



VOICE OF THE VOLUNTARY SECTOR  
**VANI**

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*an apex body of voluntary organisations*  
*Estd. 1988*

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## Editorial

### SDG'S: Now What?

#### *Dear Members, Associates and Friends*

It was almost fifteen years back that MDGs (Millennium Development Goals) were framed by the United Nations. The governments, civil society, and private sector united together to remove inequality by taking MDG as commonly agreed agenda. However, the review processes conducted at country level's made UN to realise that we still have extreme poverty and hunger which might require another fifteen years to make significant dent. Various analyses conducted during the fifteen years of MDGs also reflected various deficiencies in the system. This process of reflection also raised the modus of framing of MDGs. Hence, the governments, UN, civil society and other stakeholders initiated the process of wider consultations for framing of SDGs. Being the most representative and legitimate space for such actions, UN was the natural choice as the leading platform. Now, since SDGs are being finalised and most probably in General Assembly in September, 2015 it will get endorsements from various governments, the question is what next. Three challenges are now in front of all of us, which are prerequisite for the success of SDGs, namely, finance, target oriented well-defined indicators for monitoring and participation of people.

#### **Financing:**

Few months back Financing for Development consultation was organized at Addis Ababa (Ethiopia) to discuss the issue of allocation of finances to achieve SDGs. Heads of the government or their representatives, civil society actors, private sector representatives gathered to discuss and explore the way of financing. Although the focus was to suggest ways of innovative financing in each country through taxation reforms, but still many countries of global south need external support. It was clear from the deliberation that not only many traditional donors want to reduce their commitment but also wash their hands from their global responsibility. Starting from the challenge of the change in global environment, which has adverse effect on the world economy, to providing their share in UN pool was the issue of debate. The developing countries especially from Africa and Asia raised their concern. The document which highlighted the role of private sector as major partner was unfortunately silent about the role of civil society. Today we do agree that there is a

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south in north and north in south, and we need comprehensive road map for providing financial support. If finances are not provided through global cooperation then SDGs are in danger to be submerged in day to day functions of the state with no substantial result and we might need another set after fifteen years.

### **Formulation of indicators and role of civil society:**

Now the process of finalizing indicators for monitoring will start. Today we have 169 indicators, and many governments have expressed their inability to monitor such a huge number. Some of them have suggested forming and adapting indicators at national levels. The concerns are also expressed by civil society that Goal 16 might lose its importance in such process. At the onset it looks acceptable that each country formulated its indicators on the priority areas but sometime priorities are formed by ruling elite and not by the marginalised. We also need to look into the role of civil society in implementation of SDGs. The practice of producing parallel reports should be replaced by comprehensive country report with equal partnership between government, civil society and private sector. All the three have moral and technical responsibility to provide better quality of life to citizens. It is the responsibility of civil society to start the process of engaging citizens in implementation, monitoring and participation, but does civil society at grass roots have the capacity. There is no investment in the capacity building of civil society groups in last one decade. We need to demand space for capacity building. Secondly, collectivization of civil society is very necessary. This could be thematic or geographical. It has to be 'Glocal', i.e. from local grass root movements to the global processes. The SDGs should not remain in the playground for few global players at UN and other international forums with no links with the grass roots movements in countries. Thirdly, the shrinking of enabling space of civil society is another global challenge. On one hand there are global processes like FATF (Financial Action Task Force) which is motivating every country to formulate restrictive laws of foreign funding. There has been no dialogue between FATF and Civil Society where each can share their concerns, but the pain of restrictions is felt in each country. Similarly, almost all countries are making life of civil society organisations difficult with restrictions of freedom of association and speech. We can't run the vehicle of SDGs with one broken wheel. And lastly, there is need to have further collaboration between private sector and civil society which is sometimes restricted by the ignorance about each other. We need to develop visible signs of good governance, accountability and transparency at global levels. These global standards based on Istanbul principles could be framed with the possibility of adaptation in each country.

### **SDGs and Civil Society**

The times are changing and we need to redefine our relationships with other stakeholders. Many governments of the world see CSOs as 'sub-contractors' for service delivery, rather than 'partners' in development. We need to reassert our position and work to recapture our lost space. We need to invest in collectivization and capacity building of CSOs.

