

# BASELINE STUDY

The Impact of COVID-19 on Ethiopian CSOs



**CSRC**

Civil Society Resource Center





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## Summary of Key Findings

These findings are based on the feedback from 27 CSOs who participated in the survey. The survey has revealed the significant impact of the COVID-19 pandemic and restrictions related to the pandemic on CSOs, in terms of the operational capacity of the CSOs, the way of working, financial difficulties, and regulatory challenges. The majority of the respondents experienced a lot of changes in their working environment, including reduced funding, rising administrative costs as a result of the new workplace protocols, the introduction of new ways of working, a reduction in face-to-face meetings, and the need to work from home.

**Overall Impact:** 88% reported that COVID-19 impacted their organization in one or more ways.

**Financial Challenges:** 85% of the respondents reported that they have experienced financial challenges due to COVID-19. The respondents reported that they were also forced to take cost-cutting measures such as cutting down operations, downsized staff

**Operational Challenges:** As the country imposed measures such as lockdowns and restrictions on the movement of people to curb infections, CSOs experienced several operational difficulties. 89% of the respondents reported that their organizations' operational capacity was reduced due to the pandemic

**Regulatory Challenges:** 63% of the respondents reported that they were unable to submit activity and financial reports on time, owing to the preventive measures. These office protocols were put in place, due to the pandemic, and unexpectedly raised administrative costs and CSOs struggled to maintain the 20/80 balance between the administrative and program costs. Of the organizations surveyed, 29% of human rights and advocacy organizations, 33% of professional associations, and 42% of the service delivery organizations reported that they were unable to maintain the 20/80 balance between administrative and program costs.

## 1. Introduction

The World Health Organization (WHO) declared COVID-19 a pandemic on 11 March 2020. While Ethiopia still accounts for relatively few deaths, the numbers are rising. At the peak of the pandemic, the Ethiopian government (and governments elsewhere) has instituted wide-ranging measures to curb the spread of the disease, including travel restrictions, night-time curfews, the banning of large gatherings, and social distancing. These measures had swift and dramatic social and economic consequences for all sectors of society, including civil society organizations (CSOs).

Locally, since Ethiopia reported its first confirmed case of COVID-19 on March 13, that number has increased exponentially with 175,467 confirmed cases and 2550 deaths from COVID-19 in the country as of March 2021. On April 19, 2020, the Government of Ethiopia (GoE) declared a state of emergency, suspending all non-essential activities. As part of the GoE's concerted effort to respond to the pandemic, all public gatherings and meetings had been canceled. This had created a major roadblock for civil society organizing and required innovative models to revitalize civil society engagement, which had only recently begun to recover from the previous decade of restrictive government measures.

A year on, and after the expiry of the state of emergency, the operational threat posed by COVID – 19 still looms large. However, no major conversation and public deliberation are taking place with regards to the full extent of the impact of COVID-19 on the civil society sector in Ethiopia. Yet, it is clear that because of the restrictions on public gathering, CSO actors need to devise new ways of creating engagement and innovative means of communicating, organizing, and networking.

Recognizing the gap in knowledge on the impact of COVID-19 on Ethiopian CSO's, the Civil Society Resource Center (CSRC) in collaboration with the Agency of Civil Society

Organizations (ACSO) and the African Civic Leadership Program (ACLP), conducted this baseline survey. The survey aims at identifying the challenges faced by CSOs under the unprecedented times of the COVID pandemic and the resulting governmental restrictions. For the purpose of the survey the challenges have been divided into three main categories. These categories are operational, financial, and regulatory challenges.

The survey is aimed at filling a critical knowledge gap and offers funders, governments, the private sector and other key stakeholders', data-based evidence to inform their engagement with CSOs, both during and after the pandemic. It also provides CSOs with a tool to help strengthen solidarity and inform advocacy for greater recognition and support for the sector.

This survey is the first of its kind to focus exclusively on the impact of COVID-19 on Ethiopian CSOs. It is based on a survey conducted by the Civil Society Resource Center (CSRC) between November 2020 and February 2021.

