

Policy Implementation Gaps and Institutional Fault Lines in the Context of the Role of INGOS, GONGOS and NGOS in Social Sector Interventions and Poverty Alleviation in Pakistan

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Abstract:

This policy paper critically examines the implementation gaps and institutional fault lines that hinder the effectiveness of NGOs, INGOS, and GONGOS in Pakistan's social sector, with a focus on poverty alleviation. Using the UNDP's governance framework, the study draws on stakeholder interviews and policy analysis across federal, provincial, and district levels. Key challenges identified include outdated legal frameworks, overlapping regulations, bureaucratic bottlenecks, security-centric oversight, trust deficits, and lack of digitization. The paper emphasizes fragmentation in governance, particularly in Khyber Pakhtunkhwa, and proposes the establishment of the Pakistan NGOs and Charities Commission (PNCC) as a centralized, digitized regulatory body. PNCC aims to harmonize federal and provincial systems, eliminate legacy legislation, and promote stakeholder coordination. The proposed framework is rooted in international best practices and seeks to foster a transparent, accountable, and enabling environment for sustainable civil society engagement in development.

Key words: Policy Implementation Gaps, Civil Society Governance, NGOs and INGOS, Regulatory Reform, Poverty Alleviation in Pakistan

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Introduction

NGOs mean Non-Governmental Organizations which are established for the sole purpose of ensuring community work and social welfare. Broadly, the NGOs are categorized as local NGOs, International NGOs (INGOs), and Government-Organized NGOs (GONGOs). INGO and GONGO have the same mission akin to NGOs, but a local NGO only operates in its home country. However, an INGO has international origin and operates in several countries, whereas a GONGO is an organization established by a government to carry out a social or political agenda and mimic the civil society operational models.

Evolution of NGOs and Civil Societies

The development of civil society, NGOs and social welfare programs is closely linked to the fluctuating nature of governance, social justice and humanitarian needs. Factually speaking, the need for such organizations has risen due to the inability of states to oversee or manage several issues of society. While working from grass root level to international, these have played a crucial role in advocating for equity, justice and social inclusion. With the passage of time, the scope of these organizations has expanded from assistance to international advocacy, policy inspiration and other development related interventions.

Usually, these organizations fill the gaps in the public service delivery of a state and quite often provide their services in remote and marginalized areas of countries in the sectors of education, health, women empowerment, environment and human rights. Their flexible, participatory, community-based approach of working is the key factor via which they can respond quickly to the emerging needs while fetching advancement and ease to the society by their context specific solution-oriented approach.

In developing countries like Pakistan, enabling NGOs and civil society and their solidification can play a very significant role. They can supplement the efforts of the government in poverty alleviation, disaster management, public health campaigns, and education, especially in merged and conflict-affected areas. In order to enhance service delivery of federal government and provincial governments of Pakistan, there is a need to promote NGOs, charities and civil society.

NGOs, INGOs and GONGOs in Pakistan

NGOs, INGOs and GONGOs have emerged as critical partners in the efforts of state to address public service delivery failures and thus have shaped the social sector landscape significantly. NGOs in Pakistan have contributed significantly to poverty alleviation, addressing inequalities, access to education, women empowerment through microfinance initiatives, vocational training, and community-led development projects. Notably their humanitarian contributions in natural calamities such as the 2005 earthquake, devastating 2010 and 2022 floods have been exemplary.

Moreover, these organizations also demonstrated their potential to complement government efforts in the conflict-affected areas of Khyber Pakhtunkhwa (KP) and Balochistan where public service coverage is fragmented and resource starved (Gazdar, 2011).

Despite their crucial contributions, NGOs and INGOs operate in an increasingly constrained regulatory and operational environment. A mosaic of overlapping federal and provincial laws including the Societies Registration Act, Trusts Act, Companies Act, Charities Acts, and Voluntary Social Welfare Agencies Registration and Control Ordinances coupled with NGO Policy 2015 and 2022 has resulted in complex, multi-tiered procedures for registration, MOUs & NOC acquisition and project approval. Field interviews confirmed that NGOs need to clear security-related clearances and then secure multiple NOCs which need to be renewed annually. There are cumbersome requirements which are mostly manual with no tracking mechanism, hence the multiple visits to the government offices and misuse of authority by officials. Furthermore, once a project is approved, no post-clearance supervisory mechanism or impact evaluation process is in place, resulting in a system that is risk-averse at entry but indifferent to subsequent outcomes.

