Statutory & Institutional Arrangements as for INGOs/NGOs

- As a part of FUNDAMENTAL RIGHTS in Nepal's Constitution promulgated in 2015, the Constitution ensures "freedom to form unions and associations",
- Five (5) major legal instruments that govern INGOs/NGOs:
  1. National Directives Act, 2018 (1962);
  2. Associations Registration Act, 2034 (1977);
  3. Social Welfare Act, 2049 (1992);
  4. Companies Act, 2063 (2006); - As for “Company not distributing profits” that shall not distribute or pay to its members any dividends or any other moneys out of the profits.
  5. Foreign Currency Exchange Act 1962;
  6. Some more;

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1 The key note speech delivered by Mr Ghimire in a plenary meeting of Association of INGOs of Nepal (AIN), 22th Oct, 2019, Kathmandu
- Institutional set up to support INGOs/NGOs
  
  1. At federal level –
     - Social Welfare Council, an autonomous part of Ministry of Women, Children & Senior Citizens;
     - 77 Office of the District Administration;
  
  2. At local levels – 753 level levels;
  
  3. At provincial level - all 7 Ministry of Social Development;

- 2 major institutions directly involved in the governance of INGOs/NGOs:
  
  1. Social Welfare Council under Ministry of Women, Children & Senior Citizens
  
  2. District Administration Offices under Ministry of Home Affairs

- They are engaged mostly in, among others:
  
  1. Registration;
  
  2. Affiliation;
  
  3. Approval of GAs;
  
  4. Approval of PAs;
  
  5. Renewal;
  
  6. Monitoring & Evaluation;
  
  7. Investigation of INGOs;

- The Nepali system adheres to the definition of INGOs as European Convention on the Recognition of the Legal Personality of International Non-Governmental Organizations, 1986 has defined. That says, "INGOs" are those which satisfy the following conditions:
  
  1. have a non-profit-making aim of international utility;
2. have been established by an instrument governed by the internal law of a Party;

3. carry on their activities with effect in at least two States; and

4. have their statutory office in the territory of a Party and the central management and control in the territory of that Party or of another Party.

- The Nepali system too believes as **European Convention on the Recognition of the Legal Personality of International Non-Governmental Organizations, 1986** does that "international non-governmental organizations carry out work of value to the international community, particularly in the scientific, cultural, charitable, philanthropic, health and education fields, and that they contribute to the achievement of the aims and principles of the United Nations Charter and the Statute of the Council of Europe"

**Evolution of INGOs in Nepal**

- The history of social welfare service in Nepal is as old as the society itself;

- Our many cultural heritages like Guthi (joint management run and owned by community based people); temple, sculptures, pati (waiting home), parma (exchange of labor), chautara (waiting point in hilly trekking routes), kulo (small irrigation), dhikur (saving & credit in community) are some manifestations of OUR ANCESTOR'S PASSION for social services;
• Modern practice of services we started following the political opening up in the early 1950s;
• Empirical cases of elsewhere say, social work has evolved as a professional activity out of the 19th century's poverty, social injustices, urbanization, industrialization, and the 1st WW (1914-18) and 2nd WW (1939-45);
• Nepal too observed a rapid growth of INGOs/NGOs in response to the crises incurred due to the arm-conflict (1996-2006);
• We often acknowledge that resources are invested by public; private and cooperatives. We SELDOM acknowledge the role of INGOs & NGOs.
• Their roles are UNDER STATED though are extremely invaluable;

Nepal's Future Development Needs

• We need to keep into account that Nepal is determined to graduate it from LDC constituency by 2022 and to join middle income country by 2030;
• The ambition of LDC graduation becomes a reality provided that Nepal will have to post an economic growth rate of 9.2% every year until 2022. This is to meet the 3 criteria of the LDC graduation, i.e. Human Development Index, Human Asset Index and Economic Vulnerability Index;
• To happen the LDC graduation, we need Rs 17 trillion to be invested;
• Climbing toward a middle income country, Nepal needs per capita income to increase to US$1,025.
• In the meantime, in order to complete the reconstruction of devastated infrastructure and facilities, 4 years after the disaster the country needs
more Rs.629 billion to invest, i.e. 67% of the estimated cost by the PDRF prepared by NRA;