The objectives of the survey were three-fold:

- Assess the challenges posed by the pandemic on the funding and operations of CSOs
- Understand how CSOs are coping and responding to these challenges
- Give possible recommendations to CSOs and the ACSO on the way forward.

## 2. Methodology

The questionnaire designed by CSRC includes 22 questions. It was then disseminated to a number of CSOs in Ethiopia via email. The questionnaire consists of not only multiple-choice questions but also a handful of open-ended questions to collect short

statements and responses from the participants. For analysis, Microsoft Excel was applied to visualize data in percentages and lists. The qualitative answers were also analyzed to provide the in-depth context and narrative for quantitative data.

Inputs from CSOs which participated in a webinar series focused on the impact of COVID 19 on the Civil Society Sector in Ethiopia was also taken. This webinar series focused on the operational, financial, and regulatory challenges that civil society organizations had to face due to the pandemic organized by the Civil Society Resource Center (CSRC) in collaboration with the Agency of Civil Society Organizations (ACSO) and the African Civic Leadership Program (ACLPL).

### **Respondents of the Study**

In total, 100 questionnaires were disseminated to CSOs and 6 webinars were conducted. Out of the 100 questionnaires we have received 30 responses from CSOs in Ethiopia. After analyzing the forms, we found 27 valid responses.

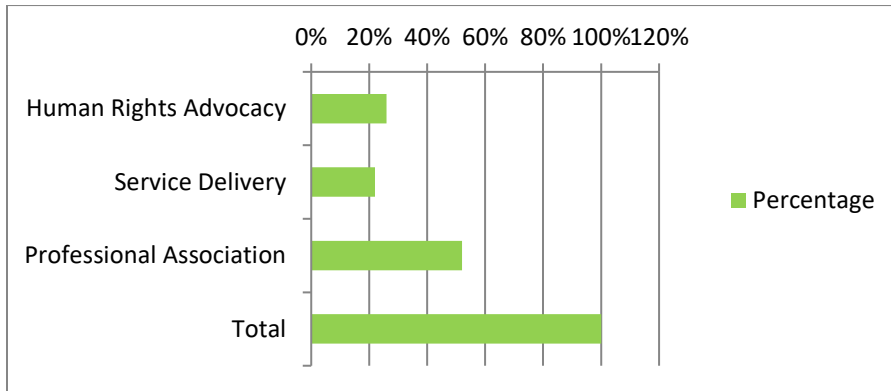
### **3. Limitations**

The assessment was designed and conducted within a limited period mainly to provide timely, brief insights on how the COVID-19 outbreak affects CSOs in Ethiopia. The number of respondents is limited. From the limited responses received - since open-ended questions were optional - the survey did not receive a high number of qualitative responses. The assessment findings offer an overview of the situation; they can serve as a baseline for the formulation of future strategic activities and operations to advance the role and capacity of CSOs in Ethiopia.

