

A Common Position Paper for Ensuring Accountability, Good Governance, and Transparency through a Strong Civil Society and Civil Society Organizations-friendly Policy and Enabling Environment

Civil society, social organizations, professional institutions, workers' associations and labor unions have played an important role in Nepal's social, economic, and political restructuring and transformation. Article 17, Sub-Article (2) (d) of the Constitution of Nepal has guaranteed the freedom of assembly and associations as a fundamental right. Article 20 of the Universal Declaration of Human Rights 1948, and the International Covenant on Civil and Political Rights as well as the International Covenant on Economic, Social and Cultural Rights, have recognized the right of every individual to form associations (to establish institutions) for peaceful purposes. However, the Draft Bill on Association and Organisation to amend and consolidate the laws relating to the registration, regulation and management of associations issued by the Ministry of Home Affairs on 19 August 2025 for public feedback and suggestions is deemed not favorable to social organizations nor facilitative of their work. Civil society remains resolute in upholding constitutional principles, democracy, inclusivity, the complete eradication of gender-based violence, and the caste-based discrimination.

The exclusion of civil society organizations from the law-making process designed to regulate them is a matter of grave concern. This non-transparent, exclusionary and non-transparent approach has raised serious apprehension across civil society. We, the representatives of civil society organizations, demand that the current draft process, issued for public feedback and suggestions, be halted. We further demand that the drafting process proceed only with the active participation of civil society representatives and incorporate the following fundamental issues into the draft.

1. We believe the draft issued by the Ministry of Home Affairs regarding the registration and operation of associations and organizations reflects a control-oriented mindset and restricts the operational environment of civil society organizations. We reject the draft Bill developed through such exclusionary and non-transparent processes. Furthermore, we demand that the Act governing the regulation and facilitation of civil society organizations be placed under the Ministry related to social development under the Government of Nepal.
2. Nepali civil society organizations have long advocated for a timely, civil society-friendly law. However, the draft Bill was formulated without stakeholder consultation. Many of its provisions are restrictive, control-oriented, and contrary to the shared values of civil liberty, inclusiveness, and transparency. We demand that these provisions be revised through a participatory process involving representatives of civil society organizations.
3. Civil society organisations, as a key pillar of the state alongside the government, and private sector, primarily represent the interests of the civic society. Given their role in oversight, advocacy, and partnership, we demand the formulation of supportive laws that empower civil society organizations, recognizing them as vital development partners and

enabling their active participation in economic and social transformation and the national prosperity agenda.

4. To achieve economic and social transformation and sustainable development, we demand the enactment of a partnership law, along with regulations and clear standards, to ensure collaboration and partnership with all three tiers of government in their policies, programs, and budgets, and to facilitate their timely implementation.
5. Since Article 17, Sub-Article 2(d) of the Constitution of Nepal guarantees the fundamental right to establish and operate associations, we demand that any Act regarding the registration and operation of civil society organizations and social institutions be enacted only through consultations with the primary stakeholders.
6. Recognising that community and civil society organizations operate at multiple levels in Nepal from wards, villages, and communities, and serve as a foundational pillar of democracy, we demand a single, simple, transparent, and integrated system for their registration and renewal.. Renewals should occur every five years, with annual submission of work reports and financial statements deemed sufficient. We caution that the registration provisions in the proposed draft are overly complex and hinder effective operation.
7. Civil society organizations should be registered based on their scope of work, with provisions for registration at the local, provincial, or federal level as appropriate. However, the provisions related to operational areas in the draft Bill are not aligned with this requirement. We demand their removal to ensure alignment with the organisations' scope and operational needs.
8. Civil society organizations should be classified according to their nature of work, such as community-based organizations, consumer groups, natural resource-based organisations, groups representing women, children, youth, and marginalized communities, civil society organizations, issue-based networks, civil society federations, professional federations, and labor unions. Registration and operational procedures must be tailored to reflect these classifications.
9. A representative, autonomous, and independent Social Development Board should be established at the federal level to facilitate and support networks and professional federations of civil society organizations. Furthermore, provisions should be made to enable these networks and federations to register with the federal Social Development Board.
10. Civil society organizations registered locally and not receiving foreign aid working with the Government of Nepal should not have to affiliate with the federal Social Development Board.
11. The Social Development Board should not be a politically appointed body. The Chief Executive Officer should be selected through a competitive process involving independent, professionals and capable persons.

12. Civil society organizations should be formally recognized as non-profit entities. They must be granted tax exemptions on grants and self-generated income (social enterprises), along with the right to buy, sell, and transfer assets.
13. To oversee foreign aid implementation, the federal Social Development Board should establish an independent and autonomous monitoring and evaluation mechanism supported by a digital system.
14. For international grant-funded projects, the process of obtaining approval from the federal Social Development Board should be simplified, with a defined timeframe, and in cases where project approval cannot be granted, the reasons should be provided.
15. International non-governmental organizations should also obtain approval from the federal Social Development Board and implement programs only in partnership with Nepali civil society organizations.
16. A transparent and competitive system should be established to mobilize resources under private sector Corporate Social Responsibility (CSR) through civil society organizations, ensuring that such resources are directed to target communities.

We urge that the participation, collaboration, and partnership of civil society organizations and civil society be ensured in the national development campaign, in order to foster ownership and active engagement in the country's development efforts.

On behalf of all civil society organizations and associations.