785
Oromia	844	4,434,215,156
Dire Dawa	24	36,721,184
Harari	18	54,603,118
Afar	57	637,085,008
Tigray	66	492,069,831
Amhara	317	1,881,878,827
Benishangul Gumuz	51	153,889,665
Gambella	19	31,350,656
SNNPR	312	1,004,498,134
Somali	76	135,875,029
TOTAL	2,065	9,976,410,395

Source: Dessalegn et al. (2008)

Further, the table below provides information on how much has been invested and where in the period 2004 to 2007.

Table 2.5: NGO Projects in the Country and Resource Flows by Sector (2004-2007)

Sector	No of Projects	Budget (Mn Birr 2004/07)
Child Development	394	2,139.50
Education	206	621.01
Health	235	1,084.52
HIV/AIDS	175	710.96
Integrated urban/rural development and food security	336	2,977.75
Water & sanitation	141	573.62
Women and girls empowerment	96	217.73
Environment & Natural Resources	74	154.01
Advocacy & peace building	34	44.03
Disability & elders support	35	82.5
Agriculture & agro-pastoral	117	467.95
Youth	23	142.05
Social welfare	15	53.83
Capacity building and others	139	268.33
Total	2046	9,537.79

Source: EC 2008 cited in Dessalegn et al. (2008)

As the table above indicates, majority of the resources has gone to human development (health, education, child welfare), followed by agriculture and food security. There were 490 projects amounting to ETB 2,357.23 Million working on child development and women and girls empowerment alone.

It also shows that a total of ETB 44.03 Million has been invested on NGOs working on advocacy and peace building. Since most of the funding comes from foreign sources, especially used by advocacy and human rights, this amount of money might be lost because the proclamation does not allow foreign sourcing of these activities.

The following are a category of donors that are providing direct and indirect support to civil society in Ethiopia as cited in NSAC (2011):

- i. **Multi-lateral Organizations** such as UNICEF, UNDP, EU etc.

Because of the Cotonou Partnership Agreement, the EU recognizes CSOs as one important actor in development and poverty reduction. There is a civil society fund created from which CSOs are supported and the support continues.

- ii. **Bilateral Agencies and Embassies** such as Irish Aid, CIDA, SIDA, USAID, JICA etc. This category of donors is among the major contributors of the support to civil society in Ethiopia. Their support goes to all levels of the civil society sector from big to small NGOs.
- iii. **International Financial Institutions** such as the World Bank, African Development Bank etc. Support provided by these donors usually flows through other multilateral, international or national apex organizations.
- iv. **International NGO** such as OXFAMs, Save the Children (UK, Denmark, USA, etc), Care Ethiopia, Concern, Norwegian Church Aid etc. This category of donors is also a major contributor of the CSO support. As most operate as long term partners of the CSO sector their contribution to the sector is substantial.

2.3.4 Previous Legal Regimes

Though CSOs have been operating in Ethiopia considerably early on, the original law authorizing and recognizing them was put in place by Haile Sellasse's regime in 1960 (Clark, 2000). The following is a brief overview of the laws and regulations that had been adopted in the country.

Civil Code of 1960

The Civil Code of 1960 provides three types of legal institutions/instruments that can be established for a not-for-profit objective. These are:

1. Association – defined as an association as a grouping formed between two or more persons with a view to obtaining a result other than the securing or sharing of profits. The code makes a distinction between civil associations as are defined above and other types of groupings formed with a view to defending the financial interests of their members or to representing a particular calling and groupings of a religious character. Such an association could be a membership or a non-membership organization and the law does not make a distinction between the two. The purposes of the associations vary in accordance with various lawful objectives and activities

- members wish to undertake. There is no limit on the type of purposes as long as it is lawful.
2. Endowment - is another type of not-for-profit institute, which is constituted when a person destines a certain property irrevocably, and perpetually to a specific object of general interest other than the securing of profits. An endowment may be constituted either by a donation or by a will and it requires the approval of the Ministry of Justice to be definitively constituted. The act by which an endowment is approved shall determine the organism that is responsible for the protection and control of the endowment. It provides that the provisions of the civil code relating to name, residence, capacity, directors, liquidation and control of associations shall also apply to endowments.
 3. Trusts – defined as an institution by virtue of which specific property is constituted in an autonomous entity to be administered by a person, the trustee, in accordance with the instructions given by the person constituting the trust. A trust is administered by the trustees appointed by the person constituting the trust. The trustee shall represent the trust in judicial proceedings.

Associations Registration Regulation of 1966

The Associations Registration Regulation of 1966 was issued by Ministry of Interior Pursuant to the Control of Associations Provisions of the Civil Code. The regulation requires registration for associations, sets forth procedures of registration, and establishes the powers of the Ministry to supervise and control associations. Under these regulations, the MOJ has authority to dissolve an organization when the Office of Associations determines that the activities of an association are unlawful, unrelated to the purposes for which it was registered, contrary to morality, or when the association has failed to comply with laws and regulations.

Following the legislation of the Civil Code of 1960 and the Associations Registration Regulation of 1966, no other law has been enacted for quite a long time in Ethiopia that takes into account the development of non-governmental and civil society organizations, their interests and activities, and the level of growth of the sector in general. As these laws were outdated and do

not reflect the level of development of civil society's institutions, several problems have been encountered in the registration, control and administration of CSOs. Hence, the House of the Peoples Representatives of the Federal Democratic Republic of Ethiopia (FDRE) adopted the Charities and Societies Proclamation (CSP) No 621/2009 to regulate the sector in the country.

The 1995 Guidelines for NGO Operations

The guidelines for NGOs operations of 1995 was prepared as one of the eight chapters of the "General Guidelines for the Implementation of the National Policy on Disaster Prevention and Management" which the relief and Rehabilitation Commission Prepared and which deals with the modalities of NGO operations in Ethiopia. The general guidelines highlight the approaches and modalities, which have to be followed in the implementation of the national policy. (Guidelines for NGOs operation in Ethiopia, 1995)

As per the guideline, NGOs can be classified in various ways: By origin (indigenous or international), geographic area (general or localized), affiliation (religious or non-religious), involvement (implementing or funding), and program orientation (development or relief-oriented). Regarding possible areas for NGO operations, there is no restriction as long as their work is in line with the National Plan for Disaster Prevention and Management (NPDPM). Their contribution can be in project/ program implementation, funding projects or programs and supporting/ supplementing other projects or programs.

NGOs may secure resources from their donors in different forms. They may receive it in terms of commodities that could be sold and be used for their planned projects. The sale should take place through standard tender procedures. NGOs are not profit making, and except in activities approved by the RRC, they are not expected to be involved in trade and other profit making ventures.

