



Press Release

Appeal to the President of India to not sign FCRA Bill 2020; send it back for a parliamentary committee consultation, say NGOs

Civil society questions the insensitive regulatory changes, especially during a time of multiple crises following COVID-19 pandemic

New Delhi, 24 October. Grassroots organizations that are attached to the Voluntary Action Network India (VANI), an apex body of Indian NGOs, are asking the President of India not to sign the Foreign Contribution (Regulation) Amendment Bill 2020, which was approved by the Lok Sabha and Rajya Sabha this week without proper deliberation and consultation. The NGOs feel that the amendment is a deathblow to civil society, especially the smaller organizations that work in the most remote areas and serve hard-to-reach communities. In a discussion with media today, where VANI and other civil society representatives spoke out, there was also a call for continued collaboration among Indian organizations with the crippling and untimely new rules being set out by the government.

Harsh Jaitli, CEO, VANI, said, “The development sector is a victim of general negativism and this will unfortunately impact the work of grass-root organizations passionately working in the remote areas. The sector has worked diligently to serve all our citizens but it is coming under scrutiny and all those organizations that have been doing outstanding work and adhering to all the rules are now being punished for no reason.”

The Foreign Direct Investment in India was Rs. 309,867 crores in 2018-19; FCRA is only 1/15 of that. There are currently 21490 recipient organizations, 3327 less than peak in 2012.

Ingrid Srinath, Director, Centre for Social Impact and Philanthropy, Ashoka University, observed, “The amendment is not only atrociously ill-timed as civil society is having to cope with and respond to multiple crises, but also against international law. It appears not to understand the scope and nature of NGO roles, seeking to limit them to a last mile delivery mechanism. International donors including diaspora Indians, the most generous in the world, depend on intermediary organisations to identify suitable grassroots organisations to support. The ban on re-granting will seriously hamper this function.”

Funding from CSR and private domestic private funding is going down, this is the most inopportune time to also put restrictions on foreign funding. **Poonam Muttreja, Executive Director of PFI**, echoed the thoughts, “We request the President of India to send back this amendment and that a special committee to be appointed to review the same in an appropriate manner. The legislation needs to be enabling and at par with FDI for corporates, and it needs to be done in a consultative manner with NGOs. If this Bill becomes an Act then there’s no going back.”

At a time of COVID-19, NGOs have stepped out and worked with government and with fellow NGOs with a sense of fraternity and compassion, to deliver care and comfort in our large and diverse country. ***This Bill will render all such cooperation, collaboration and camaraderie impossible. The pandemic is not over, and it is our view that more of mutual support and the fraternal spirit is the need of the hour, not an eye of suspicion towards those who collaborate and cooperate.*** The scientific research NGO community (not least in the flourishing health sector) will be sharply hit at a critical time, as new rules prohibit collaboration with other Indian organisations.

The Government of India’s rationale for these draconian and cumbersome amendments can be found in the ‘Statement of Objects and Reasons’.

But, it is our considered view, that these objectives are not met by such blanket rules and changes in the way the FCRA regime works.

Ranchi-based A.K. Singh from LEADS said, “The small NGOs working in remote areas are not equipped to deal with such a situation. In this difficult time, it is a brutal act to harm the ways of working of small NGOs. We create development models, which pave the way for significant changes to be brought to the lives of the most vulnerable. Even the development professionals in our areas are showing immense discouragement following these measures.”

Hasina Kharbhih, Founder of the north eastern IMPULSE NGO Network, said, “In a democratic India, FCRA Bill 2020 is not friendly to non-profit organizations. The amendment is going to restrict their freedom and control the NGO’s groundwork. We have been supported by international funds for this long, but the amendment will challenge our work on the ground. Many small NGOs in North East India doing good work will be affected. A lot of money especially during disasters has come from foreign donors. We also face communication challenges in remote areas. The liberty of non-profits are to do development and human rights work -- this amendment makes it restrictive and challenging.”

Hemal Kamat, Director, Concept Society, said, “This is an alarming situation -- how will we survive? The maximum impact will be on women. Earlier there would be discussions before such an Act was put in place – we would be asked to give our recommendations and talk to the MPs and MLAs. This time it’s being forced upon us. This will further have severe impact on women and women led organisations.”

While during the initial phase of the COVID-19 pandemic civil society's role was welcomed by the government, the NGOs across India are in a crisis to find ways to work together and even survive. Some of the Key Changes that were discussed included: No-sub-granting, Cap on admin expenditure, Suspension in case of contravention, Aadhaar of Board Members & Copy of passport and OCI card, Suspension of registration, Voluntary surrendering FCRA registration – Boon or Bane?, Inquiry before renewal of FCRA, FCRA Bank Account with State Bank of India. The question arose: What is the Rationale for the Amendment to be carried out in such a hurry and during this challenging time?

Non-profits are committed to the advancement of India was the common voice during the discussion. Therefore, civil society will continue to inform and work with all stakeholders – including the government, to find ways to overcome the challenges from the FCRA Bill Amendment.

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