I. Definition

A professional association or society is usually a non-profit organisation seeking to further a particular profession, the interests of individuals engaged in that profession and the public’s interest with respect to that profession. The ‘public interest’ may include the establishment of professional standards to guarantee levels of public service, engagement in policy debates relevant to the profession or representation of the profession in relevant fora.

II. Major Challenge

The Agency is requesting ERSs to re-register as mass based societies (MBS).

During licence renewal period of 2013, the Agency has requested professional societies to re-register and / or change their registration category to be a MBS or an Ethiopian society. This is the core challenge that has created a chaotic situation among societies which have subsequently appealed this proposal. For example, the Ethiopian Midwives Association (EMA) and the Ethiopian Economics Association (EEA) were requested to re-register as MBS because they are professional societies.

III. Some Examples of Societies’ Operations and Contributions

**Ethiopian Economics Association**

EEA is engaged in supporting university education, research and policy debate on economics and capacity building for federal and regional government organs. In addition, it was selected to hold the 16th international conference of the African econometrics societies, and has been nominated to organise the international conference of Agricultural Economists in 2018. It is worth mentioning that EEA is among the leading professional societies in Africa and is often proposed to represent the continent on different fora. Its research and international cooperation projects have increased throughout its existence. This development has contributed to building a positive image of Ethiopia.

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1 TECS is a project initiative of the DAG, whose purpose is to create a conducive and enabling environment through supporting research, dialogue and publication on emerging issues and trends in Ethiopian civil society sector, including those arising from the implementation of the Proclamation on Charities and Societies. The TECS Information Updates aim to bring to the attention of Government, civil society and development partners quick assessments of evidence gathered on a range of issues.
Ethiopian Midwives Association
EMA undertakes a variety of projects throughout Ethiopia to improve health outcomes under four focus areas:

- **Capacity building** of health institutions staff.
- **Advocacy & representation**: EMA aims to improve the status and utilization of midwifery services through advocating for the profession;
- **Partnership & resource mobilization**: EMA values and seeks to strengthen its partnerships with the Ethiopian Government, other professional associations, donors, members and the wider Ethiopian community through the partnership and resource mobilization focus area;
- **Research monitoring & evaluation**: these activities aim to inform policy and programming by modelling best practices, improving programme outcomes through evidence-based practice and using data and past experiences to inform decision making.

IV. Legal Point of View

**Why did some societies register as Ethiopian Resident Charitable Society in the first place?**

A ‘society’ (sometimes referred to as a ‘charitable society’) is one form of legal entity recognized by the Proclamation. As noted above, the key purpose of a society is to further the interests of its members – and in the case of a professional society, those members represent a particular profession. Any such organization which is established in Ethiopia may be forced to raise a substantial portion of its funds from international sources if it intends to work for public interest and go beyond simple representation of its members. Many professional societies were established in Ethiopia but work for the benefits of the nation as a whole and mainly using foreign funds. This means that such societies chose to register as Ethiopian Resident Charitable Societies.

Through the ‘charitable’ attribute, most societies were enabled to work on wider issues than merely the interests of their members. The funds from abroad have enabled them to conduct policy research, undertake outreach activities, engage in regional activities and many other wider ranging activities which they consider to be part of their mandate of supporting their profession.

In summary, registration as an Ethiopian charitable society is legal. Some professional associations did this for strategic purposes. In other words, they identified that this form registration would permit them to serve both their members and the public, as a result of generating more than 10% of their funds from foreign sources.

Lately, we are aware that the staff at the Agency has in effect nullified the Ethiopian Resident Charitable Society category even though it remains part of the provisions of the Proclamation.

**Can a professional association be registered as an Ethiopian Resident Charitable Society?**

For an organization to be classified under Ethiopian Resident Charitable Society, there are four elements to be fulfilled. The organization has to be registered in Ethiopia according to the Ethiopian law. Second, the members should be residents of
Ethiopia regardless of their nationality. (According to the Ethiopian Civil Code, if a person who is residing in the country for at least 180 days in a given year, he/she can be considered as a resident.) Thirdly, the organization should be established for charitable purposes (for the benefits of others) as defined under Article 14 of the Proclamation. Finally, the organization should be a membership based organization.

