Policy Brief

From Legal Reform to Institutional Practice: Ethiopia's Civil Society Proclamation, 2019

Key Findings and Recommendations from 11 Case Studies

July 2026

Introduction

Prior to 2019, Ethiopia's civil society sector operated under one of the most restrictive legal frameworks in Africa—the Charities and Societies Proclamation of 2009 (the 2009 Proclamation). This law barred organizations from receiving more than 10% of funding from foreign sources, effectively crippling advocacy, governance, and human-rights work. In 2019, Ethiopia enacted the *Organizations of Civil Societies Proclamation No. 1113/2019* (the 2019 Proclamation), introducing sweeping reforms designed to restore space for civic engagement.

This brief summarizes findings from 11 in-depth organizational case studies commissioned by the International Center for Not-for-Profit Law (ICNL) to assess how well that reform has translated into reality. The cases include a range of rights-based, humanitarian, service delivery, community-based, faith-based, and ecosystem support organizations. Although many organizations are headquartered in Addis Ababa, they all maintain substantive operations across multiple regional states.

Breakdown of 11 Case Study Organizations by Type

Rights & governance	27%
Faith/community-based	18%
Ecosystem support	18%
Humanitarian	18%
Service delivery	18%

Transformative Shifts

The most powerful change made by the 2019 Proclamation is the restoration of access to foreign funding. Ten of the eleven surveyed organizations directly linked this to organizational survival, program continuity, staff retention, and broadened geographic reach. The 2019 Proclamation has produced meaningful change across three linked dimensions. According to the case studies:

1. **Operational functioning** — Registration and renewal processes are clearer and more standardized, especially at the federal level. Most organizations report that their engagement with the regulator is more facilitative, rather than controlling.

2. **Organizational objectives** — Rights-based, governance, and advocacy organizations report a return to core missions previously forced underground. Service-delivery organizations gained legal confidence to integrate rights-based approaches in their work.

3. **Beneficiary outcomes** — Expanded service coverage, more consistent community engagement, and improved rights awareness — especially for women, youth, displaced persons, and pastoralist communities — are all linked to the improved enabling environment.

Key Impacts: Deep Dive

The 2019 Proclamation changed the operating landscape for Ethiopian civil society in five concrete ways:

1. Restored access to foreign funding

• Ten of the 11 organizations cited this as the single most important change made by the 2019 Proclamation.

• For advocacy-oriented organizations, coalitions, and ecosystem support institutions, restored access to international funding was directly linked to organizational survival, staff retention, and program continuity. It allowed advocacy, civic education, and governance work to resume lawfully.

• While foreign funding did not fundamentally change the mission of service delivery and humanitarian actors, these resources primarily enabled them to scale their activities and make their programs more sustainable.

2. Improved operational confidence

• Seven of the 11 organizations described reduced self-censorship and a broader sense of legitimacy as a result of the more permissive legal environment. Organizations reported strengthened confidence to engage publicly, and to pursue civic education, coalition-building, advocacy, and policy dialogue openly and lawfully.

• The reform allowed organizations focused on rights, governance, accountability, and participation to carry out missions that had been narrowed, suspended or strategically avoided under the 2009 Proclamation.

• At the same time, the study identified persistent operational frictions that limit full realization of the 2019 Proclamation's intent. These include administrative delays, inconsistent interpretation of directives, parallel oversight arrangements at the regional level, technical weaknesses in digital reporting systems, and extra-legal practices such as informal approval requirements or delayed processing without written justification.

3. Authorized income-generating activities

• The 2019 Proclamation explicitly authorizes CSOs to engage in lawful income-generating activities, including business activities and passive investments, provided that such activities comply with relevant commercial, licensing, and regulatory laws and that resulting income is used to advance organizational objectives rather than distributed for private gain. These provisions establish a legal foundation for diversified funding and institutional sustainability.

• Eight of the 11 organizations identified income generation as an increasingly important sustainability tool.

Impacts at a Glance

10/11
organizations cite restored foreign funding as key enabler

9/11
organizations report improved registration predictability

7/11
organizations report expanded operational confidence

6/11
organizations report stronger coalition participation

• Social enterprises, training, and research services are being piloted across the sector as income-generating activities.

• A key gap: tax, licensing, and trade regulations are not yet aligned with nonprofit realities.