Moreover, there is duplication of regulatory activities at federal and provincial levels. The Charities Commissions have been established recently in all provinces which require registration of all not profit organizations with them, even if they are registered under respective regulations with other government departments. Post registration, approvals from these Commission for fund raising are required as well. These duplications of regulatory compliances result in regulatory burden on these entities causing confusion and financial burden as well. Further, no central database is being maintained and the platforms at government level are not integrated which is resulting in fragmentation of services, poor utilization of data and inefficient governance.

In addition, owing to prevalent security challenges in the country, the core philosophy of civil society regulation is misaligned with development goals. NGOs are often viewed through a national security lens rather than as development actors. The Shakeel Afridi incident and Financial Action Task Force (FATF)-related pressures catalyzed a sweeping crackdown on civil society in 2013–2015, leading to EAD and security agencies' control without a parallel mechanism for constructive engagement or performance evaluation. Even local NGOs, which self-finance their activities, are required to present MoUs, NOCs and security clearances to open bank accounts – despite being outside the foreign funding framework.

This paper adopts a multi-level analytical approach guided by the Terms of Reference (ToRs) of the simulation exercise. Using the UNDP's eight governance dimensions as a diagnostic tool, it evaluates institutional, legal, fiscal, and administrative challenges affecting NGOs, INGOs, and GONGOs and identified the policy implementation gaps and institutional fault lines.

The findings culminate in a reform-oriented recommendation that align with the broader goal of improving policy coherence, regulatory transparency, and service delivery efficiency in Pakistan's social sector.

The NGO sector in Pakistan has significant potential to contribute to the country's sustainable development goals. By implementing the recommendations outlined in this study, fostering collaboration between NGOs, government agencies, and the private sector, Pakistan can overcome existing challenges and unlock the full potential of this vital sector. Addressing the identified policy implementation gaps and institutional fault lines will not only enhance regulatory transparency and service delivery efficiency but also promote a more conducive environment for sustainable development and poverty alleviation.

Problem Statement

NGOs, INGOs, and GONGOs have a critical role in poverty alleviation and social service delivery in Pakistan, particularly to augment state capacity. Despite a sizeable presence of NGOs in Pakistan, benefits in social sector development and poverty alleviation have been elusive. This situation warrants the need to examine policy, institutional arrangement and systemic fault lines and propose actionable reforms for a more cohesive and effective development framework.

Scope of Study

The focus of this study is to identify policy implementation gaps and institutional fault lines in Pakistan with regard to regulation of NGOs, INGOs and GONGOs at Federal and Provincial Government levels with special focus on Khyber Pakhtunkhwa (KP). This study also evaluates the role of these organizations in uplifting of social sector and poverty alleviation. It critically examines the regulatory environment, inter-organizational dynamics and operational barriers at Federal and Provincial Government levels. This study strives to identify inefficiencies and recommend practical solutions for improved governance of the NGOs and provision of an enabling environment to enhance their impact on the society. Major focus of the study is from 2015 onwards when INGO policy-2015 was notified by the Ministry of Interior (MoI).

Significance of the Study

There is a clear governance issue which includes unclear and cumbersome regulatory framework, multiple reporting layers, duplication of efforts and disconnect between the state and the agendas of the NGOs.

This study identifies the gaps in policies, probes institutional fault lines, classifies regulatory constraints, and enumerates the duplication of efforts. Hence it contributes to policy dialogue on creating an enabling environment for social sector and maximizing the impact of activities of NGOs. The findings of this study and the proposed governance structure will be crucial for the Governor and other stakeholders in developing inclusive, responsive, and sustainable frameworks which can leverage the full potential of civil society actors in poverty reduction and service delivery.