**Harsh Jaitli**

**Chief Executive Officer**



## Interpreting the MHA correctly

— By Arjun Kumar Phillips, Communications Executive, VANI

Since July, the MHA's FCRA department has been dutifully bustling with activity by administering changes to the much intimidating FRCA laws. This extended from filing cases against activists violating FCRA to tailoring the law to meet its extant policy objectives. In effect the culmination transpired in proposing a new amendment in the FCRA, which curiously invited 'suggestions' from non-state actors in proposing their views, before the Parliament could go on board on with its legislation. The reactions to the amendment; Civil society went in uproar over certain provisions which were seen to be threatening the spirit of freedom to expression and privacy. Many organizations and activists saw it as a tool for encroachment and a stratagem to devour their independent activism, while many of us saw it as a much awaited reform which failed to address key issues. The article seeks to illuminate on the proposals of the amendment with an aim to educate the readers on what was appreciative and what was lacking.

The FCRA Act was promulgated as an ordinance by the UPA government in 2010. Since then it has brought in rigorous rules for organizations dependent on foreign funding. Through these columns, it has been repeatedly narrated that the Act's genesis was seeded by the Kudankulam protests against the building of a nuclear reactor. In order to quash all kinds of dissent (as the government's IB department was quick enough to discern that the protests were resourced by foreign donors) the then incumbents seized all available means to thump down the agitators. Ever since then, the FCRA has become a more distinct prerogative of the MHA to oversee that no campaign/ organization or movement is



creating a snag by disrupting the smooth flow of the state's objectives. After 5 years and in the second year of the new dispensation, the FCRA appears to go through another facelift and has already provoked anxieties.

### Technologically savvy

The new government's adulation for digitization has seen a spillover effect over FCRA as well, with a latest directive issued by the MHA that the FCRA will go online for all purposes. A welcome initiative yet equally worrisome for organizations at the grassroots, having negligible access to internet. But first, the positives- To make FCRA online will enable organizations to easily update and file their information in a time bound manner. It would be fair to say that this directive will fizzle out the physical burdens faced by organizations in various compliances. Not only will it mollify organizational workload, but will restructure MHA's ineptitude at data handling. It is well known that the MHA's records are smeared with inaccuracies which have been ably used to create sensationalism (the media is well known to wrongly interpret blacklists and cancellation lists)- thereby falsely portraying civil society



organizations, as those responsible for promoting a climate of contravening rules and setting a negative precedent for the humble profit earning sector by tempting them to imitate its nefarious immoral practices! Sarcasm at a side, an online system will ensure efficacy and revitalize the seams of data facing decomposition and bureaucratic amnesia. This confidently can be apportioned to the government's credit which is in alignment with the reforms that have been advocated by the civil society sector. However, the grass is not green at the other side; there are implications, grave at most, for organizations working in rural areas, deprived of internet facilities. Majority of organizations work at the microscopic levels of society concentrated in rural India. A concern has to be taken that how will they comply with the new set of systems blanketed for the whole sector. Even if the Prime Minister's ambitious siren for digitization rolls out within a year what kind of substitution will ease their compliances. It is recommendable to design another approach for grassroot organizations, where they can avail both physical submission facilities and online facilities.

### Merger of forms

What made the FCRA a migraine were its tedious clauses ranging from prior permission's, intimidation of change of board's composition to the laborious renewal process. Every clause was accompanied with a designated form, numerically affixed emphasizing its controlling demeanor. The amendment proposes to refashion the forms, by substituting one common form for FCRA registration, FCRA renewal and Prior Permission. Simplification in the forms would exclude all kinds of procedural problems and would serve as an aspirin; even if its effect was piecemeal.

### Privacy violated

The most unexpected and offensive step which irked the civil society was the mandatory demand of providing private web addresses of Facebook and Twitter of the Chief Officer, Chairman and Working Committee of an organization. This is at most is unacceptable and leads to the diminution of freedom of speech and expression. Not only does it attacks the very freedom of individual liberty but also reflects the tentacle-like meddling in

affairs by placing controlling mechanisms on the private sphere of individuals. To demand personal details of the head of an organization is veritably hideous and reflects an authoritative hue in the intentions of the government. Social websites are private spaces for interaction and conducting personal activities, to demand its inclusion in transaction of business with the government is a gross violation of freedom to speech and expression and breaches all bonds of professional propriety. A government should know well enough that an organization is interdependent of individuals and inexplicably linked. It would not have been the same if the request came for the social address of the organization's FB page or Twitter handle. Having seen the array of attacks bombarded on civil society by the government and media, it was the last nail on the coffin to reaffirm the state's indigestion with civil society. Are NGO's considered to be so untrustworthy, that they are made to go through this litmus test, in order to prove their loyalty? These are hard end questions which need moral justification on the part of a government functioning within a democracy and committed to the Constitution. To transfer such freedoms under the surveillance of the state is obscenely undemocratic. However being a proposed amendment and not the actual law, the opposition to this clause must have penetrated the policymaker's cranium and hopefully they will ensure to re-amend this outlandish demand.