The 1999 NGOs Code of Conduct

The leading NGOs (both national and international) originally became involved in order to mitigate the effects of the droughts of 1973-74 and 1984-85. Since then, however, their emergency response and relief activity roles have gradually declined and today the important challenges are in the fields of rehabilitation and development. (NGOs Code of Conduct, 1999)

The Code of Conduct further claims that this change from emergency relief to sustainable development is of far reaching significance to Ethiopia and needs to be handled with care, transparency and accountability. There is also an increasing involvement of NGO's in advocacy, human rights and civic education. As NGOs have emerged as important development partners, they need to inform what they stand for, their policies, and achievements. It claims that it has introduced for the first time standards for previously unregulated activities. It will encourage more effective and efficient ways of working and will improve the partnership between the NGO sector, the government and the private sector. It will ultimately contribute to an enabling environment for all sectors and to the sustainable development of Ethiopia and its people. The code was meant to serve the following purposes:

- To ensure transparency and accountability in the operation of NGOs by voluntary self-regulation;
- Improve the quality of services provided by NGOs by helping NGOs to adopt high standards of conduct and to devise efficient decision making process;
- Improve communication between the NGO community and the various stakeholders.
- Improve the performance of the NGO community by encouraging the exchange of experiences among its members and learning from proven best practices. The standard of conduct shall refer to the way in which signatures behave and work.

2.4 Overview of the Charities and Societies Proclamation

The proclamation to provide for the registration and regulation of Charities and Societies (Proclamation No. 621/2009) was enacted on 13 February 2009 taking effect as the overall legal framework under which charities, societies, associations, non-governmental and civil society organizations are governed.

As outlined in the Preamble of Proclamation No. 621/2009, the Charities and Societies Law has two basic objectives, namely, to:

- i. realize citizens' constitutional right to freedom of association and
- ii. enhance and strengthen the role of charities in the overall development of Ethiopia;

According to the Proclamation, the legal definitions for operating CSOs in Ethiopia are as follows:

1. 'Ethiopian Charities' or 'Ethiopian Societies' shall mean those charities or societies that are formed under the laws of Ethiopia, all of whose members are Ethiopians, generate income from Ethiopia and 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 is received from foreign sources; (Article 2, sub-art.2 of the CSP)
2. 'Ethiopian Resident Charities' or 'Ethiopian Resident Societies' shall mean those charities or societies, formed under the laws of Ethiopia and which consist of members who reside in Ethiopia and who receive more than 10% of their funds from foreign sources (Article 2, sub-art.3 of the CSP)
3. 'Foreign charities' shall mean 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 sources (Article 2, sub-art.4 of the CSP)
4. 'Mass-based societies' shall include professional associations, women's associations, youth associations and other similar Ethiopian societies. (Article 2, sub-art.5 of the CSP)

Article 14 of the CSP defines a Charity as “an institution which is established exclusively for charitable purposes and gives benefit to the public”. A distinctive feature of charitable activities is the fact that they are intended to benefit the public.

A public benefit shall be deemed to exist where:

- The purposes of the charity can generate an identifiable benefit to the public;
- The purposes of the charity do not create a situation where in its benefits exclude those in need;
- Any private benefit of individuals and organizations could be acquired only incidentally and as a secondary consequence of the organization's activities (Article 14 (3)).

“Charitable Purposes” outlined in the Proclamation include,

- a) the prevention or alleviation or relief of poverty or disaster;
- b) the advancement of the economy and social development and environmental protection or improvement;
- c) the advancement of animal welfare;
- d) the advancement of education;
- e) the advancement of health or the saving of lives;
- f) the advancement of the arts, culture, heritage or science;
- g) the advancement of amateur sport and the welfare of the youth;
- h) the relief of those in need by reason of age, disability, financial hardship or other disadvantage;
- i) the advancement of capacity building on the basis of the country’s long term development directions;
- j) the advancement of human and democratic rights;
- k) the promotion of equality of nations, nationalities and peoples and that of gender and religion;
- l) the promotion of the rights of the disabled and children’s rights;
- m) the promotion of conflict resolution or reconciliation;
- n) the promotion of the efficiency of the justice and law enforcement services; and
- o) any other purposes as may be prescribed by directives of the Agency;

Article 55 of the CSP defines a Society as “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.”

However, only Ethiopian Charities/Societies can engage in the activities listed under j-n above. In other words, Foreign and Ethiopian Resident Charities are not allowed to work on human and democratic rights, religious, ethnic or gender equality, child rights and the right of disabled persons, conflict resolution and reconciliation, and supporting justice and law enforcement sectors.

The Proclamation has provided for the establishment of an independent body called Charities and Societies Agency (ChSA) to oversee the activities of CSOs, which fall under its scope.

The Agency shall have the following objectives as Article 5 puts it:

- to enable and encourage Charities and Societies to develop and achieve their purposes in accordance with the law;
- to create a situation in which the operation of Charities and Societies is transparent and accountable;
- to ensure that Charities and Societies operate legally;

In addition to the Proclamation and Regulation, the Agency has also issued Directives. These are on:

1. Administration costs and Program costs (70/30)
2. Audit report and activity
3. Charitable committees
4. Charitable endowments
5. Consortium guidelines
6. Income-generating activities
7. Property
8. Public collection

2.4.1 Government Rationale for the Adoption of the CSP

As stated in the proclamation, it was found necessary to enact the law in order to realize citizens' constitutional right to freedom of association and to aid and facilitate the role of Charities and Societies in the overall development of Ethiopian peoples.

Additionally, the documents shared by the Charities and Societies Agency reveal that with the participation of Charities and Societies in the social and economic development of the country growing, the law with which the country had been working with (such as the Civil Code of 1960) could not support the activities and efforts of the Charities and Societies and take the necessary measure against those who breach and violate the law. This was because there were many gaps

in the laws. Out of such gaps and problems, the following according to the Agency can be cited as the major ones:

1. While there was difference in the requirement and pre conditions required for the purpose of registration to get juridical personality and for licensing, there was the failure to establish a system considering such conditions for the purpose of registration and licensing process.
2. Even though there was operational agreement that seemed like license signed between the Disaster Prevention and Preparedness Agency and the non-governmental organizations, there was no concept of license or any other related idea in the law and hence the operational agreement signed between the two had no legal significance and relevance.
3. There was contradiction in the laws in terms of the definition and use of terms used in associations and charitable organizations. The definitions given in the laws did not represent the organizations in the real world. For example, though Article 404, 483, 507 and 516 of the Civil Code are concerned with charitable organizations and societies, in practical terms they are being registered as association. The main cause for this problem was that the law was not clear and that the laws were not designed in a way that they were compatible to each other.
4. Even though it is known that Charities and Societies contribute a lot for the benefit of the society, there was no system established to encourage and support such effort of the NGOs. Besides this, there were other organizations that were established to serve the society but in practice were working against the government and public interest, and further working in advancing individual interest and benefit. On top of this, there was no clear legal provision that enabled to take the necessary legal measure against such kind of organizations.
5. Another problem in the previous law was that officials and workers of Charities and Societies were found committing offence to take the required and reasonable measure beyond canceling or suspending the organization itself. The measure to be taken was

- based on the customary practice or preference of individual officials since there was no way to know the type, level of punishment and measure to be taken for any offence in advance.
6. Since the procedure of Charities and Societies lacked democratization, transparency, accountability and uniformity; there were organizations that were working beyond the objective they were organized for and were not accountable to the people they were serving.
 7. Citizens have the right to be organized as per the FDRE Constitution. Even though to be organized is not only to be manifested as charitable organizations or societies, the previous laws were not sufficient to materialize the right to be organized in terms of Charities and Societies. Though the constitutional right to be organized is that which belongs to individual citizens but in practice, both foreign organizations and societies are enjoying equal rights to be organized.
 8. The sector of activities, the distribution area and the amount of fund that was being operated by the NGOs was not actually known. It was also impossible to know how much of the fund was used for administrative as well as operational costs.