Literature Review

One of the significant reasons for the sluggish industrialization in Pakistan is the prolonged absence of a dedicated industrial policy. Consequently, the roles such a policy would typically fulfill are being managed through other public sector policies related to investment, trade, and monetary matters. The SMEDA Act of 1998 was established to regulate small and medium enterprises (SMEs) by the federal government, followed by Vision 2025 (Burki, 2008). An SME policy was formulated in 2007, which has since been amended and is pending cabinet approval. The 18th Constitutional Amendment devolved Part I of the Federal Legislative List, including the industrial sector, to the provinces, transferring industrial affairs to provincial governments (MOIP, 2021). Frequent changes in government are a major contributor to policy uncertainty in Pakistan. Moreover, past governments have often implemented ad-hoc industrial policies in reaction to crises (Kemal, 2008). The conflict between federal and provincial industrial policies has further complicated the achievement of desired outcomes in the industrial sector (Burki, 2008). The Pakistan Business Council advocates for a "Make-in-Pakistan" initiative to drive industrial growth, leveraging Pakistan's domestic market of over 200 million consumers to develop scale and competitiveness, eventually addressing global demand (PBC, 2018).

Research Methodology

The methodology of the study is mixed, mainly basing upon qualitative approach. Interviews of the representatives of INGOs, GONGOs, NGOs and regulatory departments (List at Appendix-A) were conducted to obtain the data as primary source. Semi Structured interviews were conducted to obtain input from the interviewees. (The questionnaire for government departments and NGOs are attached at Appendix-B & C). Published articles and relevant legislation and policies regarding governance framework and issues being faced by the INGOs / NGOs were also as secondary sources. Detailed Situational, Institutional, Legal and Policy gap analysis was conducted for finalizing the findings and recommendations of the study.

Situational Analysis

Historical, Religious and Societal Foundations of Charity in Pakistan

With over 96% Muslims among its total population, Pakistan has the practice of charitable giving, both mandatory and voluntary, deeply rooted in Islamic tradition. The practice of Zakat, a mandatory annual donation of 2.5% of one's accumulated wealth, is a fundamental pillar of Islam and in 2024 alone, Pakistanis contributed an estimated Rs. 619 billion (approximately \$2.19 billion) in Zakat, soaring past the budget of the country's largest state-sponsored cash transfer program, the Benazir Income Support Programme.

In addition, other Islamic forms of donations such as Sadaqah, Fitrana, and Kaffarah further enrich the ecosystem of voluntary social support. While the federal government has an official Zakat collection and distribution system governed by the Zakat and Ushr Ordinance (1980), a large proportion of Zakat gets distributed individually by the citizens themselves, beyond the purview of state systems. Thus, this generosity is largely informal and unstructured, with a significant portion of donations given directly to individuals, local mosques, madrassas, and informal community leaders, often without documentation or oversight, thereby raising issues like lack of strategic direction and transparency.

Responding to these challenges, Pakistan's civil society has witnessed a gradual institutionalization of philanthropic activities, particularly since the 1980s. Visionary social entrepreneurs established organizations such as the Edhi Foundation, Chhipa Welfare Association and the Alkhidmat Foundation, which have built strong reputations through scale, transparency, and responsiveness. They also have an expanding volunteer base and nationwide footprint that makes them extremely resourceful in disaster relief, health services, and educational support.

Landscape of civil societies in Pakistan

Pakistan's social sector depends heavily upon civil society organizations, including NGOs, INGOs, and GONGOs, to supplement efforts in poverty alleviation, education, health, and humanitarian relief. Historically, these organizations have filled the critical service delivery gaps in both urban and rural settings, particularly in crisis prone districts in KP and Balochistan. However, in recent years, the operational space for civil society actors has increasingly shrunk due to rigid legal frameworks, poor institutional coordination, and an increasingly securitized governance view which often favors control over engagement.