Accordingly, a professional association which is established in Ethiopia by individuals residing in the country for charitable purpose can be registered as Ethiopian Residents’ Charitable Society. The mere fact that members of the association are from a specific profession is not in itself a bar for the association to be registered as Ethiopian Residents’ Charitable Society. In summary, there is no legal restriction that prohibits professional associations from registering as an Ethiopian Residents Charitable Society.

V. Issues

Inconsistent registration
The societies complain that there are inconsistent registration processes within the Agency. Professional societies that have similar objectives and functions are registered differently and their licence renewal is also treated differently. The Ethiopian Medical Society (EMS) was registered as an Ethiopian Charitable Society to start with but to date has been unable to renew its licence.

Is there a random licence renewal?
There are clear inconsistencies in the licence renewal process. For example, even though the Ethiopian Society Of Sociologists, Social Workers And Anthropologists (ESSSWA) and EEA have followed the same licence renewal process (both applying as charitable societies), ESSSWA was able to renew its licence whereas EEA is still struggling to do so.

In addition, although both the Ethiopian Society of Obstetrics and Gynaecology (ESOG) and the EMA were registered as Ethiopian Charitable Societies, it is curious and inconsistent that, the EMA has only managed to get a temporary licence that expires in January 2014 whereas ESOG has obtained a full three years licence renewal.

VI. Implications of Changing to MBS or Ethiopian Society

Even though there is no direct or indirect requirement for MBS to be an Ethiopian entity, the Agency has decided that all MBS are Ethiopian in nature and the regulations that apply to Ethiopian societies will also be applied to them. However, there is a issue here, because the word ‘‘MBS’’ refers to ‘‘mass’’ but the Proclamation does not define what constitutes the ‘‘mass’’. It isn’t clear whether the reference is to Ethiopian citizenship or resident persons (as defined as above).

Major challenges:

1. Mandate
If the society is a membership-based organization, registered as an Ethiopian Society and working only for the benefits of its members, it will be obliged to drop its
other objectives and restrict itself to serving its members. The wider range of activities such as policy oriented research, curriculum development, professional certification, organizing international conferences, etc will all be halted because these activities cannot be achieved only with income from relatively low membership fees.

2. **Access to funds from international sources**

If the societies register as Ethiopian societies and or MBS, they will not be able to access foreign funds in excess of 10% of their annual budget.

3. **The zero balance conundrum**

If these organizations do as the Agency bids and change their legal status from a resident charity or society to an Ethiopian society or MBS there are severe financial consequences. This requires the organization to start with a zero balance. This means that all of the physical and monetary assets of the societies will be taken away as they are considered as income from foreign sources which Ethiopian organizations are not allowed to use. This is stated on the council of ministers regulation (168/2009 article number 18, sub article 2) which states clearly that assets of other categories of charities and societies shall not be transferred to an Ethiopian Charity or Society.

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### VII. Some Professional Societies which are Affected by the New Licence Renewal Rule – Actively Appealing Against the Proposal

<table>
<thead>
<tr>
<th>No.</th>
<th>List</th>
<th>Registered as</th>
<th>Registration date</th>
<th>Reg. no.</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ethiopian Economics Association</td>
<td>Ethiopian Charitable Society</td>
<td>Dec 28, 2009</td>
<td>1373</td>
<td>Temporary renewal licence expired on Jan 8, 2014</td>
</tr>
<tr>
<td>2.</td>
<td>Ethiopian Medical Association</td>
<td>Ethiopian Charitable Society</td>
<td>Jan 29, 2010</td>
<td>1385</td>
<td>Licence has expired</td>
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<tr>
<td>4.</td>
<td>Ethiopian Midwives Association</td>
<td>Ethiopian Charitable Society</td>
<td>Nov 26, 2009</td>
<td>1037</td>
<td>Temporary renewal, that could last until end of Jan 2014</td>
</tr>
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<td>5.</td>
<td>Ethiopian Pharmaceutical Association</td>
<td>Ethiopian Society</td>
<td>Oct 20, 2009</td>
<td>174</td>
<td>No licence renewal to date</td>
</tr>
<tr>
<td>6.</td>
<td>Ethiopian Physical Society (EPS)</td>
<td>Ethiopian Society</td>
<td>Feb 12, 2010</td>
<td>1572</td>
<td>No licence renewal to date</td>
</tr>
</tbody>
</table>
VIII. Recommendation

The wider objectives of serving the interests of the profession and the wider public are recognised as legitimate objectives of professional organisations and taken into account when assessing the appropriate registration status.

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