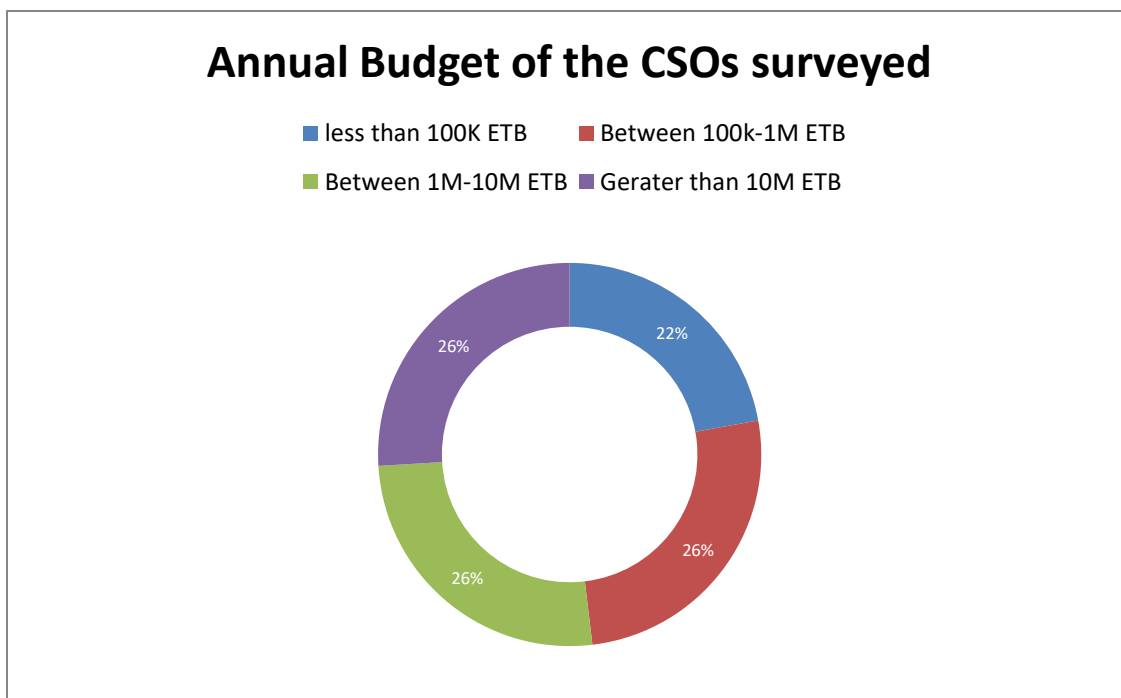
## 4. Study Results

### 4.1 General information of CSOs in the Study

**4.1.1 Focus Areas of the CSOs Surveyed:** -The respondents of the study are categorized into three areas for the purposes of the study namely, Service Delivery, Professional Associations, and Human Right Advocacy.

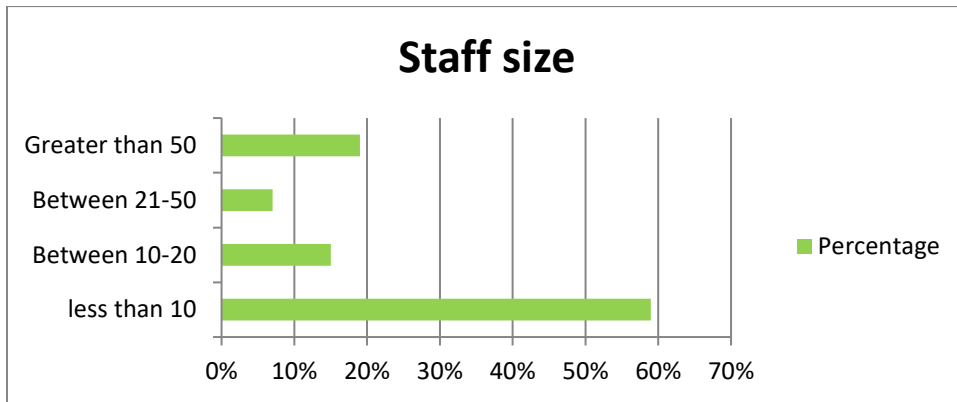


**4.1.2 Current Annual Budget of The CSOs Surveyed:** 22% of the CSOs surveyed have an annual budget of less than 100,000 ETB.





