

# India's NGOs have tough time, with foreign aid cut off

Licence not renewed for many, as govt acts against outside funding

## Asian Insider



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It was during Christmas that the Indian government decided not to renew a licence necessary for Missionaries of Charity, founded by Mother Teresa, to receive foreign funds.

Since then, many more entities have found themselves caught in the government's cross hairs as it cracks the whip on civil society organisations receiving foreign funding.

According to the Ministry of Home Affairs (MHA), Foreign Contribution Regulation Act (FCRA) licences of nearly 6,000 organisations lapsed on Dec 31, the vast majority of them having failed to apply to have their five-year permits renewed on time.

Among them were 179 organisations whose requests were turned down because of irregularities in their applications. Those impacted include entities working on issues related to health, education, culture and also religion.

The Economic Times reported on Jan 4 that licences of 79 non-governmental organisations (NGOs) had since been restored.

But the flurry of cancellations has raised questions, particularly at a time when the role of NGOs has become more important in supporting the vulnerable hit by the pandemic.

"FCRA's harsh provisions have negatively affected the ability of civil society to help combat the pandemic," said Mr Aakar Patel, who is the chair of Amnesty International India.

He noted rules are now so tight that "an NGO working on education could not receive and distribute oxygen concentrators" and "foreign aid that might have reduced the impact on Indians could not be distributed".

Since being elected to power, Prime Minister Narendra Modi's government has exerted greater control on foreign funding for civil society organisations, cancelling the FCRA licences of tens of thousands of entities. This latest round has heightened concerns that the government is using its heavy-handed approach on FCRA clearances to browbeat organisations critical of its policies.

Oxfam India, one of those that had its licence renewal application turned down, had questioned the government's handling of the pandemic and pushed for greater labour rights in the tea industry.

Mr Patel said: "The cancellations will harm Indians and the civil society institutions. Groups, especially those working on (human) rights, have faced targeted action from the organs of the state including the Central Bureau of Investigation, the Enforcement Directorate".

He added that it would be difficult in the medium term for NGOs to make up for the loss of foreign funds through domestic means. "Most NGOs don't have a corpus or surplus to allow them to

transition from one model to another. Once funding is cut off, they usually shut down," he said.

According to the India Philanthropy Report 2021 by consultancy firm Bain & Company, foreign NGO contributions had already declined by nearly 30 per cent over the past five years, driven by changes in regulations governing such contributions.

The MHA declined to comment on criticism that NGOs critical of the government had been targeted.

But Bharatiya Janata Party MP Rakesh Sinha labelled the criticism a "conspiracy theory".

"FCRA has been misused by NGOs. There are established rules for money coming from outside.

The source of the money, the reasons for which they have donated and their auditing. All these three things are required for any country. No country can give a free hand to NGOs taking money from outside," he said.

He further noted that there are laws that have to be respected, including those passed during the stint of the preceding Congress-led government.

Organisations have also found themselves caught in administrative complexities as the process to renew licences has become more stringent over the years.

For instance, in October 2020, the MHA asked all organisations seeking foreign donations to open a "FCRA account" at one specific branch of the State Bank of India (SBI) in New Delhi for better control. The organisations could receive foreign contributions only in their accounts in this branch.

"This has created difficulties for organisations because local bank officials in smaller towns are not always familiar with FCRA rules. Many organisations have, therefore, not been able to apply for renewals on time," said Mr Manoj Pahwa, a chartered accountant who supports organisations on FCRA-related matters.

Seva Bharati Guntur, an organisation based in Andhra Pradesh, told The Straits Times that it had applied to open an account in the specified SBI branch in Delhi in September last year but it has been unsuccessful so far because the branch had several queries that were not shared with the organisation by the local SBI branch it was dealing with.

As a result, neither was the organisation able to file its returns for 2021 nor apply to have its licence renewed.

Some associations contacted by ST said that they were working on renewing their licence.