2.4.2 Positive Reviews on the CSP

The Minister of Justice, Mr. Assefa Kesito and Mr. Abadir Mohammed, one of the drafters of the proclamation, at the time the proclamation was put forth for discussion, had provided an extensive explanation of the aims, policy rationales and underlying assumptions of the draft proclamations. Some of the main policy objectives and rationales of the draft proclamation according to them were:

- The fact that the former law is outdated and does not correspond to the level of development, characteristics, and activities of civil society in Ethiopia.
- The regulations currently in force are too cumbersome and unsuitable for registering the organizations, regulating their operations and ensuring their accountability.
- The need to facilitate for civil society organizations to become development partners of the government.

- The need to create a conducive environment to enable citizens to exercise their constitutionally guaranteed right to associate.
- The need to legislate a law that enables to identify illegal activities within the civil society organizations and to penalize the offenders.

The Forum for Social Studies (2008) adds what it believes are the positive aspects of the proclamation as outlined below:

- The drafting of a separate legislation focusing on CSOs: as the former law does not create an enabling environment for their operations because it was not formulated in such a way as to accommodate the diversity of civil society institutions, their operations and unique characteristics.
- The incorporation of specific provisions for different types of CSOs.
- Making provision for the establishment of consortium of charities and societies.
- Allowing charities and societies to engage in income generating activities.
- Exemption from income tax for charities.

2.4.3 Negative Reviews on the CSP

According to CIVICUS (2008), “the Proclamation severely limits civil society space, is discriminatory and reflects a deep official distrust of CSOs rendering valuable services to the people of Ethiopia. Further, it is unconstitutional and against public interest to restrict a substantial section of civil society to a limited set of activities. Article 31 of the Constitution of Ethiopia guarantees: Every person has the right to freedom of association for any cause or purpose.”

Though the Forum for Social Studies had put forward the positive aspects of the proclamation, some the concerns they raised are as follows:

- Instituting accountability in the institutions of civil society can best be realized primarily not through government control, but through the CSOs internal systems of control and accountability.
- The primary cause of the problems encountered in the existing regulatory practices is not one of law, but one of implementation and institutional capacity. Consequently,

the first step should have been to identify the operational deficiencies that hamper the CSOs registration office from effectively dispensing with its regulatory and monitoring responsibilities in accordance with the existing law.

CHAPTER THREE

DATA DESCRIPTION AND ANALYSIS

INTRODUCTION

In this chapter, the impacts of the Charities and Societies Proclamation on the Charities and Societies engaged in the areas of Women and Children is discussed and analyzed. The data collected through the various in-depth interviews from selected Charities and Societies, Donor Organizations and concerned government offices were presented thematically and analyzed qualitatively.

3.1 Brief Profile of the Selected Charities and Societies

This section provides a brief profile of the interviewed Charities and Societies. These organizations were selected from those re-registered as Ethiopian Resident Charities and Societies and Ethiopian Societies and Charities that are working for women and children in Addis Ababa.

3.1.1 Ethiopian Resident Charities and Societies

Five organizations were selected from the Ethiopian Resident Charities and Societies category. The profile of these organizations is given below.

I. Beza Organizing Association of Women in Need (BOAWN)

Established in 1998, BOAWN visions to see all Ethiopian women whom are under poverty become successful producers and earn their better living. Its main objective is to enable who are under poverty work hard and earn their daily living as well as reach the poor women through skill training. BOAWN focuses on skill training of destitute women (marginalized poor women) and economic empowerment of women in Addis Ababa.

II. Progynist

Established in 1997, Progynist formerly known as *Zema Setoch Lefitih Mahber* envisions a situation whereby the social and economic well-being of women is ascertained. It is an organization committed to making a positive difference in the lives of women by facilitating their access to health, education, protection of the environment, feasible poverty alleviation strategies and the provision of a comprehensive support to those vulnerable to famine, violence and HIV/AIDS. Currently Progynist operates in Addis Ababa (in Lideta, Nifas Silk Lafto, Addis Ketema and Kolfe Keranio Sub-Cities), SNNPRS and Oromia regions.

III. Organization for Women in Self Employment (WISE)

Established in 1998, WISE envisions a nation where absolute poverty is eradicated and women are economically empowered. It exists to help poor self-employed women and girls in their efforts to attain self-reliance, improve the quality of their lives, and thereby enhance contribution to the development of Ethiopia. Its main objectives are to promote sustainable income, create job opportunities, build institutions of the target group and promote expansion and outreach.

IV. Mothers and Children Multi-sectoral Development Organization (MCMDO)

Established in 1997, MCMDO aspires to see mothers and children living in decent conditions and in safe and healthy environment. It works to improve the lives of the disadvantaged mothers and children through increasing their access to health and education services, supporting income generating and improving the natural environment.

V. Concern For Integrated Development (CFID)

Established in 2003, CFID visions to see a country in which the social, economic and health status of all citizens improving and poverty reduction particularly women and children. It tries to create an enabling environment for the communities with whom it works by facilitating, planning, implementing and monitoring of transformational development activities through their active participation.

3.1.2 Ethiopian Charities and Societies

And from the Ethiopian Charities and Societies category, three organizations were selected. Similarly the profile of these organizations is given below.

I. Network of Women Associations (NEWA)

Established in 2003, NEWA is a non-partisan and non-governmental organization established by 13 local organizations and associations. Until 2009, NEWA was able to constitute 42 member organizations and associations working for women and children. It strives to create conditions for economic, social, political and legal empowerment of women in Ethiopia.

II. Ethiopian Women with Disabilities National Association (EWDNA)

Established in 2002, EWDNA visions to see women with disabilities have equal rights and participation in the social, political and economic arena of the country. It tries to create an environment conducive for empowerment through advocacy, awareness raising and capacity building programs. Currently, operates in Addis Ababa, Bahir Dar, Hawassa, Adama, Dire-dawa and Harar.

III. Addis Ababa Women's Association (AAWA)

Established in 1998, AAWA is a non-partisan, non-for profit and non-government association committed to promoting social, political and economic empowerment towards improving quality of life of women and the community at large in Addis Ababa through advocacy, awareness building, sensitization and provision of skill training for sustainable self-employment activities.

3.2 Impact of the CSP on Ethiopian Resident Charities and Societies

This section is devoted to the discussion and analyses of the impacts of the proclamation on the Ethiopian Resident Charities and Societies. In order to assess this impact, the researcher has divided the responses of the organizations interview questions into categories, such as the impact of the proclamation on the areas of operations, number of beneficiaries, number of staff, number of donors, amount of fund etc. as shown in the following sub-sections.

3.2.1 Impact on the Areas of Operation

From the five organizations taken under study, two have changed their areas of operation (activities) because of the proclamation. Progynist had changed its areas of operation because all of the organization's funding (100%) is received from foreign sources and since the proclamation has outlawed promotion of human rights to those receiving more than 10% of their fund from foreign sources, it has Ethiopian Resident Charities and Societies. This means that these two organizations which had adopted rights-based approach previously are now limited to service provision, aid and development activities only.