- These all seem to be quite challenging to materialize, BUT not IMPOSSIBLE so long as all stakeholders including INGOs are together;

The Role Played by INGOs

- Data shows, INGOs brought in Amount (in Billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount</th>
<th>Total No of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>2072/73</td>
<td>42.92</td>
<td>79</td>
</tr>
<tr>
<td>2073/74</td>
<td>35.08</td>
<td>93</td>
</tr>
<tr>
<td>2074/75</td>
<td>18.51</td>
<td>71</td>
</tr>
<tr>
<td>2075/76</td>
<td>26.25</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: SWC, Ministry of Women Children & Senior Citizens/GON, Oct 2019

- If we go further down into various thematic areas, mobilized resources appear to have invested:

**Sector wise Distribution of Mobilized Amount during the Last 5 Years as of now (in Billion)**

<table>
<thead>
<tr>
<th>SN</th>
<th>Sector</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health</td>
<td>20.92</td>
</tr>
<tr>
<td>2</td>
<td>Education</td>
<td>2.39</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---------------------</td>
<td>-----</td>
</tr>
<tr>
<td>3</td>
<td>Children</td>
<td>10.85</td>
</tr>
<tr>
<td>4</td>
<td>Disaster</td>
<td>9.73</td>
</tr>
<tr>
<td>5</td>
<td>Community Development</td>
<td>8.05</td>
</tr>
<tr>
<td>6</td>
<td>Agriculture</td>
<td>1.34</td>
</tr>
<tr>
<td>7</td>
<td>Miscellaneous</td>
<td>62.69</td>
</tr>
</tbody>
</table>

Source: SWC, Ministry of Women Children & Senior Citizens/GON, Oct 2019

- INGOs & NGOs provided: basic services like health, drinking water, ropeway, micro-hydro, sanitation, energy, disaster relief & preparedness, agriculture, environment, anti-trafficking, education, and livelihood programs;
- Spatial wise, provided those services in rural parts – that are relatively marginalized and less focused by others;
- Nepali many NGOs are being supported by INGOs;
- Unfortunately, they are blamed as saying 'dollar farming'
- During the height of arm-conflict in the country, INGOs and NGOs didn't feel people on the ground missing the presence of government;
- Almost all 236 INGOs (2075/76) are doing very well
- However, now the no. of INGOs is slightly on decreasing trend
  - 244 (2074/75)
  - 251 (2073/74);
- The total number of NGOs affiliated with SWC looks almost 50,000 in number;
- However, a fact to be kept in mind is that only 15-20% are really active;
Role of MoWCSC & SWC in the management of INGOs

- Facilitating INGOs via SWC in access to inter-ministerial supports;
- Affiliation of NGOs in/with SWC – 50,814 NGOs affiliated (by end of Ashwin 2076);
- No. of Nepali NGOs that mobilized foreign supports:

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Foreign Supports Mobilizing NGOs</th>
<th>No of Approved Projects with Foreign Supports</th>
<th>Total Foreign Amount (in Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2071/72</td>
<td>644</td>
<td>1242</td>
<td>12.23</td>
</tr>
<tr>
<td>2072/73</td>
<td>631</td>
<td>1136</td>
<td>23.13</td>
</tr>
<tr>
<td>2073/74</td>
<td>748</td>
<td>1247</td>
<td>17.98</td>
</tr>
<tr>
<td>2074/75</td>
<td>723</td>
<td>1181</td>
<td>17.46</td>
</tr>
<tr>
<td>2075/76</td>
<td>720</td>
<td>1065</td>
<td>15.74</td>
</tr>
</tbody>
</table>