At the end, it is very early to conclude that that the proposed amendment will see the light of its day. Media reports suggested that the government is planning to hear the grievances of the civil society and has already crossed out the social address clause. Digital signatures have already rolled which mark the beginning of a digitization era in record keeping. While diatribes by us may never cease, we should nevertheless appreciate genuine efforts by the government to ease the procedural blockages faced by our sector every day. It may not be that we may see eye to eye but where appreciation is required by us, we should be able to readily lend it and not be persuaded by our own prejudices.



# Report of the meeting On Income Tax and need for reforms

Voluntary Action Network India, the apex body of voluntary organizations in India organized a roundtable meeting on 17th March on the “Need to institute reforms and in the Income Tax Act” applicable on voluntary organizations. The meeting was attended by 29 representatives from various organizations and chartered accountants. **(See annexure II for the list of participants)**

Mr. Harsh Jaitli, CEO of VANI welcomed the participants and shared the need for organising the meeting on income tax. He informed the participants that income tax is seen as the biggest threat by voluntary organisations and most of the representatives from the sector usually seek clarity on the various provisions of the act. Sharing the role of VANI in advocating on income tax, he said that a number of appeals and petitions have been written by VANI to the Finance minister regarding the issues related to income tax. He mentioned that VANI took serious efforts in preparing a memorandum for changing the Section 2(15) to increase the amount of exemption from Rs. 25,00,000 Lakhs to Rs. 1 crore. VANI also plays a key role in advocating for an overall enabling environment for the voluntary sector in India which includes income tax reforms, reviewing FCRA and registration laws etc.

He shared that the key objective of this meeting was to have a common understanding on income tax and help the organisations seek guidance from experts on the issues being faced by them. He shared the agenda for the meeting and it was followed by a round of introduction by the participants.

Mr. Shivakumar in his opening remarks expressed the feeling that the government should support the good



work of voluntary organizations by enabling a simplified Income Tax Act. Mr. Shivakumar reflected that a few years back voluntary sector had deliberated with the government on various issues faced by the sector including income tax and one of the main outcomes of this deliberation was the National Policy for Voluntary sector. This policy ensured an enabling environment for the sector and there was an assurance through this policy that many harsh laws will be re-looked vis-à-vis the sector needs but the policy remained in the papers only. He highlighted that the sector is not able to sustain itself financially as the income generating programmes by VO's involve violation of the section 2 (15) of the IT act. He requested Mr. Sudhir Chandra to give his opening remarks and guide the participants on the issues related to income tax, as faced by them.

Mr. Sudhir Chandra spoke about the efforts taken by the department of Income Tax to identify the organizations which are non-compliant. He shared that it is the priority of bureaucrats to garner more revenue for the government and unless organisations raise issues faced by them in income tax, there will be no redressal. Congratulating VANI and its CEO Mr. Harsh Jaitli, he



stated that it is due to continued efforts of VANI that the finance minister deliberated on Section 2 (15) in the parliament. He also informed the participants that it is important for voluntary organisations to earn an earning for sustaining their activities and to support it there is a High court judgement which says that charities should also be self-sustainable and earn income for sustaining the activities with the limit as prescribed.

He informed the participants that under Section 80 G, three main programs of government have been granted 100% donor exemption which includes swachh bharat, clean Ganga and donation to eradicate drug abuse. Even the educational activities under these programmes should be provided exemption. He also shared that most of the activities of voluntary development organisations can be categorised as relief to the poor and downtrodden.

Mr. Chandra recommended that due to activities of some miscreant organisations, the whole sector has to face the grunt. He recommended that income tax department must analyse the number of NGOs, their activities and filing of annual returns and it all should be made public on their website, so that the whole sector doesn't get targeted for the miscreant activities of some NGO's. lesser than the market price. However the assessing officer does not understand the language of selling medicines and unnecessarily harass due to lack of clear understanding of various sections under the act.

Mr. Sanjay Patra raised various issues needed to be considered in the present Act –

- New forms of charity are coming up but the assessing officers do not understand. They look at charity only in terms of concrete numbers and do not understand the development and educational activities undertaken by the organisations.
- He shared that the most draconian amendment in the previous government was the amendment under Sec.2 (15). The VO's are adopting the income generation activities for the sustainability of the organisations and



also towards reaching their self-sufficiency goals. The economic activities undertaken by VO's have been exempted but subsequently withdrawn and presently exemption given for Rs.25lakhs. This proposed amendment in section 2 (15) will bring hardship to smaller organisations. He suggested that ideally it should be 20% of income or 25 lakhs whichever is higher and needs to be advocated immediately with the finance minister before it gets implemented.