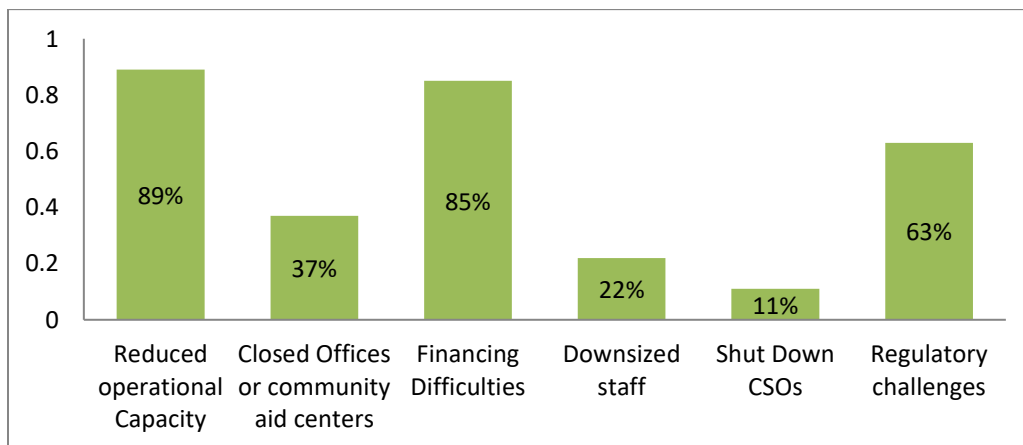
4.1.3 Staff Size: -The majority of the CSOs surveyed have less than 10 employees.



## 4.2 The Impact of COVID-19 on the CSO Sector

### 4.2.1 Overview

The overall impact of the pandemic was swift, widespread, and destabilizing. 88% of the respondents reported having been affected in one or more ways. Only 22% reported minimal or no impact at all. The impact was felt most acutely through challenges in funding, operations, and meeting the regulatory requirements. Most respondents (70%) reported that they faced challenges in meeting regulatory requirements such as conducting regular board and general assembly meetings and submitting annual activity and financial reports. 11% of the respondents reported that they were forced to shut down their CSO due to the impacts of COVID-19.



## 4.2.2 Financial Challenges

The financial health of Ethiopian CSOs was tenuous even before the COVID-19 crisis. Many of the CSOs, especially CSOs working in the areas of advocacy and human rights, were still recovering from the debilitating impacts of the draconian Charities and Societies Proclamation (CSP) (Proclamation 621/2009) which has brought several restrictive conditions in different aspects of operation and funding for CSOs.

85% of the respondents reported that they have experienced financial challenges due to COVID-19. The respondents reported that they were also forced to take cost-cutting measures such as cutting down operations, downsizing staff, etc.

Among the three sectors, the human rights and advocacy sector was the hardest hit by financial challenges. This is owing to the fact that human rights CSOs were just beginning the road to recovery after years of the previous legal regime's restrictive conditions in different aspects of funding and many of the organizations are also newly established. Hence, these organizations were in no shape to endure the impact of the pandemic.

### 4.2.2.1 Financial Challenges of COVID-19 on Human Rights and Advocacy Organizations

Due to the previous restrictive legal regime, Ethiopian human rights and advocacy civil society organizations were weakened both financially and structurally. The Charities and Societies Proclamation (CSP) (proclamation 621/2009) and the subsequent regulations provided have brought a number of restrictive conditions in different aspects of funding for CSOs. Local NGOs that receive more than ten percent of their funding from foreign sources were considered “foreign” for the purposes of the proclamation and were prohibited from working on human rights and advocacy issues. Since the vast majority of domestic human rights NGOs in Ethiopia receive the bulk of

their funds from foreign sources, the then CSO law forced them to either close their doors or drastically alter the scope of their work.

Due to the reform efforts undertaken by the government, the restrictive Charities and Societies Proclamation was repealed and replaced by the new CSOs Proclamation (Proclamation 1113/2009). Restrictions on funding imposed by the previous law were lifted by the new law, but the effects of the COVID-19 pandemic hit human rights CSOs just as they were beginning to recover from the impact of the previous legal regime. Most human rights and advocacy organizations currently operating were established after the enactment of the new CSOs proclamation. Among the human rights and advocacy organizations surveyed, 85% have less than 10 employees and 57% have an annual budget of less than 10 million ETB. Among the surveyed human rights and advocacy CSOs, the majority (85%) reported that they faced financial challenges, while 43% were forced to cut down operations, and 11% were forced to shut down the CSO as a result of the challenges.