Initially before the enactment of the proclamation, the organization was working on Gender and Advocacy, Education, HIV/AIDS, Health Hygiene and Sanitation, and Orphan and Vulnerable Children but now it has stopped working on Gender and Advocacy since the proclamation does not allow it and instead had shift to Women and Children Support including the others mentioned.

MCMDO was engaged in creating awareness about the rights of women before the proclamation among the other activities mentioned in the description section. However, due to the categorization of the law and the fact that the organization was receiving 90% of its fund from foreign sources, it has re-registered as a Resident Charity and continued with its other objectives.

The remaining organizations, WISE, BOAWN and CFID have not changed their areas of engagement and continued with the objectives the organizations had initially been established for.

3.2.2 Impact on the Number of Staff

The other criterion was to look into the number of staff currently working in these organizations in order to check if there has been change in the last 6 or 7 years and understand the reason for the change if any. According to the Executive Directress of BOAWN, "Currently we have no employees working in our organization since we have no money to pay them with. We are sustaining thanks to volunteers, who come to help us. Looking just two years back, in 2010 we had 14 paid employees and sadly we have none now due to the lack of fund."

Though this organization relies on the assistance of volunteers, which have kept the overall operation of the organization functioning, the involvement of volunteers is always risky and unsustainable as most of the volunteers might discontinue their engagement at any time given better opportunities in other organizations.

According to the Women and Children Support Services Coordinator at Progynist, the number of staff in the organization has been greatly affected by the proclamation. The number of staff that had been working under the Gender and Advocacy Department has decreased. There used to be around 135 volunteer paralegals working at the organization. However, none of the paralegals are working there now following the proclamation. This was because the department had changed its focus area from Gender and Advocacy to Women and Children Support. The organization has thus been forced to reduce the number of those employees that were previously working in the Gender and Advocacy Department.

On the other hand, from the interviews conducted with WISE, MCMDO and CFID, the number of their staff has not really been affected by the proclamation as can be seen from the table below. The number of staff at WISE more or else is the same, though the data for the years before 2009 were not shared. Their justification was that since they had always relied on foreign funding and are currently operating as a resident, this has not brought any change to the number of their employees.

Table 3.1: Number of Staffs

Name of Organization	Years			
	2009	2010	2011	2012
WISE	61	60	60	44
MCMDO	-	67	55	46
CFID	10	12	17	17

Source: Own survey

The change or the slight decrease that is shown for MCMDO according to the Project Officer at MCMDO is not caused by the proclamation but simply because of the phasing out or completion projects. The number of employees working at CFID increased for the years shown above. One of the greatest strategies they put forward was instead of simply hiring more employees; any

organization first needs to build the capacity of those working there. This will help save more money for the organization.

3.2.3 Impact on the Number of Beneficiaries

According to the respondent at Progynist, the proclamation has brought change in the number of beneficiaries that the organization has been able to support. This was because most of the organizations work had been focusing on advocacy, which it has completely withdrawn from. The following table shows the number of beneficiaries at Progynist and WISE.

Table 3.2: Number of Beneficiaries

Name of Organization	Years					
	2006	2007	2008	2009	2010	2011
WISE	5,307	7,189	8,244	9,279	9,367	11,913
Progynist	65,910	108,985	149,994	275,369	31,697	121,320

Source: Own survey

The number of beneficiaries at Progynist especially in the Gender and Advocacy Department has declined. This department currently has changed its name to Women and Children Support Services Department and of course its activities.

Under this department there is a center called Center for Women and Children in Crisis. This center before the legislation had been providing legal, medical and psychological support. After the legislation, the center totally quit providing legal support and is providing medical and psychological support. Most of the women coming to this department were looking to get legal support from the organization from 679 beneficiaries in 2009 to just 245 in 2011. Hence, the number of beneficiaries as can be seen in the above table has declined, with even greater predication that it will decline greatly in these coming years.

On the other hand, according to the respondent at WISE, the number of beneficiaries at WISE has shown a constant increase throughout the years and remains unaffected. This according to him is because the organization has been engaged and is currently working on those activities that it had been doing before the legislation and since most of its fund is from foreign, the legislation in no way has made any negative change in the number of beneficiaries.

Though the actual data showing the yearly increase could not be provided by MCMDO, according to data shown in one of their Newsletter, there has been increase in the number of beneficiaries throughout the years. The table below shows that from 1997 until the end of 2011 of last year, more than 2,068,100 have been beneficiaries of the organization.

Table 3.3: Number of Beneficiaries of MCMDO (1997-2011)

Program Area	No of Beneficiaries
Health	>208,700
Skill Training	>17,600
WaSH	>1,091,600
Education	>72,000
Agricultural and Environmental Protection	>189,900
Women Economic Empowerment	>488,300

Source: MCMDO, 2011

The WaSH program has benefited more than 1,091,600 women and children. This program aims to improve the awareness of the community in sanitation and hygiene practices as well creating access to water, sanitation and hygiene services.

Women economic empowerment is also another important program for the organization. The various projects are delivered are promoting gender equity, social and economic empowerment of women and providing functional adult literacy.

In delivering health services, the organization is engaged in addressing issues related to the health problems of the community such as supporting reproductive health services, improving the maternal and child health, prevention of care and support to PLHIV and AIDS orphans etc. and has benefit more than 200,000 women and children.

3.2.4 Impact on the Number of Donors Organizations

As it is recognized, the principal source of income for CSOs in Ethiopia comes from overseas (foreign) sources. Thus, the researcher has tried to see whether the number of donors supporting

projects of the organizations and the amount of fund they have been channeling over the years has changed.

Table 3.4: Number of Donors

Name of Organization	Years						
	2006	2007	2008	2009	2010	2011	2012
CFID	5	5	5	5	5	5	5
WISE	-	-	-	61	60	60	44
Progynist	12	15	12	10	8	8	5

Source: Own Survey

(-)* data not provided by the organizations

The table above shows that the number of donors working with CFID remains the same. This shows that the donors that were supporting the organization have not been affected by the proclamation. The donors of WISE too shows some consistency, however, as the Monitoring and Evaluation Officer at WISE has explained, “Though our organization has been performing well, the financial crisis in Europe has been a major problem for our organization from getting more fund and engaging in more projects and reaching even more beneficiaries.”

The respondent at Progynist has said, “Though there is rise amount of fund received in 2011, this fund was given for the OVC (Orphan and Vulnerable Children) Support. There is a decrease in the number of donors supporting the other programs. Another big obstacle for us is that the major partners/donors like the European Union are interested to work on the promotion of human rights, gender advocacy and the like. However, this is impossible for our sake. Another reason is the economic crisis in Europe, but this could not be taken as a major problem.”

3.2.5 Impact on the Amount of Fund

According to the interview, the amount of fund that WISE has been receiving depends on the length of the project period with each donor as well as with the demand and interest of donors. As previously discussed, the financial crisis in Europe has been one of the problems in channeling fund for developing countries.

Table 3.5: Amount of Fund (ETB)

Name of Organization	Years					
	2006	2007	2008	2009	2010	2011
WISE	3,723,305	2,881,869	3,840,804	5,121,571	7,076,889	9,600,279
Progynist	4,966,581	5,945,682	13,765,325	8,712,448	2,235,065	3,273,344
BOAWN	-	-	859,000	1,700,000	1,100,000	-
MCMDO	-	-	170,634	276,852	534,886	465,913

Source: Own Survey

Though it is not possible to compare the amount of fund for the years given since both BOAWN and MCMDO did not share full information, the researcher has tried to analyze the data for the years provided.

