

Pre-Conference DREAM II  
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## Prospects for Collaboration and Effects of New Charity Regulation



The DREAM – initiative aims at improved collaboration of all stakeholders to create better understanding regarding already ongoing and planned initiatives for a more synergetic use of limited resources. The relatively recent reform of the Ethiopian Charity law, which led to the **Ethiopian Civil Societies Proclamation Proc. No. 1113-2019** provides a golden opportunity to boost collaboration of actors from different walks of life for the betterment of the country in general and of the Low-land areas in particular.

# INTRO

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Active in Ethiopia since 1972

Long term Development & Humanitarian Response

Working with partner organisations

Member of Alliance 2015

Let me quickly introduce myself so that you know who is talking to you.

RR HoA for WHH (GAA). The organisation is active in the fight against hunger and malnutrition in Ethiopia since 1972 and since then has established numerous partnerships with Ethiopian CSOs for the planning and implementation of manifold Development- and Humanitarian Programs and Projects. We strongly believe that the partnership concept does not only allow WHH a better understanding of the context in which we work but also better access to and acceptance in the communities we work with. Furthermore, we consider the development of sustainable local organizational infrastructures as key for sustainable development in Ethiopia.

We are also a member of the so called Alliance2015, a strategic alliance of 8 European NGOs (of which 7 are active in Ethiopia) to promote collaboration, high working standards and the synergetic use of resources to increase reach and impact of our activities. Pls contact me to learn more about WHH and A2015, if you are interested.

## The Challenges in the Lowlands of Ethiopia (excerpt)

Increasing number of stress factors and intervals of crisis situations

- Climate change
- Population pressure
- Degradation of natural resources
- Poor infrastructure and absence of social services and service systems
- Limited livelihood opportunities
- Dwindling resilience and reduction of coping capacity

Inadequate policy support specific to the lowland context

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**Need for Strategy to promote**

- Efficient use of resources
- Effective measures
- Synergetic collaboration
- Scaling of good and promising practices

The lowland areas of Ethiopia, with arid and semi-arid agro-ecology, are under increasing pressure due to several stress factors including climate change, population pressure, natural resources degradation, inadequate policy support and a reduction in local peoples' coping capacity. A lack of sustainable service systems, and limited opportunities for livelihoods diversification, are aggravating the negative impacts on the population.

You will agree that the accomplishment of these major challenges requires the development and implementation of strategies which are appropriate to use the available limited resources efficiently for the implementation of effective measures to achieve impact. There is much room for improvement regarding

- the involvement of actors and stakeholders whose potential has not yet sufficiently tapped, but also
- For the establishment of coordination mechanisms and modes of cooperation that unfold synergies and mechanism to scale promising and good practices to an extent necessary.

# Key features of the new CSO legislation

Old	New
<ul style="list-style-type: none"><li>• Limitations to raise revenue from foreign resources</li></ul>	<ul style="list-style-type: none"><li>• repealed</li></ul>
<ul style="list-style-type: none"><li>• Engagement into Advocacy was prohibited</li></ul>	<ul style="list-style-type: none"><li>• “CSO encouraged to engage into advocacy and lobbying re laws &amp; policies which have a relationship with the activities they are performing</li></ul>
<ul style="list-style-type: none"><li>• 70/30 regulation and broad definition of administrative activities</li></ul>	<ul style="list-style-type: none"><li>• 80/20 with much stricter definition of administration costs</li></ul>
<ul style="list-style-type: none"><li>• Role of Charity &amp; Societies Agency as controlling body</li></ul>	<ul style="list-style-type: none"><li>• partner relation striving for synergies</li></ul>

The former CSO legislation did not really invite for strategic, synergetic, added value-based and inter-sectoral collaboration for several reasons. I am going to only discuss a few key features of the old and new proclamation, which I consider decisive for our discussion.