#### 4.2.2.2 Financial challenges of COVID-19 on Service Delivery Organizations

Service delivery organizations are among the hardest hit CSOs by the COVID-19 pandemic. Among the surveyed service delivery organizations, 86% reported that they faced financial challenges, while 57% were forced to cut down their operations, and 14% were forced to downsize their staff as a result of the financial challenges.

#### 4.2.2.3 Financial challenges of COVID-19 on Professional Associations

Among the Professional Associations surveyed, 83% reported that they have faced financial difficulties due to the COVID-19 pandemic, 66% were forced to cut down their operations, and 17% were forced to shut down the association. This is due to the declining revenue from membership fees since members themselves are having financial difficulties as a result of the pandemic; members are behind on membership fees to the association. In addition, donations have also decreased because donors are

now prioritizing COVID-19 related activities and are also skeptical about the operational capacity of the associations to conduct the planned program activities such as training, seminars, and workshops while observing the protocols in place to curb the spread of the pandemic.

### 4.2.3 Operational Challenges

The most visible impact was felt across CSO operations. As the country imposed measures such as lockdowns and restrictions on the movement of people to curb infections, CSOs experienced several operational difficulties. 89% of the respondents reported that their organizations' operational capacity was reduced due to the pandemic.

Among the three sectors, the service delivery sector, due to the nature of its operations, was the hardest hit by operational challenges. Human rights organizations and professional associations were able to mitigate the challenges by conducting some of their program activities, such as training, seminars, etc., online.

#### 4.2.3.1 Operational Challenges faced by Human Rights and Advocacy Organizations

Working on human rights and advocacy has never been an easy task. Even before the COVID-19 pandemic disrupted the lives of people everywhere, many human rights organizations faced multiple challenges. When measures such as social distancing, and travel restrictions were put in place, it meant that in many cases protests, community organizing, and physical meetings were no longer possible, affecting various areas of human rights work. All the human rights and advocacy organizations surveyed reported that the pandemic affected the operational capacity of their organization and among surveyed human rights organizations, 28% reported that they were forced to close their offices or community aid centers.

The restriction of public activities and mandatory social distancing has hindered the works that needed to be done. At the time, when the first cases of the pandemic were reported in Ethiopia, the initial shock and confusion by the public forced the government to take sweeping measures to curb the spread of the pandemic. People stayed at home (and some worked from home), offices were closed and public gatherings were halted. This resulted in a major disruption in the operation of human rights and advocacy organizations. In-person meetings, training, seminars could not be conducted. This forced human rights organizations to turn to the use of technology to conduct planned program activities. Conferences, workshops, and meetings moved to online platforms such as Skype and Zoom. Activism and advocacy activities were conducted using social media platforms like Facebook and Twitter. However, in the Ethiopian context, for many human rights CSOs, making these adaptations was not easy due to many factors such as accessibility of reliable internet connection, frequent internet shutdowns in different parts of the country due to political unrest, etc. Furthermore, the idea of working from home was new at the time and was not effective to get the job done on the desired level.

#### 4.2.3.2 Operational Challenges faced by Service Delivery Organizations

COVID-19 has brought on a major challenge in the operations of service delivery organizations. The usual operation of these CSOs has been disrupted. Many service delivery CSOs are no longer able to continue to deliver their services as they did before the pandemic. Among the surveyed service delivery organizations, 86% reported the pandemic affected the operational capacity of their organization, and 36% were forced to close their offices or community aid centers.

The pandemic, and the subsequent measures taken by the government, led to some projects being postponed due to the shifting focus of donors to pandemic relief efforts. Moreover, travel restrictions and new workplace protocols raised the

operational cost of projects. The contingency budgets were limited and were not enough to cover the unprecedented effects of the pandemic.

#### 4.2.3.3 Operational Challenges faced by Professional Associations

Professional associations faced tremendous operational challenges. Among the associations surveyed, 84% reported that COVID-19 and the subsequent restrictive measures have affected the operational capacity of their association, and 50% were forced to close their offices or community aid centers.