According to the Coordinator at Progynist, the organization was initially established to promote the rights of women and children. This was however before the enactment of the new legislation. The promotion of women’s rights had been executed under the Gender and Advocacy Department. The amount of fund received under this department had been huge before the legislation. Now since this department has been changed due to fact that Ethiopian Resident Charities and Societies cannot participate in such activities the legislation has affected the amount of fund that we receive from donor organizations. As can be seen in the table the amount of fund has decreased following the law.

Further the respondent at MCMDO states, “Though the amount of fund received by MCMDO has increased it does not mean that the proclamation has not affected the organization. We had partners that donated to us when we were working on advocacy but since we are registered as a resident, they have stopped funding. We have been working very hard on finding other donors.”

The respondent at BOAWN has noted that, though they are currently not receiving any fund, as shown in the table above for the years 2008-2010, they had received more than 3.6 million ETB. Currently the organization has no donors and no funding.

3.3 Impact of the CSP on Ethiopian Charities and Societies

In the forgoing section, the impact of the CSP on Ethiopia Resident Charities and Societies had been discussed and analyzed. In this section, the impacts of the proclamation on the operations, number of staffs, number of beneficiaries and amount of funds on the Ethiopian Charities and Societies is discussed and analyzed as follows.

3.3.1 Impact on the Areas of Operation

According to the Directress of NEWA, the purpose for the establishment of NEWA was to give the member organizations collective voice and enhance their capacities towards the achievement of their objectives. Following the proclamation, out of the 42 member organizations, 33 members had re-registered as Ethiopian Resident Societies and formed the Union of Ethiopian Women Charitable Associations (UEWCA). NEWA continued to exist as an Ethiopian consortium with the remaining members and re-registered as Ethiopian Charities and Societies.

She continued, “NEWA was established to strive for gender equality and since it would not be able to work on women’s rights and violence against women as an Ethiopian Resident, it re-registered as an Ethiopian Society.” This means to continue with its intended objectives it must raise 90% of the organizations fund locally.

Similarly, both AAWA and EWDNA have continued working for women’s rights. AAWA has continued with its engagement in the economic, social, and political empowerment of women, advocacy, awareness creation, girls’ empowerment whereas EWDNA has continued its work on human right and development programs.

3.3.2 Impact on the Number of Staff

Before the coming of the proclamation, NEWA had 20 employees working at the organization. However, following the proclamation, this figure had reduced to just six paid employees, due to funding problems, which is discussed in sub-section 3.3.4. There are however, six full-time and 16 part-time volunteers that work with the organization.

In 2006 and 2007, EWDA did not have a permanent staff but was functioning through various volunteers who were well trained. Starting from 2008, there were permanent staff employed at

the organization. According to the interview conducted with the social worker at EWDNA, the number of staff though small to begin with has been affected by the proclamation. After the legislation, the organization has been forced to reduce the number of staff due to the lack of funds. Similarly, in AAWA, there is decrease in the project staff. This has been again due to the lack of sufficient fund.

3.3.3 Impact on the Number of Beneficiaries

The respondent at EWDNA said, “Though the number of employees at EWDNA has decreased due to the proclamation, this in no way has reduced the number of beneficiaries. Initially, when the association was established, it had about eight members at that time, but currently it has risen to more than 2150 members. We have seen a steadily increase throughout the years and the fact that currently there are only 3 staff members and some few volunteers, it has not affected what we do. We are dedicated and determined to help the less fortunate. Even though an individual working here has so many roles and responsibilities which can be very tiresome, we are a good example to the saying ‘quality is better than quantity’.”

According to the Project Officer of AAWA, the number of beneficiaries at the organization has decreased tremendously as the project size is decreasing. “The project size is directly related to the number of beneficiaries. Hence, once the project size is limited to the 90/10 as stated in the proclamation, the number of beneficiaries’ decreases.”

3.3.4 Impact on the Amount of Fund

Currently, NEWA is not receiving any foreign fund. The Network has been finishing up those projects that it had been working on prior to the proclamation. The directive states that consortiums of charities and societies are established based on Article 15 of the proclamation, sub-article 3 and article 55, sub-article 4, in order to coordinate, support and build the capacity of their members. It also states that consortiums are not implementers and therefore shall not have operational costs. The directive identifies two sources: the annual membership fee from members of the consortiums; and from the fund raised by the consortiums on behalf of their member Charities and Societies, an amount approved by the general assembly of the members, which is part of the share of the 30% administrative costs of their members.

NEWA had to suspend many major projects, for instance, a project on violence against women was to be implemented with the UNFPA, courts, prosecution offices, and other bodies. As an Ethiopian Society it cannot accept more than 10% of its fund from foreign sources and so the organization has returned the allocated funds as well as funds for other projects. It is difficult for the organization to carry out activities due to the lack of fund and since raising money locally is challenging.

According to the Directress of NEWA, “We have the EU project, which is exempted as per the bi-lateral agreement between the EU and the Ethiopian government. We also have one project implemented with the 10% foreign funding. We collaborate with other bodies to the extent possible often providing support and transferring the activities to organizations with access to funding.”

EWDNA as well is currently not receiving any foreign fund. The funding it gets is from Ministry of Labor and Social Affairs as well as from International Labor Organization, which are both considered to be government funds. “Since the proclamation does not allow us to get more than 10% of foreign fund, the donors on their part are not willing to give just 10% fund. Rather they are more interested to fund big and long-term projects.” This has made things difficult for them since they used to receive a substantial amount of fund from foreign sources. The following table shows the amount of fund received by the organizations.

Table 3.6: Amount of Fund (ETB)

Name of Organization	Years					
	2006	2007	2008	2009	2010	2011
NEWA	5,692,268	3,168,224	8,494,502	19,993,428	2,609,764	3,382,032
EWDNA	80,080	222,825	1,233,432	1,722,316	168,382	329,422

Source: Own Survey

The Project Officer at AAWA further noted that, before the proclamation, the funding depended only on the size of the project. Now, in any case it should meet the 90/10. Nevertheless, point of the matter is that women empowerment needs much more investment and the proclamation has limited this.

3.4 Coping Mechanisms Undertaken by the Charities and Societies

3.4.1 Coping Mechanisms Undertaken by the Ethiopian Resident Charities and Societies

As has been discussed in the previous sections, the CSP has affected the sample CSOs taken under study; though the extent of the impact varies from one organization to the other. This section, has tried to put together the coping strategies/mechanisms undertaken by these Residents so as to continue with their operations and meet financial demands as set out in the proclamation.

Due to the absence of donor funding, BOAWN has no hired employees currently working at the organization. The organization had been operating by the help of volunteers that come to help and by looking for local funding sources as well as engaging in money-generating activities. These activities include taking part in various exhibitions and selling their products (such as various printings on T-shirts etc) that were made by the women trainees during the training program.

At Progynist, the number of staffs especially in Women and Children Support Department has been downsized with none of the 135 volunteer paralegals working at the organization. In addition to finding more foreign donors, the organization is also applying changing its orientation to direct support to beneficiaries.

