

# Ministry of National Planning and Development

## The Law Governing International NGOs in Somaliland

This information is designed to help INGOs to understand and abide by what the NGO Law requires from them in order to operate in Somaliland. It covers the most relevant issues that the NGO law requires from the INGOs working in Somaliland which include what INGOs are obliged to do and what they are expected not to do, process of registration, and other regulatory measures aimed to add value to the impact of their operation in Somaliland.

### Obligations and Prohibitions (Do's and Don'ts)

There are a number of strict obligations and prohibitions that the Law requires from all NGOs, whether they are national or international. An NGO is obliged to do the following:

- To respect the independence, self determination, culture and religion of Somaliland;
- To abide by the constitution, respect government policy;
- To employ its assets and income for not for profit activities;
- To be transparent and accountable;

### An NGO is prohibited from performing the following activities:

- Participation in political activities and campaigns;
- Payment to and fundraising for political parties and candidates;
- The promotion of violence and participation in military activities;
- The production, import, or trading of weapons and ammunition and military training of individuals;
- Engagement in terrorist activities or support, encouragement or financing of terrorism;
- Assistance in the cultivation, production, processing, trading, import, export, supply, storage, use, transport and ownership of narcotics or providing facilities in that regard;
- The use of financial resources against the national interest, Religious rights or religious proselytising;
- Import and export for commercial purposes;
- The performance of other illegal activities.

### Registration Procedures and Processes

An International NGO must not carry out its activities in Somaliland unless it has obtained permission from the Ministry of National planning and Development which is the Governmental institution responsible for this task. To apply registration in Somaliland an International NGO requires completing Form B1 and submitting the following documentation to the Registrar General at the Ministry of National Planning and Development:

1. A completed *Application for Registration Form B1* signed by the founders or people authorised to do so. Form B1 is available at the Ministry of national Planning and Development or online at [www.slministryofplanning](http://www.slministryofplanning) ;

2. A certificate of registration from country of origin and a proof of own operating office in country of origin;
3. Evidence of similar work carried out in country of origin or other countries;
4. Proof of funds secured from a donor not resident in Somaliland;
5. A profile of the organisation which includes its aim, structure, head office, other countries where it works or is registered;
6. A copy of your constitution indicating the areas your organisation is aiming to work ;
7. It one year activity plan, sources of funds and itemised budget for your operations in the country
8. The address of your headquarters;
9. A receipt or proof of payment of the registration fee;
10. An attestation of your existence from the foreign office of the country of origin or the nearest embassy and declaration of responsibility for your actions;
11. The CVs of your international staff and certificate of no criminal conviction from their respective countries;
12. A written justification of international staff as to why they are needed;
13. CVs of the founders, their passport-sized photos and certificate of no criminal conviction in their countries ;
14. Proof of that the objectives of your programs are consistent with national policies and plans;
15. A letter of intent or agreement with the ministry you want to work with;
16. A program or a project which fits into the work plan of the ministry or the agency you are working with;
17. An evidence of an own office with a decision making authority in the country;

### **Registration Renewal**

The registrar will issue a certificate of registration if the INGO meets all the conditions for registration. This registration certificate will be valid up to a maximum of six months after the completion of the project the INGO was engaged. If the INGO gets a new grant or an extension of the existing one, it is expected to submit to the registrar an application for renewal of the certificate of registration Form B2, with the following attachments:

- a. Funding agreement of the new project or the extension of the existing one
- b. Activity report
- c. Reference from its partner ministry or the agency

The process of registration will take a maximum of two weeks from the date the application for registration and the supporting documents are submitted to the Registrar at the Ministry of National Planning and Development.

### **Registration Fees**

All Organizations registering with the Ministry of National Planning & Development are required to pay a nominal administrative fee to the Ministry of Finance. The fees are as follows:

New Registration: US\$ 1000.00                      Renewal: US\$ 500.00

Note: An Organization whose registration has expired but seeks re-registration will be considered to be a new registrant.