1. Ethiopian Charities & Societies were not allowed to raise more than 10% of their revenues from foreign sources. This regulation and the fact that funding opportunities and opportunities for income generation were significantly limited, kept the Ethiopia Charities generally under-resourced and fragile. Glad, that this provision had been repealed.
2. Ethiopian resident charities and international CSO (INGOs) were prohibited from advocacy activities. Though advocacy and lobbying are key to ensure that civil societies voice is heard and genuinely considered in decision making on issues important to them. Now, CSOs are encouraged to engage into advocacy and lobbying regarding laws and policies relating to activities they are performing. This is a quantum leap in the political culture of the country
3. Famous 70/30 rule: Though it is per se not a bad idea to limit overheads, the broad definition of administrative costs was done on the account of capacity development, networking and the possibility to link up projects with (operational) research base our joint activities on evidence, but also for scaling up of promising practices. Though the ratio between programme and administrative costs went even up to 80/20, the much stricter definition of what is considered “overhead” provides now the necessary space for improved collaboration and sustainable development.
4. Last but not least strained the negative perception of CSO a fruitful collaboration. CSOs where considered more of a threat rather than an additional resource for the development agenda of the country. CSA saw its role more as a controller, and micro manager and perceived CSOs as a pure implementer of individual projects. Heavy administration often led to significant delays in terms of registration, procurement and timely implementation of agreed activities. Now, we observe a much more collaborative relationship with defined time limitations re administrative duties of the agency.

# Opportunities

## Moving from project – centred to strategic, programmatic approach

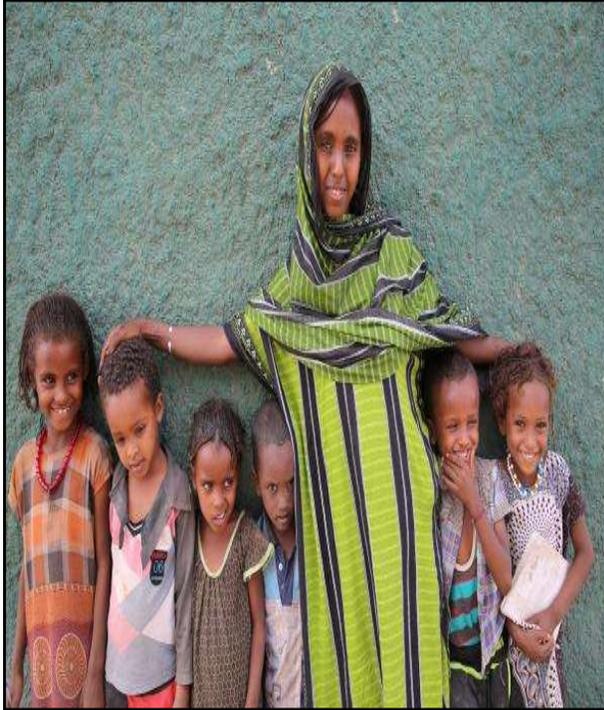
- Increased participation of civil society into opinion- and decision
- New forms of collaboration
- Strategic and intersectoral Multi Actor Partnership
- System Thinking
- Increased investments into capacity- and organizational development of local organisations
- Boost for innovation and new business models (e.g. social business)



The new proclamation now opens avenues in many regards as it allows moving from project-centred to strategic collaboration. Civil society is now able to actively involve into opinion- and decision-making processes. The revised definition of administrative activities allows new forms of collaboration and networking with new actors that are crucial in bringing together skills, expertise and other resources to develop inter-sector collaboration. This allows response to the ever-increasing complexity of challenges the country faces. It is now possible to leverage impact of each stakeholder through systems thinking: The impact in main thematic areas relies on analyzing driving and hampering factors as well as addressing key actors and stakeholders in the respective system. Systems are shaped at family, community and state level, by government circles, private businesses, learning institutions and in the physical, political and cultural environment. This is necessary in order to identify the most important levers the country and the regions have for creating lasting impact.

It will be possible to increase investments into capacity- but also organisational development of local organisations who are key for sustainable development and service delivery.

And these new opportunities for cooperation will also provide scope for innovation and testing of new business models which might provide new job opportunities and perspectives for the this and the next generation.



*Thank you*

Therefore, I very much welcome the DREAM initiative and strongly believe that the DREAM comes true if we grasp thenow given opportunities.

Thank you