On the other hand, though the number of staff at MCMDO is increasing, even with the phasing out of some projects, the organization could have still needed more employees, but due to the amount of fund available, it would be very hard. Therefore, the staff is overloaded with work. A single individual works on so many projects at once.

CFID as well is using similar mechanisms to MCMDO, that is assigning an individual employee with many roles and responsibilities, but first the organization believes in capacity building of its employees through trainings.

WISE on the other hand, is engaging in money-generating activities in addition to the foreign to the 95% foreign fund that it is receiving. It gets additional income through the training center that was recently constructed. WISE provides various training programs as well as rents the facilities such as the training rooms, conference halls etc.

3.4.2 Coping Mechanisms Undertaken by the Ethiopian Charities and Societies

As a coping mechanism and means of survival, NEWA has had to reduce the number of staff, engage volunteers and withdraw some of their projects. They have been organizing fund-raising dinners, selling tickets, distributing commitment forms for 500 and 1000 ETB per person. Though the organization has been engaged in these activities, the respondent has said that the amount of money raised by these means is too small to cover all administrative costs and added that there were times when the organization cannot even pay the salaries of its staff.

EWDNA, in order to cope with the 90/10 as explained by the respondent had to reduce the number of staff working at the organization. In addition the organization is engaged in money-generating activities and is also looking for local funding sources. “We have opened a bakery here in Addis Ababa as one way of generating money. This bakery though not functioning at its full capacity, has been our way of sustaining till now. Other fund-raising programs have also been part of our scheme; however fund raising has hard for us to do since now following the legislation, there are so many other organizations who are engaged in this activity and for us it has proven to do difficult.”

AWAA as well in order to raise 90% of the fund locally, it has increased the membership fee from 0.25 cents to 0.50 cents monthly. It currently has more than 154,000 regular members (women) and more than 5500 associate. This has been one of the important ways of raising money. Though minor, the organization has also houses that it rents in Addis Ababa.

3.5 Pros and Cons of the Proclamation

Pros and Cons of the Proclamation

During the interview, the researcher found that most of the respondents had given similar answers as to the pros and cons of the proclamation. Many have pointed out that if proper consultation was held between the government and the CSOs prior to the enactment of the proclamation, disagreements would not have been created in the first place. The fact that these organizations were called to discuss the proclamation after it was enacted they believe was the major cause for the on-going disagreements. The researcher has summarized the findings from the interviews as follows.

Pros of the Proclamation

With the global fund reducing, the proclamation helps us to learn how to be able to sustain ourselves and decrease the country's dependency on foreign aid. The enactment of the proclamation is one way of showing that the government has given great significance and importance for CSOs, a forgotten and left out sector. And with the creation of an autonomous Agency for the CSO sector, it will help the process of registration and supervision by making it faster and more effective.

Such type of proclamation was needed as a controlling mechanism in order to control embezzlement, corruption etc. Though not all, there were many that were using donor funds for their own interests, so with such measures the moves and the whereabouts of the donor's money can be easily checked, ensuring that the money has been allocated to which it was given and reached the beneficiaries intended. And so it is a good mechanism to understand what exactly is being done by the Charities and Societies.

The 70/30 directive, one of the eight directives also helps the government to know exactly what percent of the organizations fund is used for program and administration cost. Thus it helps to focus more on the direct cost incurred to beneficiaries. Further, it has created the possibility of income generation by the Charities and Societies.

Cons of the Proclamation

The size and scope of the operation of charities and societies could be affected as a result of the requirement that those that obtain more than 10% of their funding cannot engage in human rights advocacy and governance. It limits the intervention of CSOs to relief and service provision and this will affect their effective and sustainable engagement process of the country. And those donors that are interested to supporting governance and human rights issues could be discouraged shift to other countries.

The Ethiopian Charities and Societies that had been working on advocacy may through time be downsized and may finally terminate/close their organization or change their objectives due to the lack of fund. And this could be discouraging for the establishment of new Charities and

Societies that want to work on right and advocacy. Further the lack of experience in fund-raising activities by the charities and societies aggravates the problem.

The legislation creates a feeling of insecurity and makes it unsure of the roles and future prospects of the Charities and Societies. This is because the unlimited power of the Agency allows unlimited interference which may lead to raise questions about the issue democracy.

3.6 Impact of the New Directives on Charities and Societies

According to the interviews conducted with the two types of CSOs (Ethiopian Charities and Societies and Resident Charities and Societies) from the eight newly issued Directives, almost all are concerned with the Directive on Program and Administrative Costs (70/30).

As stated in Article 88 of the CSP, it stipulates that “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.” Moreover, as per Article 2 sub-article 14 of the proclamation, administrative costs have been defined as “those costs incurred for emoluments, allowances, benefits, purchasing goods and services, travelling and entertainments necessary for the administrative activities of a charity or society.” However, since the law had not identified administrative or non-administrative tasks, the Charities and Societies Agency has issued a “Directive on Determining Administrative and Operational Costs of Charities and Societies” in July 2011.

As gathered from the interviews, the problem was not with the percentage assigned to program and administrative costs; rather it was the contents/items that were considered as program and administrative. According to interview at NEWA, “The items identified as administrative costs are numerous. For instance, the consultancy fees, salaries of project officers, office rent, power bills, water bills, fuel costs etc are all under administrative costs.” This makes it hard for them since they can only use 30% of the organizations fund for covering all of the costs.

Additional problems gathered from the interviews regarding the 70/30 have been summarized as follows:

- Though vehicles are essential for the implementation of a project, the Directive has listed all costs relating to the purchase, operation and maintenance of vehicles under administrative costs.
- Costs relating to the training of beneficiaries, thematic research, evaluation of project performance and results and monitoring project implementation should have been considered operational/program costs.
- Travel expenses and per diem should have been program not administrative cost.
- Since the monitoring and evaluation of tasks cannot be envisaged in the absence of a project under implementation, the costs should have been operational.
- The Directive includes those items such as wheelchairs, crutches etc. used by the staff members at EWDNA as administrative cost and so on the side of EWDNA, this needs to be taken into consideration by the government and changed to program cost that are used by the staff member as program costs.

3.7 Impact of the CSP on Foreign Funding

CSOs have long been important recipients of donor funds in Ethiopia. Support was provided by the various categories of donors in recognition of their important roles in emergency programs, poverty reduction and development programs.

As shown in previous tables (2.4 and 2.5) the contribution of CSOs towards the country's development has been substantial. For the years from 2004 up to 2008, a total of 2,065 projects amounting close to 10 Billion Birr were carried out in the country. This could not have been possible without the effort and contribution of donor funding.

Thus, in order to know whether these donors have been affected by the proclamation in any way, the researcher had conducted interviews with European Union, Norwegian Church Aid, and the David and Lucile Packard Foundation. These donors were chosen due to the fact that they are some of the many organizations that play a role in improving the lives of women and children among some of the areas they are engaged in.

According to the interview with the Project Officer at European Commission, there is a Civil Society Fund (CSF) in Ethiopia; which is a two-phase joint initiative of the European Commission and the Ethiopian Government, implemented from 2006 to 2012, to a value of 10 Million Euros. Through the CSF, the EC provides grant funding for governance and capacity-building support to civil society partners in all regions and city-states in Ethiopia. The projects are diverse and target the young and old, men and women, community based organizations, rural development associations' etc. They are engaged in raising awareness, promoting dialogue, defending rights and empowering marginalized communities. It is said that over 400 organizations will ultimately benefit from the fund.