On the federal Government level, regulatory oversight of NGOs and INGOs is being undertaken by multiple departments and overseen by myriad legal frameworks. The key oversight institutions include the Securities and Exchange Commission of Pakistan (SECP), Economic Affairs Division (EAD), Ministry of Interior (MoI), Federal Board of Revenue (FBR), and the State Bank of Pakistan (SBP). These departments play their respective roles in registration, taxation, financial compliance and most importantly security clearance, yet there is no unified or streamlined interface for organizations seeking operational approval.

The oversized role of Ministry of Interior and security agencies came to pass after the Abbottabad incident of 2011, in which Osama bin Laden was killed on the basis of information supplied by Dr. Shakil Afridi, who allegedly helped the CIA run a fake hepatitis vaccine program in Abbottabad in order to confirm Osama bin Laden's presence in the city by obtaining DNA samples. The vaccine program was funded by UK-based NGO Save the Children. After this incident, Pakistan launched a crackdown against NGOs especially those getting fundings from abroad.

Up till 2015, INGOs used to get registered with Economic Affairs Division and there was no monitoring mechanism and security clearance. This practice was discontinued in 2015 and Policy for Regulation of INGOs in Pakistan was introduced in which role of intelligence agencies to issue security clearance was introduced. Starting from 2015, Ministry of Interior (MoI), Islamabad took strict action against a no. of INGOs, directing few to stop their works or projects in Pakistan, rejected registration applications of many and specified time frame for some INGOs to complete their projects and leave.

Likewise, to obtain international funding for projects in Pakistan, locally run NGOs working in Pakistan also have to undergo security clearance, sign MOU with EAD and seek separate No Objection Certificate (NOC) from provincial departments. This causes delays which significantly slow down project implementation. Surprisingly however, once clearances are granted, there is no institutional mechanism to monitor project performance or conduct post-implementation impact evaluations, indicating a governance model that is risk-focused at the entry level but indifferent to long-term developmental outcomes.

At provincial level, the situation gets further complicated, particularly in KP. Charities Acts were introduced in Punjab in 2018, in Sindh, KP and Balochistan in 2019 and in Islamabad Capital Territory (ICT) in 2021.

The Charities Commission is not fully functional in KP. Moreover, the Directorate of Social Welfare and the Industries Department continue to oversee registration under legacy laws such as the Societies Registration Act-1860 and the Voluntary Social Welfare Agencies (Registration and Control) Ordinance-1961. According to the KP Industries Department, over 260 non-profit organizations (NPOs) are registered with them, yet the same organizations often have duplicate registrations under different departments, contributing to fragmentation and weak oversight. Punjab, by contrast, has implemented a digital registration system that is not interoperable with KP, reflecting the lack of inter-provincial coordination and data sharing. On the other hand, Balochistan is the only province which has repealed the Societies Registration Act, 1860, and the Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961 to the extent of Balochistan.

This legal and procedural fragmentation leads to complex and burdensome regulatory regime eroding confidence of local and international NGOs. Moreover, there is no risk-based categorization. For instance, the Sarhad Rural Support Programme (SRSP) established in 1989 and operating across KP's settled and merged districts also needs to sign separate MoUs for each project, despite being a recognized development partner of the provincial government. The SRSP also reported that delays in NOC issuance can span several months due to overlapping jurisdiction between the EAD, Planning and Development Department (P&D), and the Home Department. In newly merged districts, the International Development Section (IDS) within P&D requires project-specific MoUs signed by EAD, which has ceased issuing them since September, 2024 following a Lahore High Court decision challenging the legality of the 2022 INGO policy (EAD, 2024). Consequently, development funds committed by foreign donors to local NGOs are likely to be returned unused to donors due to procedural paralysis.

Pakistan Bait-ul-Mal (PBM), a GONGO operating under the Ministry of Poverty Alleviation also shared issues of lack of coherence and collaboration among government departments. Although PBM has digitized 70–80% of its internal processes and manages a range of programs—from individual financial assistance to child protection centers and vocational training—its coordination with national and provincial platforms remains dismal. PBM's efforts to integrate their databases with the Sehat Card initiative have not been successful, and access to the database maintained by Benazir Income Support Programme (BISP) remains monetized. Similarly, financial support for education and health being provided by PBM overlap with education support under BISP and health coverage benefits under Sehat Card. Hence, there is clear duplication of activities and functions between GONGOs as well, underscoring the need for enhanced coordination and integration.

