



## Crackdown on NGOs under FCRA, 2010

**For Prelims:** [NGOs](#), [Foreign Contribution Regulation Act, 2010 \(FCRA\)](#), [Oxfam India](#), Civil Society organisations (CSOs), [United Nations Human Rights Council](#).

**For Mains:** Regulation of NGOs under FCRA and their implications on the developmental activities in India.

[Source: IE](#)

### Why in News?

Recently, the government has cracked down on **five major NGOs** under the [Foreign Contribution Regulation Act, 2010 \(FCRA\)](#) due to concerns over their **financial activities** and **objectives**.

- These NGOs include [Oxfam India](#), **Centre for Policy Research (CPR)**, **EnviroNics Trust (ET)**, **Legal Initiative for Forest and Environment (LIFE)**, and **Care India Solution for Sustainable Development (CISSD)**.
- In the recent past, the **International Commission of Jurists (ICJ)** criticised India's FCRA for being **repressive** and should be revised.

### What are the Key Allegations Against NGOs?

Issue	Details
<b>Stalling Development Projects</b>	<b>LIFE</b> is accused of being an instrument for US-based <a href="#">NGO EarthJustice</a> to oppose coal mines and <a href="#">thermal power projects</a> in India.
<b>Protest Funding</b>	<b>ET</b> and <b>Survival International</b> allegedly opposed the construction of a thermal power plant in Jharkhand, collaborating with the <b>European Climate Foundation (ECF)</b> to <b>mobilise protests</b> against coal industries in India.
<b>Fund Mismanagement</b>	<b>CPR</b> received foreign funds for its <b>Namati-Environmental Justice Programme</b> , which was reportedly <b>used for litigation</b> instead of specified research or educational activities.
<b>Conspiring with Foreign Agents</b>	<b>Oxfam India</b> is accused of conspiring to <b>halt mining activities in Australia</b> by Indian companies, allegedly supporting <b>Oxfam Australia</b> and working against Indian interests abroad.
<b>Use of Other NGOs for Illegal Activities</b>	After losing its FCRA licence, <b>Oxfam sought "puppet NGOs"</b> with valid permissions to redirect funds for illegal activities, such as providing funds to <b>Josh and Aman Biradari Trust</b> .
<b>Political Agenda</b>	NGOs are accused of promoting <b>specific religious communities or castes</b> rather than serving the public interest as a whole.
<b>Financial Support</b>	Oxfam India allegedly financially supported <b>ET in anti-coal campaigns</b> , particularly the protests in <b>Dhinkia, Odisha</b> .

## How FCRA Regulates NGOs Receiving Foreign Funding?

- **Monitoring FCRA:** The Union **Ministry of Home Affairs (MHA)** monitors the implementation of the FCRA.
  - Through the FCRA, the ministry regulates foreign donations to ensure that such funds do not adversely affect the country's **internal security**.
- **Registration Requirement:** Any association, group, or NGO intending to receive foreign donations **must register under the FCRA**. This registration allows NGOs to receive contributions for **social, educational, religious, economic, and cultural programs**.
- **Five-Year Validity of Registration:** Once an NGO registers under the FCRA, the registration is valid for **five years**. After this period, the NGO must apply for a renewal to continue receiving foreign contributions.
- **2010 Legislation and 2020 Amendments:** The original **FCRA Act, 1976** was repealed and replaced by new legislation in **2010** to **modernise the law** governing foreign contributions. In **2020**, additional amendments were introduced to **tighten the regulations** and improve oversight of foreign donations.
- **Purpose-bound Utilisation:** Foreign funds must be used only for the **purpose** for which they were **received**, as stipulated under the Act.
- **Transfer Restrictions:** Registered NGOs are **prohibited from transferring foreign funds** to other NGOs.
- **SBI Bank Account:** Registered entities must open a **dedicated bank account** in the State Bank of India, Delhi, for receiving foreign funds.
- **Annual Returns:** NGOs are required to **file annual returns**, ensuring transparency in the use of foreign contributions.
- **Prohibited Entities:** The FCRA prohibits candidates for **elections, journalists, media companies, judges, government servants, members of the legislature, political parties**, and organisations of a political nature from receiving foreign contributions.
- **Government's Right to Cancel:** The government can **cancel** an NGO's registration if found **violating FCRA provisions**.
  - Reasons for cancellation include false statements, inactivity for two years, violations of certificate terms, or acts against national interest.

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# DEVELOPMENTAL GROUPS IN INDIA

## Self-Help Groups (SHGs)

- Self-governed peer-controlled information group of people with similar socio-economic backgrounds and interests
  - Members allowed: 5-20 | Registration not required
  - SHGs use savings amounts for giving loans to members
- NABARD's SHG-Bank Linkage Programme (1992)** - To connect SHGs with formal banking institutions
- ~88% of SHGs in India have all-women members
- Success Stories:**
  - Self-Employed Women's Association (SEWA) since 1972
  - Kudumbashree (1998) in Kerala

## Cooperative Societies

- People-centred** enterprises, owned, controlled, and run by and for their members.
  - Capital raised through shared contributions from members.
- Regulating Acts:**
  - Multi-State Co-operative Societies Act, 2002
  - State Cooperative Societies Acts
- 97th Constitutional Amendment (2011):**
  - Right to form cooperatives - a fundamental right (Article 19(1)(c))
  - Article 43B (DPSP) - Promotion of Cooperatives
  - Part IX-B titled "The Co-operative Societies" (Articles 243-ZH to 243-ZT).
- Examples:** AMUL, IFFCO and PACS

## Non-Governmental Organisations (NGOs)

- Pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development
- Registered as:**
  - Societies:** Societies Registration Act, 1860
  - Trusts:** Indian Trusts Act, 1882
  - Companies:** Section 8 Companies Act, 2013
- Constitutional Provisions:**
  - Article 19(1)(c)**
  - Article 43**
  - Concurrent List** mentions Charities and charitable institutions
- FCRA mandates registration for all NGOs intending to receive foreign donations.**
- Prominent NGOs:**
  - NGO Pratham:** Pioneered the **ASER** report to assess the learning levels of children in rural India.
  - Akshaya Patra Foundation:** Provided nutritious mid-day meals to school children.
- NGO-DARPAN Platform - An interface between NGOs and Government Bodies.**



## What Reforms are Needed to Better Regulate NGOs?

- Clarity in Definitions:** The government should **clearly define** terms like **public interest and national security** before restricting foreign funding to NGOs.
  - It could reduce the risk of the law being misused against **civil society organisations (CSOs)** genuinely involved in welfare works.
- Independent Oversight:** Establishing an **independent regulatory body** to oversee the foreign funding of NGOs will ensure **transparent procedures** in their functioning.
- Tiered Regulatory System:** A **tiered regulation** approach could be adopted for stricter reporting for NGOs involved in national security while easing rules for those in humanitarian or development work.
- Aligning with International Standards:** Revise the FCRA to align it with **international treaties** and human rights obligations, such as those outlined by the **United Nations Human Rights Council**.
  - It will allow for a fair balance between **national security concerns** and the need for civil society to access international funding.

### Drishti Mains Question:

Discuss the allegations raised against NGOs under the FCRA and their implications for the developmental activities in India.

## UPSC Civil Services Examination, Previous Year Question:

### **Mains**

**Q.** Can Civil Society and Non-Governmental Organisations present an alternative model of public service delivery to benefit the common citizen? Discuss the challenges of this alternative model.

PDF Reference URL: <https://www.drishtiias.com/printpdf/crackdown-on-ngo-under-fcra-2010>