The Tuberculosis Association of India said that it was applying for a renewal and had got the deadlines mixed up.

"Our finances are in order and clean," said an official.

# Lithuania President regrets govt's 'mistake' in China spat

VILNIUS • Lithuania's President has said the government's decision to allow Taiwan to open a representative office using the island's name was a mistake, wading into a controversy that's upended the Baltic nation's relationship with China.

The criticism by the head of state, Mr Gitanas Nausėda, opens a rift in the country's leadership after tensions between China and Lithuania triggered a high-level trade dispute between Beijing and the European Union.

Taiwan opened the office in the capital, Vilnius, in November under the name of Taiwan, a move viewed by the Chinese government as a violation of its one-China principle.

Mr Nausėda, who oversees foreign policy and represents Lithuania at EU summits, said both Lithuania and Taiwan are free to open representative offices that hold no diplomatic status and regretted that "the name of the office has become the key factor that now affects relations with China".

"I would think that, not the opening of the Taiwanese office, but the name of it was the mistake, something with which I wasn't consulted," he said in the interview with radio station Ziniu Radijas on Tuesday.

Chinese Foreign Ministry spokesman Wang Wenbin said



Lithuania's President Gitanas Nausėda said the name, and not the opening of the Taiwanese office, was the mistake, something he was not consulted on.

yesterday at a regular press briefing in Beijing that recognising the "mistake" is a step in the right direction, "but it is more important to take actions to address the erroneous act".

China responded to the opening by downgrading diplomatic ties with Lithuania, recalling its ambassador and allegedly halting clearances for Lithuanian exports, which prompted the EU to raise the dispute with the World Trade Organisation. China has denied it is blocking Lithuania's exports.

Lithuania pulled out its diplomats from its embassy in Beijing last month after the Chinese Foreign Ministry demanded the re-

turn of the envoys' diplomatic identification cards.

On Tuesday, the Lithuanian Confederation Industrialists, the country's largest business association, said it is seeking assistance from the Organisation for Economic Cooperation and Development in talks with China over halted shipments at ports and economic coercion.

About 130 companies are unable to clear shipments through Chinese customs or redirect cargo, while multinational companies are pressured to end cooperation with Lithuania or risk restrictions at Chinese customs, said the association.

BLOOMBERG



Taiwan Air Force F-16V fighter jets taxiing on the tarmac of an airbase in Chiayi, Taiwan, yesterday in a military drill simulating a war scenario. PHOTO: EPA-EFE

# Taiwan air force stages drill to intercept Chinese planes amid tensions

CHIAYI • Taiwan air force jets screamed into the sky yesterday in a drill simulating a war scenario, showing its combat readiness amid heightened military tensions with China, which claims the island as its own.

Before take-off, flight crews at a base in the southern city of Chiayi - home to US-made F-16 fighter jets that are frequently scrambled to intercept Chinese warplanes - rushed to ready aircraft as an alarm sounded.

The exercises were part of a three-day drill to show Taiwan's battle readiness ahead of the Chinese New Year holiday at the end

of this month. Tensions across the sensitive Taiwan Strait have been rising in the past few years, with Taiwan complaining of repeated missions by China's air force near the island.

Chinese military aircraft frequently fly into the south-western part of its air defence identification zone (ADIZ) - not its territorial air space, but a broader area Taiwan patrols to give it more time to respond to any threats.

"With the very high frequency of Communist planes entering our ADIZ, pilots from our wing are very experienced and have dealt with almost all types of their

aircraft," Major Yen Hsiang-sheng told reporters.

China regards Taiwan as a renegade province to be reunified, by force if necessary. Taiwan has termed China's activities as "grey zone" warfare, designed to both wear out Taiwan's forces by making them repeatedly scramble, and also to test its responses.

In a new year message for China last week, Taiwan President Tsai Ing-wen said military conflict is not the answer. Beijing responded with a stern warning that if Taiwan crossed any red line, it would lead to "profound catastrophe". REUTERS



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