The restrictive measures implemented to curb the spread of the pandemic have negatively affected the recruitment of new members into professional associations. The two main methods used by professional associations - organizing events, and going door-to-door to find new members - were no longer possible due to the pandemic-related measures. As a result, no events were being held and door-to-door operations were halted, hence there were no new members recruited during this period.

Professional associations should maintain national and international relationships with fellow associations and build new partnerships. Such activities required international travel, but this was not possible due to COVID-19 related travel restrictions. Some associations were forced to cancel international conferences which could not be held due to travel bans and restrictions on mass gatherings. The state of emergency also restricted fieldwork. Furthermore, research-related works such as interviews with the public, and gathering data have also been affected.

#### 4.2.4 Regulatory Challenges

CSOs failed to fulfill various regulatory requirements due to the restrictions imposed to curb the spread of the pandemic. CSOs, by law, are required to submit to the

regulatory agency, an annual statement of accounts prepared in accordance with acceptable standards, and the officers of an organization shall present major activity reports regarding the organization. 63% of the respondents reported that they were unable to submit activity and financial reports on time owing to the fact that the preventive measures taken to limit the spread of the pandemic made it difficult to convene the governing bodies of the CSOs (Board & General Assemblies) to approve the financial and activity reports to be submitted to the regulatory agency.

The other major regulatory challenge faced by CSOs, due to the pandemic, is adhering to the 20/80 rule. Only 20% of a CSO's income can be spent on administrative costs. Administrative costs include salaries of administrative employees, rent, communication expenses, fuel, and other travel costs, office supplies, etc. Employees have to work from home which raises the communication expense, CSOs were required to provide transportation for essential staff, and CSOs had to provide PPE and other essential cleaning supplies to the office. These office protocols were put in place due to the pandemic unexpectedly and raised administrative costs which in turn led to CSOs struggling to maintain the 20/80 balance between the administrative and program costs.

29% of human rights and advocacy organizations, 33% of professional associations, and 42% of the service delivery organizations surveyed reported that they were unable to maintain the 20/80 balance between administrative and program costs.

## 5. Coping with the impacts of COVID-19 by CSOs

The respondent organizations all agreed that the strain from COVID-19 has been immense. The pandemic has impacted all aspects of their work. However, many CSOs also said that the challenges were paving the way for new opportunities and innovative ways of working in the sector and provided a chance to renew how we tackle global problems together as a community.

CSOs are coping with the impacts of COVID-19 by adopting innovative management approaches and project adaptation. Many CSOs have been compelled to redesign or pivot their projects to respond to the rapidly changing landscape caused by COVID-19. Assessments on the challenges faced by communities in light of the pandemic inform how organizations are adjusting objectives and implementation strategies for 2020 and possibly beyond. Fortunately, many donors are easing their protocols to allow implementing partners to redirect their funding and program activities to the COVID-19 response.

According to respondents, donors are offering greater flexibility to partner organizations through no-cost extensions on existing projects and introducing new emergency measures like emergency funding for unexpected expenses incurred due to the pandemic and online reporting mechanisms to simplify administration during the pandemic.

It is likely, however, that project work not related to COVID-19 may be put on hold or scaled back due to implementation constraints and financial limitations. To rise to these challenges, respondents indicated that many organizations are leveraging technology to continue the implementation of their project activities. Many organizations are embracing new styles of working, communicating, and collaborating. Remote working and home offices have swiftly become the new normal with a growing



reliance on the web, cloud-based platforms, and new technologies to support projects, staff, and communities across the world. With this new trend, many are questioning whether offices are even needed anymore. However, limited access to the internet, frequent power-outages, and internet service blackouts have made it difficult for many CSOs to embrace working from home. Most of the respondents of the survey mentioned that due to these conditions remote working has not yielded the results on the desired level.