Further compounding these issues, financial compliance burdens are also a major source of concern for NGOs and INGOs. Opening a bank account is a basic requisite for operating an NGO. Sometimes, donors ask NGOs to open dedicated accounts for their projects given to these NGOs. After FATF, the Know Your Customer requirement has become very difficult to comply with by the NGOs and opening a bank account may take months. Moreover, banks do not have clear understanding of working of social sector hence sometimes demand MOUs with EAD and NOCs from Home department for local NGOs as well, thus discouraging and delaying the projects.

The consequences of these regulatory anomalies are far-reaching. NGOs have an impression that the civil societies regulations have been subjected to state's definition of security – primarily derived from military and counterterrorism imperatives. This regulatory approach has resulted in the treatment of NGOs as potential threats instead of development actors.

In conclusion, the current landscape of NGO and INGO activity in Pakistan is marred by institutional misalignment, regulatory overreach, and underutilization of civil society's potential. The regulatory bodies at federal and provincial level have become procedural bottlenecks instead of serving as facilitators for development and creating an enabling environment for civil society. Due to absence of integrated national charities commission, risk-based efficient clearance systems, and digitized coordination mechanisms, NGOs and INGOs are operating in a fragmented, insecure, and inefficient environment. The initial diagnosis establishes a foundation for the following sections of this paper that will explore institutional mapping and governance gaps before offering policy recommendations to improve Pakistan's development ecosystem.

Review of Policy and Regulatory Frameworks

The NGOs, INGOs and GONGOs are facing challenge of navigating through complex and cumbersome regulatory environment in Pakistan. The regulatory choke points lead to frustration, disenchantment and discontinuation of projects. Disintegrated national and policy frameworks with legacy legislations dating back to 17th Century do not cater to the evolving modern day scenarios. The general legal framework which impacts philanthropic organizations consists of more than a dozen federal and provincial legislations and provide a macro-framework in terms of Registration, Recognition and Fiscal / taxation regulation. Laws and policies governing NGOs that either explicitly require registration or implicitly confer recognition include:

- i. The Societies Registration Act, 1860
- ii. The Religious Endowments Act, 1863
- iii. The Charitable Endowments Act (Vi Of 1890)
- iv. The Mussalman Wakf Validating Act, 1913
- v. The Voluntary Social Welfare Agencies (Registration And Control) Ordinance, 1961
- vi. The Charitable and Religious Trusts Act, 1920
- vii. The Mussalman Wakf Act, 1923
- viii. The Cooperative Societies Act, 1925
- ix. The Mussalman Validation Act, 1930
- x. The Local Government Ordinance, 2001
- xi. Income Tax Ordinance 2001
- xii. The Companies Act, 2017
- xiii. Charities Acts at provincial level (Islamabad Capital Territory Charities Registration, regulation and Facilitation Act, 2021, Sindh Charities Registration and Regulation Act, 2019, Punjab Charities Act 2018, Pakhtunkhwa Charities Act, 2019, Balochistan Charities (Registration, Regulation and Facilitation) Act, 2019.)
- xiv. INGO Policy, 2015, Ministry of Interior
- xv. The Trusts Act (2020)
- xvi. NGO Policy, 2022, Economic Affairs Division

From the interaction with the private sector and regulators, it has been gathered that most of the NGOs are registered under the Companies Act, Societies Registration Act, and Voluntary Social Welfare Agencies Ordinance. Moreover, the recent enactment of Charities Acts in provinces also require the already registered entities under any of above regulations to seek fresh registration with provincial Charities Commissions and authorities. INGO Policy, 2015 regulates the INGOs working in Pakistan whereas NGO Policy, 2022 governs the funding of local NGOs by international donors. Hence in this study, we analyze these legislations and policies in detail.