## **Letter of Agreement**

Following registration, the INGO is required to sign a Letter of Agreement (LOA) with a line ministry and a copy of the agreement should be filed with the Ministry of National Planning and Development. In this case the INGO cannot cancel or change the contents of the Letter of Agreement without consent from the Ministry of National Planning and Development.

## **Necessary Cooperation**

International NGOs are required to align their work with the national development plan. The Ministry of National Planning and Development will give instructions to INGOs as to how they could align their activities with the National development plan. The INGOs are also expected not to compete with the LNGOs by implementing projects for other INGOs and UN organisations in the country.

## **Accounting and Reporting Requirements**

At the beginning of any project, the INGOs are expected to submit an annual work plan with its proposed budget to the Ministry of National Planning and Development. INGOs must keep accounting books which meet international standards and which show the organisation's assets, debts, income and expenditure.

During the project the INGOs must submit a periodic report- once every six months and annual-to the Consultative Council of the Ministry of National Planning and Development. The report should cover:

- a. Activities carried out
- b. Activities planned but not carried out and the reasons for not carrying them out
- c. Plan of action for the coming six months
- d. Accounts
  - i. Expenditure from the budget
  - ii. Balance remaining from the budgeted amount
  - iii. The budget for the coming six months
- e. Problems and difficulties encountered and lessons learnt

The Ministry after consulting the Consultative Committee has the authority to:

- a. Ask the INGO to explain items on the report
  - b. Investigate to verify claims in the reports
2. If an INGO fails to submit the required reports, the Minister will
- a. Issue a warning to the INGO
  - b. Give a copy of the warning to the consultative committee and other government agencies concerned
  - c. Take action after consulting the Consultative committee

## **End of Project Life Assets**

The INGO must submit a list of its assets to the partner ministry and ministry of planning on annual basis. When a project comes to an end, all the assets and the equipment will be handed over to the partner ministry or agency. In case the INGO wants to use the equipment on similar project, it can do so, but with the consent of all parties. The INGO will hand over to the MNP&D all the assets including office equipment it had, when either the partner or the NGO decides to terminate the contract.

## **Taxation and Tax Exemption**

The INGOs must deduct taxes from local staff and pass it to the Ministry of Finance. INGOs will pay no tax on imported equipment, machinery and other stuff that will be used exclusively for carrying out their project activities. This is not automatic, the INGO is required to apply tax exemption on imported objects by completing a Tax Exemption Declaration form ( B-3) with full details of types of imported goods, their relevance to the work of the organization and/or their specific projects and their purchase orders. This Tax Exemption Declaration form should be submitted to Ministry of National Planning & Development with a written request addressed to MNPD while giving CC to the Ministry of Finance.

## **Legal Personality, Responsibility and Diplomatic Immunity**

INGOs have legal personality; they can sue and can be sued. This law does not give diplomatic immunity to INGOs. If an international staff member owes money and fails to pay, the INGO he/she is working for will be liable for the debts

## **Disciplinary Action**

1. The minister will take action against NGOs for misconduct
2. The measures against misconduct could be:
  - a. Warning in writing
  - b. Penalty
  - c. Suspension of registration
  - d. Cancellation of registration
3. Appeal against disciplinary action will follow a set procedure
4. A staff member who commits a criminal act in breach of this law or other laws will be held responsible for it

## **Labour Law**

All labour issues will be governed by the civil employment laws of Somaliland. An NGO can pay a staff member a salary above the amount set by civil employment law. The Somaliland Labour Law does not allow hiring a foreigner without the approval of the Civil Service Commission. If it is a professional employment, a written request explaining the specific profession of the employee required should be sent to the Civil Service Commission for approval.

International aid agencies shall submit the Curriculum Vitae of foreign employees they require to the Ministry of National Planning and Development three months before they bring in the person, in order for the Ministry to approve.

**For further information and /or assistance, please contact;**

**Ministry of National Planning and Development,**

**Department of Coordination,**

Tell: +2522-400-3460 Email: [sjamauk@yahoo.co.uk](mailto:sjamauk@yahoo.co.uk) Website: [www.slministryofplanning.org](http://www.slministryofplanning.org)