## 6. Emerging Opportunities

Many Ethiopian CSOs were besieged by the impact of COVID-19 on their operations and will struggle to recover or even survive. However, despite the negative impacts, several opportunities are emerging that could begin to shape the way the sector operates in the future.

**Re-structuring operations and digital transformation** - the swiftness with which CSOs pivoted to and adopted new ways of working while initiating new COVID-19 related activities are indicative of the fact that CSOs are agile and innovative in response to shifting operating environments and needs of the community. This experience provides CSOs with a framework for reviewing and re-assessing their cost structures and operational requirements which could result in significant savings, more efficiencies, and stimulate more innovation. Office closures and restrictions on staff movement fast-tracked the adoption of technology solutions. It enabled their staff to work from home and continue some of their operations. Staff acquired new skills and gained experience in new tools and applications. With the use of social media platforms, CSOs have harnessed their online presence to increase their visibility, connect with new audiences, and secure support from new supporters. CSOs will

probably prioritize further technology investments in the post-COVID-19 period as they restructure their operations.

**Increased focus on domestic funding sources:** - As international donors face their own challenges, CSOs will need to diversify their revenue streams, including payments for delivery of services and developing income-generating activities. New funding for CSOs' COVID-19 activities was secured through local fund-raising schemes including support from businesses and individuals in the short term. CSOs noted a need for enhancing local fund-raising efforts and reduce reliance on foreign funding.

**An opportunity to reinforce their activism and advocacy:** - COVID-19 laid bare the challenges and the gaps in the service delivery capacity of the federal and regional governments. CSOs are often at the forefront of highlighting these shortcomings and advocating for changes in public policy and actions. With a more engaged public now experiencing the impact and consequences of COVID-19, CSOs have an opportunity to reinforce their activism and advocacy interventions around critical issues; intensify demands for improved public service delivery; monitor how the government is utilizing public funding in response to the pandemic, and expose any abuse of state power during the enforcement of measures aimed at curbing the spread of the disease.

**Enhanced Visibility:** - During the pandemic, while media attention has been concerned mostly with the health crisis and potential collapse of economies, significant media attention was also placed on CSOs. More people are now aware of their work, the challenges they face, and their contributions during the pandemic. CSOs need to capitalize on this renewed public interest and exposure in support of their ongoing operations.

## 7. Conclusion and Recommendations

It is still too early to comprehend the full impact of COVID-19 on CSOs. The pandemic is still spreading, and its implications for the sector will continue to evolve. Ultimately, the impact will be long-lasting as COVID-19 has exacerbated historical and ongoing challenges that hamper the sector. The outcomes of this baseline survey shed a light on the effects of the COVID-19 Pandemic on the operations and activities, finances, and regulation of CSOs in Ethiopia.

Uncertainty about funding and fundraising is identified as the main challenge to CSOs, although the delivery of services to those in need is also considered a prominent threat. This leads to the following recommendations.

- Ethiopian CSOs have relied largely on foreign donors for funding. With the entire globe experiencing the brunt of the pandemic and economies struggling, donations will inevitably decrease. Coming to terms with this reality, CSOs need to find regional and national resource opportunities, including support from the government. CSOs need to maximize their online presence and expand fundraising schemes and work extensively on creating awareness about their work and solicit donations and recruit volunteers.
- CSOs should organize and connect with other CSOs and stakeholders to advocate for inclusion in national government responses to COVID-19 and emergency funding mechanisms.
- CSOs need to identify and address the gaps they face in coping with the new ways of working. They need to also actively search for ways to fill the skills or knowledge gaps. The majority of respondents are working online as it is the only way for most of them to continue functioning. As we do not know how long this situation will continue, it will be valuable to build staff capacity to work in the digital world, in particular, to facilitate online sessions and manage programs

and staff. The expectation is that the new way of working will remain, even after the pandemic is over. Capacity and skill-building in this domain are also some of the aspects organizations and governments should invest in.

- CSOs need to reflect on the future of their organization and start reimagining organizational strategies for the post-COVID-19 period.