Companies Act-2017

Securities and Exchange Commission of Pakistan (SECP) is mandated through Companies Act, 2017 to register non-profit companies with limited liabilities under Section 42 of The Companies Act of 2017. The aim of these associations may be advocacy and development of commerce, art, science, religion, sports, social services, charity, or any other useful objective. The association shall direct its profits or income towards advancing its stated objectives and shall prohibit the payment of any returns to its members. In most cases, registered nonprofit companies are organizations engaged in research with donor funding, clubs, and very large organizations engaged in delivering social and welfare services.

According to SECP, there are 1461 Not-for-Profit companies registered as of 31st March, 2025 (Securities and Exchange Commission of Pakistan, 2025). While Section-42 registration provides corporate-level oversight and formal financial auditing, it entails high compliance costs which limit accessibility for grassroots NGOs. The regulatory requirements for forming a Section-42 company are also relatively higher and are subject to stringent scrutiny. Initial contribution and donation by members and promoters is also high and requirement of audit and oversight such as restriction of receiving donation in cash above Rs. 20,000 are also strict. These factors collectively discourage registration of companies under Section-42 in Pakistan.

Policy for Regulation of INGOs-2015

The Ministry of Interior (MoI) issued the Policy in 2015 to regulate the registration, working, funding, monitoring and other related aspects pertaining to all types of INGOs which were functioning in Pakistan. An INGO Committee, headed by Secretary, MoI was established with mandate to approving registration and monitoring of INGOs in Pakistan. Once registration is approved, the INGO is required to sign an MOU with the Govt of Pakistan valid for 3 years from date of signatures.

Under INGOs policy-2015, certain checks were imposed on INGOs where they were subjected to security clearance, strict monitoring, permission to engage local NGOs and restrictions on surveys and research beyond their approved TORs. The INGOs regard the policy as rigid, opaque and counter-productive for their operational efficiency. The requirement of NOCs for each project, oversight and compliance to multiple agencies especially by intelligence agencies leads to administrative burden and loss of momentum in project activities. The situation is further exacerbated by the unpredictability of approvals. The INGO Policy 2015 may have delivered its intended outcomes, however, it did so at the cost of operational flexibility and eroded the space for international civil society engagement in critical humanitarian and development work, leading to diversion of those funds to other countries.

NGO Policy-2022

The Economic Affairs Division promulgated "Policy for Local NGOs/ NPOs Receiving Foreign Contributions-2022" to regulate and enhance the effectiveness of foreign funding being received, availed and utilized by the NGOs and NPOs registered in Pakistan. EAD established an online portal for submission of applications for signing of MOUs with EAD which is then shared with security agencies for security clearance. Once security clearance is received, MOU is signed between the NGO and EAD.

The MOU is valid for six months and extendable to maximum of 30 months while it can be cancelled anytime subject to adverse report from security agencies.

This policy was criticized by the NGOs for its restrictive nature and was challenged in Lahore High Court (LHC). The Lahore High Court in its orders dated 6th September, 2024 declared the policy unlawful and highlighted the absence of legislative backing for the policy as the lacunae.

LHC acknowledged the potential violation of fundamental rights guaranteed under Article 18 of the Constitution and emphasized that the executive cannot impose restrictions on fundamental rights without statutory authority. When EAD was approached, they informed that EAD has filed intra-court appeal for review of the decision and no MOU has been signed since 6th September, 2024. According to an NGO, this has resulted in a state of halt in ongoing and under process cases and loss of millions of dollars which were approved for the projects in Pakistan.

The Societies Registration Act-1860

The Societies Registration Act of 1860 is one of Pakistan's oldest legal frameworks for non-profit organizations. The Act was introduced during British colonial administration to establish a registration system for various society types including literary, scientific, charitable, and public welfare organizations. Entities that can register under this Act consist of trusts, community organizations as well as educational and religious or cultural societies. Seven or more individuals can establish a society which requires registration with the Provincial Registrar of Joint Stock Companies according to this law. The registration framework continues to serve as a popular choice for small to medium-sized NGOs working on the ground in Pakistan because of its friendly registration process and affordable compliance expenses.

