

Non-governmental organizations

- The World Bank defines NGOs as “Private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.
- Also referred to as **non-profits**, these organisations in India work independently, in cooperation with the government or in partnership with national or international organisations.

Constitutional and legal provisions for NGOs in India

- **Article 19(1)(c):** The right to form associations
 - It guarantees to all its citizens the right “to form associations, or unions or Co- Operative Societies.”
 - Under clause (4) of the Article 19, however, the State may by law **impose reasonable restrictions** on this right in the interest of public order or morality or the sovereignty and integrity of India.
- **Article 43:** The State shall endeavour to secure, by suitable legislation or economic organisation to promote cottage industries on an individual or co-operative basis in rural areas.

Registration

They are registered under the **Societies Registration Act, 1860** in India.

- *Niti Aayog is envisaged to be appointed as the nodal agency* for the purpose of registration and accreditation of Voluntary organizations/NGOs seeking funding from the Government of India.
- The existing portal at Niti Aayog (**NGO-Darpan**) is aligned with accreditation-like functions.

Legislations regulating the finances of NGOs

- **Foreign Contribution Regulation Act (FCRA), 2010**
 - It seeks to regulate the **foreign contributions or donations** to organizations and individuals in India.
 - It is implemented by the Ministry of Home Affairs.
 - The Act aims to curb such contributions which might be detrimental to the national interest.
 - Any organisation, association or NGO in India cannot receive foreign funds if they do not have a license under the FCRA.
- **The Foreign Exchange Management Act, 1999**
 - It aims for facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India".
 - In 2016, the powers of the Ministry of Finance to monitor NGOs were placed under the FEMA.

Key features of Foreign Contribution (Regulation) Amendment Act, 2020

- **Prohibition to accept foreign contribution:** The Act **bars public servants** from receiving foreign contributions.
- **Transfer of foreign contribution:** The Act prohibits the transfer of foreign contribution to any other person.