4. Strengthened sector coordination by removing coalition restrictions

• Six of the 11 organizations reported expanded coalition participation and networking.

• Coalitions, umbrella bodies, and networks report larger membership and improved coordination.

• Additional benefits of enabling coalitions include improved information-sharing and joint civic engagement.

• While legal barriers to coalition participation have been removed, sustained ecosystem strengthening will depend on continued institutional development, leadership capacity, and stable funding conditions.

5. Improved regulatory predictability — although implementation gaps persist

• Nine of the 11 organizations reported clearer compliance requirements and reporting procedures.

• Persistent challenges include administrative delays, inconsistent regional interpretation, and extra-legal requirements.

Who Benefits — and How?

The Proclamation's impact reaches beneficiaries through two paths:

Direct Pathway

Organizations expanded reach to women, girls, youth, IDPs, pastoralist communities, and other marginalized groups — made possible by improved funding, staffing, and programming stability under the new framework.

Ecosystem Pathway

Ecosystem support organizations and coalitions channeled resources (training, mentorship, seed funding, grants) to grassroots and emerging CSOs, multiplying the 2019 Proclamation's impact across the broader sector.

Remaining Gaps

Despite genuine progress at the federal level, several systemic challenges limit the full realization of the Proclamation's enabling intent:

Regional inconsistency

Organizations operating outside Addis Ababa face parallel reporting demands from both the Bureaus of Justice and Finance, creating duplication and confusion about which rules take precedence.

Extra-legal practices

Informal approval steps, unexplained processing delays, and document requests beyond legal requirements recreate elements of the previous control-oriented environment.

Compliance burden

Reporting is resource-intensive, especially for regional offices. Limited feedback from the nonprofit sector's regulator, the Authority for Civil Society Organizations (ACSO) reduces learning and generates uncertainty about whether compliance efforts meet expectations.

Security and political context

For humanitarian actors especially, security conditions and politicization of aid rather than the legal framework — remain the dominant constraints on operational reach in conflict-affected areas.

Recommendations

Based on the interviews with representatives of the 11 organizations, and additional focus-group discussions, four groups of actors have a role to play in turning legal reform into lasting civic impact.

Authority for Civil Society Organizations (ACSO)

• Ground all administrative decisions firmly in the 2019 Proclamation — decisions must cite specific legal provisions and be communicated in writing.

• Standardize procedures across all offices with publicly accessible step-by-step guides, checklists, and FAQs that apply consistently at federal and regional levels.

• Reform reporting to be tiered by organization size and risk profile; provide timely written feedback on submissions to strengthen trust and learning.

• Publicly reaffirm the legality and legitimacy of foreign-funded advocacy, human-rights, and civic engagement programming.

• Operationalize the Disability Desk with clear working documents, monitoring mechanisms, and a disability mainstreaming checklist covering registration, reporting, and program oversight.

• Clarify the mandates of the ACSO Board and CSO Council through binding directives; activate existing self-regulation mechanisms.

Other Government Institutions

• Tax authorities should issue clear guidance on how organizations use and report on income that they generate through economic activities or social enterprise.

• Regional governments should disseminate CSO laws and procedures to zone, woreda, and kebele levels, and clarify which bureau has oversight authority, to eliminate duplicative arrangements.

• The Ministry of Justice and sector ministries should maintain structured policy dialogue with CSOs to prevent new laws from inadvertently constraining civil society activity.

Civil Society Organizations

• Invest in legal literacy across leadership, finance, program, and M&E staff to reduce compliance risks.

• Strengthen documentation, reporting, and internal governance systems.

• Actively engage in dialogue platforms with the ACSO and regional authorities to resolve implementation challenges collectively.

• Explore responsible income-generating activities and private-sector partnerships as a hedge against declining donor funding.

• Support self-regulation through codes of conduct and sector accountability panels to build public trust.

Development Partners & Funders

• Provide flexible, multi-year funding that adequately resources compliance, documentation, and staff retention.

• Invest in institutional strengthening alongside programmatic outputs — governance systems, digitization readiness, and legal literacy were repeatedly flagged as high-impact needs.

• Support coordination platforms and sector infrastructure including regional CSO councils and dialogue mechanisms.

• Fund disability inclusion tools and training to strengthen implementation of inclusion obligations.