The Societies Registration Act faces major structural and operational challenges. Since its creation, the Act remains unchanged resulting in obsolete rules and ineffective regulatory control. Without compulsory financial auditing and annual activity reporting requirements or governance transparency regulations, organizations may experience misuse, underreporting and organizational dormancy. The absence of integration between national regulatory bodies and provincial Charity Commissions particularly in Punjab and Khyber Pakhtunkhwa creates regulatory duplication which forces societies to register again under new provincial systems. Without digital systems and standardized monitoring or a central registry, coordination between state and civil society actors faces significant challenges which disrupts accountability efforts and strategic alignment with national development goals.

***The Voluntary Social Welfare Agencies (Registration and Control)
Ordinance-1961***

The Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 is regulated by the Social Welfare Departments of respective provincial governments in Pakistan. This ordinance governs registration, compliance, and activities of social welfare organizations with aim to promote the establishment of voluntary agencies for social development. However, lengthy and cumbersome registration process requires extensive documentation which deters grassroots organizations from formalizing their operations and limits their access to funding and support.

Moreover, this ordinance grants broad powers to Government for controlling registered agencies, including the authority to revoke registration without substantial justification. This creates an environment of fear and uncertainty which stifles innovation. This restrictive nature ultimately hinders voluntary organizations' ability to mobilize resources effectively and engage in meaningful social interventions, impeding their contributions to community welfare and development in Pakistan.

Provincial Charities Acts

The provincial governments have enacted Charities Acts at provincial level as below:

Sr No.	Province	New Legislation	Repealed Legislation
i.	ICT	Islamabad Capital Territory Charities Registration, Regulation and Facilitation Act, 2021	Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961
ii.	Sindh	Sindh Charities Registration and Regulation Act, 2019	Charitable Funds (Regulation of Collections) Act, 1953
iii.	Punjab	Punjab Charities Act 2018	Charitable Funds (Regulation of Collections) Act, 1953 Punjab Charities Ordinance 2018
iv.	KP	Pakhtunkhwa Charities Act, 2019	Charitable Funds (Regulation of Collections) Act, 1953
v.	Balochistan	Balochistan Charities (Registration, Regulation and Facilitation) Act, 2019	Societies Registration Act, 1860 Voluntary Social Welfare Agencies (Registration and Control Ordinance, 1961

Mostly the commissions remain semi functional and working only to the extent of registration of entities already registered with Social Welfare departments or Industries Departments. Balochistan is the only province which has repealed the Societies Registration Act, 1860 and the Voluntary Social Welfare Agencies Ordinance 1961 in their application to the extent of Balochistan.

Stakeholders Analysis

Federal-Level Stakeholders

At the federal Government level, several institutions come into play as they directly influence NGO and INGO operations:

Economic Affairs Division (EAD)

Being the principal agency tasked with regulation of INGOs and foreign-funded NGOs, the EAD facilitates the signing of Memoranda of Understanding (MoUs), ensures project vetting, and is supposed to align foreign aid with national priorities. However, its role has relegated to being a clearance authority dominated by security concerns, with minimal engagement in performance evaluation or development planning post-registration/ approval stage. It is also important to note that EAD has also stopped signing MoUs since September, 2024, effectively freezing INGO operations in many provinces, particularly KP.

Ministry of Interior (MoI)

Primarily responsible for registering and issuing security clearances to INGOs, the MoI relies on inputs from security and intelligence agencies. This clearance is required by all INGOs in line with the INGO Policy-2015. According to NGOs interviewed, delays from even one agency halt the entire clearance process. It is evident that MoI's lens is primarily security-dominated, lacks risk categorization, and marginalizes the developmental ethos of the sector.

Federal Board of Revenue (FBR) and State Bank of Pakistan (SBP)

The main mandate of these agencies is to oversee financial compliance such as taxation and banking compliance and while the FBR approves the tax-exempt status upon certification from the Pakistan Centre for Philanthropy (PCP), the SBP enforces Know Your Customer (KYC) regulations for account opening and use of banking channels. One commercial bank was consulted to know the process of opening a bank account of NGO or a Trust.