Source: SWC, Ministry of Women Children & Senior Citizens/GON, Oct 2019

- Presence of SWC to make effective co-ordination, co-operation, mobilisation and promotion of the social organizations and institutions;
- Role of SWC as 'coordinator' or 'bridge' between Government & INGOs;
- Permitting INGOs to work in Nepal by doing GA and PA
  - 244 INGOs did such GAs & PAs in 2074/75;
- SWC sticks to the provision of law – "no permission may be given to the work or project which is against the national interest";
Changed landscapes

- Yesterday we had a unitary polity. Now, we have a federal republican system. It is meant a shared governance by 3 tiers of government;
- Yesterday we had a few I/NGOs. Now around 50,000 NGOs (though only 15-20% are really active) and 236 INGOs are working in Nepal;
- Yesterday we had a few thousand people employed in the NGO sector. Now the number has increased to at least 5 lakhs;
- Yesterday we had unitary based administrative system. Now we have federal based administrative system. That may apparently look a bit complex to work but are present up to community level on the ground. That is a great advantage for our development process;
- Yesterday we had a centralized planning & priority setting system. Now we have a devolved planning & priority making system in the wider involvement of people at large;
- Yesterday we had limited number of stakeholders. Now we have an array of stakeholders including governmental and non-governmental ones;
- Yesterday we had meagre expectation of accountability and transparency. Now accountability and transparency have become imperatives;
- Yesterday we had a crippled growth in our economy. Now we are asked to multiply the growth at least to 7 plus %;
- Yesterday we had welfare approach in our policy. Now we have shifted to right based approach to deliver;
- Yesterday we paid attention on 'software' related activities like advocacy. Now time has urged all of us to switch over to 'hardware' and 'tangible'
economic deliveries pursuant to the fundamental rights stated in the country's Constitution;

- Yesterday INGOs/NGOs were thought to be alternate to the Government. Now they are sought to create complementarity and synergy in development;
- Yesterday Nepal was politically an unstable country and society. Now that phase is over;
- Yesterday development agenda and priorities have been overshadowed due to a decade long arm struggle and political transition. Now our development vision, goal and future path are crystal clear under the national motto of "Smriddha Nepal, Sukhi Nepali" (Prosperous Nepal, Happy Nepali);
- Yesterday our governance & governability were relatively weak due to long course of transition. Now they have gained resiliency;

### Future Ways Forward

- First and foremost, WE ALL should re-tune and strategize ourselves in accordance with the development vision, goals changed context;
- Nepal too is an active part of globalized, open and democratic world – Hence, our future course will be embedded with the 3 worldwide accepted values. That are:
  - Freedom perspective – that views INGOs as an social, independent and non-profit making body;
• Mobilization perspective – that views INGOs as a partner organization to work together;
• Regulatory perspective – that views INGOs as a unit to be promoted or allowed based on a certain criteria and norms;
• INGOs' activities, priorities should be focused not based on personal linkages or preferences. Rather they should run based on 1) evidence based system by using HDI; 2) set national development priorities and roadmap;
• INGOs too receive funds from such windows that do require accountability and transparency. Now much higher accountability and transparency is the answer to be made;
• Needs of new comprehensive law – that would promote ONE WINDOW – and that would replace the existing 3 laws;
• Linking INGOs with federal, provincial and Local levels so that reporting and monitoring of progress of INGOs/NGOs would become accessible for all 3 tiers of Government by utilizing viable IT solutions;
• As "European Convention on the Recognition of the Legal Personality of International Non-Governmental Organisations, 1986" laid down a certain core values to be maintained by INGOs, we – GoN too urge all INGOs to respect, by their object, their purpose or their activity – our national security, public safety, prevention of disorder or crime, protection of health or morals, or protection of the rights and freedoms of others. They should not at any case jeopardize our relations with another State/country or our concerns of international peace and security.
• Needs of efficient facilitation from the GoN's side so that NGOs' function would go smooth;
• A competent monitoring system be in the place;
• Internalization of the initiatives taken up by INGOs be accelerated;
• Keeping well informed the people about the initiatives & outcomes of INGOs – especially 'success story' out of INGOs' interventions;

THANKS