It was gathered from the interview that it has not been affected by the proclamation. This was because of the EU-Ethiopia development cooperation based on the Cotonou Partnership Agreement (CPA). Because of this agreement, the fund is labeled as “domestic” and so there has been no negative effect of the proclamation and thus support has been continuing.

The Norwegian Church Aid (NCA) having been working in Ethiopian regions since 1974 is engaged in short term emergencies and long-term development programmes. Their main focus thematic areas include water, sanitation and hygiene, women development, HIV and AIDS, faith communities and peace building, climate change adaptation and livelihood and trade.

The Program Coordinator at NCA has said that NCA has had to make adjustments due to the enactment of the proclamation. In line with the proclamation, it has had to revisit its program areas engagement. For instance, a there was a program working on Human Rights and Governance which has closed down. There was a Gender and Development Program, which has now been changed to Women Development Program. “Since the proclamation does not allow foreign charities to engage in advocacy and rights related issues we have had to either change programs or close down the programs. However, the proclamation has not caused a change in the amount of fund.”

Another problem mentioned was the 70/30. “This has been highly affecting our partners. It is not the percentage between the program and administration cost but the items listed as administration and program costs that is becoming a concern.

The David and Lucile Packard Foundation is a private foundation that provides grants to not-for-profit organizations. The foundation's goals, through the use of grants, are to improve the lives of children, enable creative pursuit of science, advance reproductive health, and conserve and restore earth's natural systems.

According to the interview with the David and Lucile Packard Foundation, though they believe it is too early to clearly see the impact, they are facing some challenges due to the proclamation. This foundation is usually engaged in long-term projects (3- 5 years) and has wide grass level with big partners. Though the funding is still the same and may possibly increase in the near future, the problems they had been majorly dealing with is the 70/30. "Before the proclamation our administration cost was less than 15%, but now there is confusion in the contents of what have been categorized as under program and administration costs. Most of what we had been categorizing as program costs is now under the new law part of the administration cost."

These donors though not directly affected by the proclamation, they are in fact indirectly being affected by the proclamation.

CHAPTER FOUR

CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

This study had focused on qualitatively understanding the impact of the Charities and Societies Proclamation on three groups, which were Ethiopian Resident Charities and Societies, Ethiopian Charities and Societies (working for Women and Children), and Donors. The researcher has tried to understand the impact of the proclamation on these groups by assessing if at all the law has brought change in terms of the operations, staff members, amount of fund, number of beneficiaries, donor contribution etc.

It can be deduced from the findings of this research that the proclamation has indeed directly affected the two groups of Charities and Societies. The officials at the Agency believed that it was the right time if in fact not even late to have such a law governing Charities and Societies. This sector according to the officials has never been regulated by an independent agency since the time of the King, though it has been managed by various organizations secondary to their core legal mandates. However, with the participation of Charities and Societies rapidly increasing, the previous laws the country was been working with could not support the activities and efforts of the Charities and Societies and take the necessary measure against those who breach and violate the law, due to gaps in the previous laws.

Looking at the interviewed Resident Charities and Societies, since the law does not allow them to engage in areas related to human and democratic rights, conflict resolution, issues of peace, gender equality, rights of children and the disabled, and justice administration, those that had been working on such issues prior to the law have had to terminate these projects. This has caused them to cut back on the employees that had been working in such departments and cause a decline in the number of beneficiaries that the department was supporting.

Further, the donors that had been supporting these Resident Charities and Societies engaged in advocacy and rights issues have either completely stopped funding the organizations or made change in the program areas of engagement and continued funding. This has led some of the

organizations to look for other donors that are interested in funding their program areas. But according to the findings, overall the amount of fund received for such activities has declined. Thus the proclamation has affected those Resident Charities and Societies that were engaged in advocacy and rights issues and depended on foreign sources of funding for the projects and programmes.

On the other hand, those Resident Charities and Societies that had continued to operate with their initial objectives or in other words, those that were not engaged in advocacy, rights issues etc. have not been that much affected as the study has showed. The reason was since they had donors working with them before the law on the issues they are currently working on; there have not been much change. The problems they have faced were the decline of funding due to the financial crisis in Europe. However, just because the number of beneficiaries, amount of fund has increased or stayed the same does not necessarily mean they have not been affected by the proclamation.

Those that have re-registered as Ethiopian Charities and Societies have to raise 90% of their funds locally in order to engage in advocacy, human rights etc. As the finding shows, this has been one of the greatest challenges these organizations are facing. Because of the lack of funding from donors, some Charities and Societies have had to terminate their activities, which in effect led to closure of organizations and termination of employment of staff. Before the proclamation, the funding depended only on the size of the project. Now, in any case it should meet the 90/10. As the interviews suggested, much investment is needed especially when it comes to women and children, however, the proclamation has limited this.

In order to curb this challenge, these organizations have come up with different coping mechanisms like downsizing, looking for local sources of funds and engaging in money generating activities. They have been engaged in various fund raising activities such as fund-raising dinners, selling tickets, distributing commitment forms etc. Some have also increased their membership fee so as to cover their costs.

The third group, the donors though not directly affected by the proclamation is indirectly affected. The EU fund because of the Cotonou Partnership Agreement (CPA) is labeled as “domestic” and so there has been no negative effect of the proclamation and thus support has

been continuing. Other foreign donors, since they are not allowed to engage in advocacy and rights related issues have had to revisit their program areas engagement, either by changing their programs or closing down the programs.

Another great challenge for all the three groups has been the 70/30 (Program and Administration Cost). According to the findings, the problem was not with the percentage assigned to program and administrative costs; rather it was the contents/items that were considered as program and administrative. Most of what had been part of the program cost prior to the proclamation is now part of the administrative cost and so with only 30% assigned for administrative cost, most are finding it very challenging.

Overall, the proclamation has brought about new demands on the way Charities and Societies operate be it financial, existential, sustainability or structural change. Positively it creates an autonomous Agency for the CSO sector, allows income generation activities, and tries to curb unwholesome practices by some CSOs etc. Negatively, the proclamation has strict funding source requirements, potential going out of operation of many CSOs and gives excessive power to the Agency.

To conclude, while several of the provisions in the proclamation are meant to constructively improve the efficiency, transparency and accountability of the civil society sector, overall the proclamation is considered as restrictive by many.

4.2 Recommendations

In a developing country like Ethiopia, the contribution of CSOs is highly important. The participation of civil society may be expressed in various ways and through diverse forms of organizations. One of the most important purposes of civil society is to provide those social and economic services that are not provided by the public or the private sectors.

Even though this study was qualitative and had employed few samples, based on what the findings suggest, the researcher has tried to give opinions on the way forward.

- i. **Need for Volunteers:** one of the important things to note is the changes that volunteers can bring. Due to the lack of funds, most organizations have had to downsize their number of employees, and so creating awareness about the importance

of volunteers and encouraging them is required in order for the organizations to cut down costs and continue with their operations.