- Giving a historical timeline, he shared that there has been gradual withdrawal of privileges for VO's under section 12 (A), section 10 (23C).
- Section 35 AC process has to be opened up and more organisations can take benefit of this registration in view of CSR laws as there is lack of fund flow through the FCRA. There is a need to advocate for a better 35 AC in benefit of the sector. He also mentioned that making 80 G permanent is a good movement forward.
- The minimum amount not chargeable to tax is Rs.2,50,000/- which is the same as for Individual Tax Payer. He suggested that there should be a threshold limit(Say Rs. 25,00,000/- per year) which should be not chargeable to tax for NGOs.
- He shared that there is a need to encourage philanthropy and individual giving. Fund raising can be encouraged by making provisions for tax breaks on Corporate and Individual donations.



# Interview with Beatriz Bell, INDESOL, Mexico

*In this interview we get to speak with Beatriz Bell, the Programme Manager of INDESOL*

*— Interview taken by Mr. Arjun Kumar Phillips, Communications Executive, VANI*

## An introduction of who you are and what you do

My name is Beatriz Bell, I am Mexican and I work for the government agency called INDESOL or Instituto Nacional de Desarrollo Social (National Institute for social development) and I am in charge of the volunteer department.

In this department we are working in two main branches:

- 1) The National prize for volunteer effort (Premio Nacional de Acción Voluntaria y Solidaria) This prize has been handed by the President of Mexico since 2008. It is an annual recognition of the volunteer effort in our country and the prize has three categories, Group, Individual and Youth prizes. ([www.premioaccionvoluntaria.gob.mx](http://www.premioaccionvoluntaria.gob.mx))
- 2) The National Platform for volunteer action. Plataforma Nacional de Acción Voluntaria-México (Planavol -Mx). This is a recent effort, we began assembling it this year and now 60 different social actors are part of the platform. We have members from NGOs, from universities, from other government agencies (like the Health and Sanitation Agency amongst others) and from socially responsible enterprises (like Procter and Gamble) to promote volunteer effort all over the country.

## What are the major achievements of Indesol/Planavol ?

One of our recent achievements of this platform is that a commission visited the general director of the National Statistics and Survey Agency (INEGI) to convince them to move toward the implementation of Manual on the Measurement of Volunteer Work that the International Labor Organization is promoting all over the world. This manual is intended to guide countries in generating systematic and comparable data on volunteer work via regular supplements to labour force or other household surveys. The objective is to make available comparative



cross-national data on a significant form of work that is growing in importance but that is often ignored or rarely captured in traditional economic statistics.\*

## Can you elucidate on Indesol/Planavol relations with IAVE and UNV?

Two of the major allies of the Platform are the two NGOs that were invested by IAVE to be the hosts of the 24th World Volunteer Conference on November 2016.

International Association for Volunteer Effort, IAVE is a global voice for volunteering, advocating for more volunteering, done more effectively, to have greater impact. They are the connective tissue that enables volunteer leaders worldwide to stand in solidarity with one another, working together on issues of critical importance to the field.

<https://www.iave.org>

With UNV we have very little connection right now because UNV does not have a representative in México right now, we have addressed this issue and were told that by October we will have a contact person with UNV.



## News You Can Use

### **The myriad problems in setting up NGOs in Delhi**

<http://www.livemint.com/Politics/9tECTQdxnYZ5aTkFLJ8M1O/The-myriad-problems-in-setting-up-NGOs-in-Delhi.html>

### **A handy guide to helping NGOs effect social change**

<http://www.dnaindia.com/analysis/standpoint-a-handy-guide-to-helping-ngos-effect-social-change-2110062>

### **Too many NGOs or too little classification**

<http://www.livemint.com/Politics/lxq1rJaqrUwVbf2MWmbII/Too-many-NGOs-or-too-little-classification.html>

### **How CSR can contribute to profit, people and planet**

<http://www.livemint.com/Opinion/rIMInmHFnlXPKGEGd4uYCL/How-CSR-can-contribute-to-profit-people-and-planet.html>

### **Foreign Funded must now transact online**

[http://t.co/OatXlraCAU?fb\\_ref=Default](http://t.co/OatXlraCAU?fb_ref=Default)