

# LEGAL UPDATE

**Civil Society Organizations (CSOs)** 

August 2019

## CIVIL SOCIETY ORGANIZATIONS PROCLAMTION

#### 1. INTRODUCTION

On February 5, 2019 Ethiopia has adopted a new law, governing civil society organizations (CSOs), to be called Organizations of Civil Society (CSO) Proclamation No.1113/2019 (the "Proclamation"), and revised its predecessor Charities and Societies Proclamation No. 621 of 2009.

As one of the first things the new administration promised to do was repeal and revise unfavorable laws, the government revised the previous law, believing it is necessary to enact a law to give full effect to the freedom of association cherished in the country's constitution as well as international human rights instruments ratified by it.

The Proclamation introduces a number of progressive changes. It recognizes the role of freedom of association for the full exercise of other rights recognized the constitution and takes an entirely new approach to the regulation of CSOs and the government has been commended by different civil societies and even by UN experts for prioritizing civil society legislation and the new approach.

#### 2. HIGHLIGHT OF MAJOR CHANGES

## **Engaging in Advocacy and Human Right Work**

One of the major changes made by the Proclamation is, it explicitly provides that all organizations have the right to engage in any lawful activity to accomplish their objectives. In other words, foreign and foreign-funded CSOs are no longer prohibited from engaging in advocacy and human rights work.

Contrary to its predecessor, the Proclamation specifically encourages CSOs to engage in advocacy and lobbying in regard to laws and policies which have a relationship with the activities they are performing. Nevertheless, it forbids foreign organizations from being involved in political advocacy.

## **Source of Funding**

It has addressed one of the highly criticized rules of the previous law, which relates to the restriction on source of funding. Any CSO can derive its funding from any legal means to be able to meet realize their objectives. Any civil society organization can also engage in any income generating activities provided they are legal and the organization has obtained all the necessary approvals and permits from the relevant authorities.



With regard to administration of their funds, the 70/30 rule has been replaced by 80/20 rule: only 20% of a CSO's income can be spent on administrative costs and defines administrative costs more precisely as including salaries of administrative employees, rent, bank fees, and attorney fees, among other things.

# Representation in the Agency's Board

The law is more inclusive and has also given the CSO sectors more opening to be represented in the Agency's board. Under the previous law, the Board comprised seven members, all of them were appointed by the government, including two members from the CSO sector. But the new law increases the representation of CSOs to three among eleven member of the Board and to be selected by a Council (group of civil society organizations formed in accordance with the regulation) of CSOs not by the government.

## Registration

With regard to registration of foreign NGOs, documentary and procedural requirements have been made less bureaucratic. The Proclamation also provides lesser time for the process of registration. Provided all requirements are met, certificate shall be issued within 30 days for local NGOs and 45 days for foreign charities. A clear and exhaustive list of the grounds on which applications for registration could be rejected is also provided in the Proclamation. Previously, although there was no clear indication in the law that foreign NGOs cannot be registered for the sole purpose of provision of grants, in practice they were not allowed to. However, under the new law, foreign NGOs can freely work either as implementer or as channel of technical and financial supports.

## **Self-Regulation**

The new law endows CSOs a self-regulatory right. It defines this as "a mandatory regulatory system led by a voluntary code of conduct adopted by Organizations through the Council to govern themselves". The Council's primary tasks are to: enact a code of conduct and devise enforcement mechanisms in consultation with the Agency, donors and other stakeholders; advise the Agency on the registration and administration of organizations; and represent and coordinate the sector. This move to self-regulation marks a significant shift.

## **Cancellation of Registration**

Furthermore, one of the major improvements this law brought with regard to cancellation of registration and dissolution, is that it can only be done only through court order. Previously, this was left to the discretion of the regulator.