- ii. **Need for Capacity Building:** organizations should focus on capacity building of their employees. Nowadays, for lack of money, a single person has to cover various positions and so with the proper training these employees can contribute more to the objectives of the organization.
- iii. **Diversifying Income Generating Activities:** the Government in collaboration with the public and private sectors should share experiences or give trainings on ways of improving fund-raising techniques and look at more options of fund-raising or income generating activities. It also needs to create awareness within the society about the importance of participating and taking part in fund-raising events and curb the negative attitudes about NGOs in general. The absence of a tradition of giving financial support to human rights organizations, and the lack of the necessary skill and experience in generating funds from local sources are currently challenging the Charities and Societies.
- iv. **Provision Amendments:** some of the provisions in the proclamation need amendment, though it is unlikely that a proclamation once enacted can possibly be changed. For example, not allowing those that receive more than 10% of their funding from foreign sources in advocacy, human rights etc. Having seen the type of contributions that these CSOs are making, some type of flexibility should be allowed.

Regarding the 70/30, which has concerned many, the Government should consult all those it targets and review the contents/items under the categories and make some sort of revisions/improvements. For instance, categorizing monitoring and evaluation tasks as administrative can discourage the activities with adverse consequences for quality assurance and accountability. At the same time, donors will also find it difficult to support projects lacking comprehensive monitoring and evaluation systems.

The effect of the 70/30 on Consortiums should also be reviewed again. Those Consortiums that want to be more than just implementers should be allowed to raise

funds not only for the implementation of projects of their members but also to undertake projects.

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Annex 1: Interview questionnaire for Charities and Societies

Addis Ababa University
School of Graduate Studies
Department of Public Management and Policy
Interview Questionnaire

Respected Respondents,

This is an interview questionnaire designed for a thesis research that is being conducted as a partial requirement for an MA in Public Management and Policy.

I hereby would like to assure you that any information that you supply will be with your full consent and would not be used for other purposes except for academic research. The completed questionnaires will not in any way be shared to third parties.

Thank you for devoting your precious time and in reading and answering this questionnaire.

I. Interviewee Background

1.1 Sex

Male

Female

1.2 Education Level

Primary School

Secondary School

Technical/Vocational

Diploma

Bachelor's Degree

Post-graduate

1.3 Position Title: _____

1.4 Level of responsibility in the organization

Front-line

Supervisory

Middle-level management

Executive-level management

Other, please specify _____

II. Charity/Society Background

2.1 Name of the organization: _____

2.2 Date of establishment: _____

2.3 Number of branches and regions of operations: _____

2.4 Area of operation (activity engaged in)

Before the Proclamation	After the Proclamation	Reason for the change

2.5 Current organization category

Ethiopian Society/Charity

Ethiopian Resident Society/Charity

2.6 Date of Re-registration: _____

2.7 Reason for choosing the above category? (three most important reasons)

1. _____

2. _____

3. _____

2.8 Number of Donors (foreign)

	2006	2007	2008	2009	2010	2011	2012
Number of Partners							

2.9 Please explain the change in the number of partners over the course of period mentioned in question number 2.8.

2.10 What percentage of the organization's fund is received from foreign sources?

2.11 Amount of fund received from donors

	2006	2007	2008	2009	2010	2011	2012
Amount of fund							

2.12 Has the proclamation affected the amount of fund received from donors (partners)?

Yes No

2.13 If your answer to question 2.12 is **Yes**, please explain how and in which way the proclamation has affected the amount of foreign fund received?

2.14 If your answer to question 2.12 is **No**, please explain the factors that have affected the amount of foreign fund received if any?

2.15 Number of staff

	2006	2007	2008	2009	2010	2011	2012
Number of Staff							

2.16 Has the proclamation affected the number of staff in the organization?

Yes No

2.17 If your answer to question 2.16 is **Yes**, please explain how and in which way the proclamation has affected the number of staff?

2.18 If your answer to question 2.16 is **No**, please explain the factors that have affected the number of staff if any?

2.19 Number of Beneficiaries

	2006	2007	2008	2009	2010	2011	2012
Number of Beneficiaries							

2.20 Has the proclamation affected the number of beneficiaries of your organization?

Yes No

2.21 If your answer to question 2.20 is **Yes**, please explain how and in which way the proclamation has affected the number of beneficiaries of your organization?

2.22 If your answer to question 2.20 is **No**, please explain the factors that have affected the number of beneficiaries of your organization, if any?

III. Issues concerning the Proclamation

3.1 Did your organization take part in pre-enactment consultative meetings about the CSP?

Yes No

3.1.1.1 If your answer to question 3.1 is No, please explain why your organization did not take part?

3.1.1.2 If your answer to question 3.1 is Yes, what ideas did you forward? Was it in any way included in the proclamation?

3.2 What of the following is/are your organization’s coping mechanism to meet financial demands as set out in the proclamation? Please explain your answer in detail.

- i. Downsizing
- ii. Changing orientation
- iii. Looking for local funding sources
- iv. Engaging in money-generating activities

3.3 In what ways did the proclamation affect your organization? Please explain in detail.

- a) Programmatically (90/10)
- b) Administratively (70/30)

3.4 Has your organization been affected by any of the 8 newly issued Directives? If yes, please explain, which of the Directives has affected your organization and in what way.

3.5 Do you think there was a need for the enactment of this policy in the first place?

Yes No

3.6 What do you think are the pros and cons of this proclamation?

3.7 Do you think the proclamation will stay for long? Please explain your reason why you believe so.

IV. Recommendations/ The Way Forward

4.1 What possible recommendations would you like to forward to the Government or to the Charities and Societies Agency on things that you would like to see changed/improved and how would you suggest they undertake it?

ANNEX 2: Interview Questions for the Charities and Societies Agency

The aim of this questionnaire was to get relevant information and better understanding of the Proclamation from the Charities and Societies Agency.

1. What do think about the overall contribution of Charities and Societies in Ethiopia? How is the trend (increasing/decreasing)?
2. Why do you think there was a need for the CSP in the first place?
3. What was wrong with the previous laws (Civil Code of 1960 and other directives)?
4. What can you say about the impact of the CSP?
 - i. the 90/10
 - ii. the 70/30
5. Most Ethiopian Charities/Societies claim that raising 90% locally is very tough, what do you say is the problem here? Also, Ethiopian Residents say that an administrative cost of 30% is insufficient, what is your opinion on this?
6. Do you think it would have an impact on foreign donors/partners?
7. Would the lack of funding, drive Ethiopian Charities and Societies to change their objectives and become Ethiopian Resident Charities and Societies? Or maybe even close down?
8. What are the major problems seen in charities and societies?
9. What type of problems has the Agency come across?

ANNEX 3: Interview Questions for Donors

The aim of this questionnaire was to check whether the Charities and Societies Proclamation has any impact on Foreign Donors.

1. How has your organization been contributing in Ethiopia and since when?
2. What type of activities are these organizations engaged in?
3. Has the activity (areas of operation) of the organizations that you have been funding changed? Has this been the result of the newly enacted Charities and Societies Proclamation?
4. Has the amount of fund increased/decreased following the proclamation? What has been the cause of this change?
5. What other impact has the proclamation brought to your organization, if any please explain?

DECLARATION

I, the undersigned, hereby declare that this thesis is my original work and has not been presented for any type of degree in any other university, and that all the sources of materials used for the thesis have been acknowledged.

Declared by:

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Date: June 2012

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Confirmed by Advisor:

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Signature:

Place and date of submission: Addis Ababa University,

June, 2012