According to information provided by them, more than a dozen compliances and documents are required for opening a bank account. Major requirements include:

- Account opening form,
- CNIC and Bio-Verysis of all members of governing bodies/BoD/ Trustees, Executive Committee
- If registered with SECP: certified copies of registration documents, certificate of incorporation, license, Memorandum of Association (MoA), Article of Association (AoA), Form-III for new and Form-29 for already incorporated entity, resolution of governing body.
- If registered under Cooperative Societies act: certified copies of Certificate of Registration, Constitution/Bye-Laws, MoA, Annual Renewal Certificate, resolution of governing body.
- Registration with Charity Commission
- Personal profiles of each trustee/ board member
- Latest financial audit statement
- List of donors
- Visit report
- Vernacular form for each signatory
- Board resolution
- MOU signed with EAD (for INGOs).
- In Case, NGO is mandated to receive Foreign Funding as mentioned in constitution, it is mandatory to present MOU signed off by EAD. If not, then undertaking that NGO will not receive Foreign Funding at all or if receive, will inform to Bank immediately.
- NTN or exemption certificate from FBR

The list of bank requirements and guidelines for account opening is attached as **Appendix-D**. A frequent systemic hiccup faced by the INGOs and NGOs is that they sometimes have to open multiple project-specific accounts as per donor requirement, facing months of delays due to lack of MoUs and excessive compliance requirements (IMC, 2024).

Pakistan Centre for Philanthropy (PCP)

PCP is a Section-42 company mandated with certification of NGOs for tax exemption and while it plays a regulatory role, its fees and procedural requirements have made it inaccessible for smaller, community-based organizations. Hence, originally envisioned to promote philanthropy, it now acts as a mere gatekeeper.

Benazir Income Support Programme (BISP) and Pakistan Bait-ul-Mal (PBM)

Operating under the Federal Ministry of Poverty Alleviation, these are federal government funding GONGOs responsible for projects such as cash transfers, individual assistance, and orphan/ widow support programs. Upon visiting the PBM and enquiring regarding its functioning, it transpired that lack of coordination with other departments such as Health dept and BISP mar its performance despite being under the same Ministry. For instance, while financing medical treatment verification of sehat sahat card user is not directly made by PBM online, the individual has to get a certificate from rep of health dept in hospital that either the patient is ineligible for sehat sahat card or has exhausted its limit. Similarly, while financing education of a poor child, PBM has to pay BISP to verify whether the same facility is not being extended by BISP to the family of child. Moreover, all of the projects shared by the PBM management were in either way implemented by other departments as well, such as vocational training institutes are also being run by TEVTA and social welfare, health services under Individual Finance Assistance Programmes (IFA) of PBM are also being provided through sehat sahat card.

Securities and Exchange Commission of Pakistan(SECP)

SECP is tasked with registration and monitoring of non-profit entities, under Section 42 of the Companies Act 2017. The larger NGOs and INGOs seek formal incorporation for enhanced credibility, tax exemption, and donor compliance. However, in the context of stakeholder coordination, SECP functions in isolation, with limited data-sharing or procedural alignment with the federal or provincial regulatory bodies, thereby leading to fragmentation, duplicative registrations, and compliance fatigue among NGOs.

Provincial-Level Stakeholders (Khyber Pakhtunkhwa Focus)

At the provincial tier, stakeholder roles appear equally fragmented, with key institutions often operating in silos:

Planning and Development Department (P&D)

International Development Section (IDS): Despite being the lead agency for NGO project approval in KP, IDS cannot issue NOCs without an MoU from EAD, effectively stalling projects since 2024. Its access to federal digital systems also remains limited and coordination with sectoral departments is also minimal.

Directorate of Social Welfare, KP

Responsible for registering, monitoring and coordination with social welfare organization under Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961. Social Welfare department informed that 836 entities registered are currently active. The role of Social Welfare Department is, however, confined to mere registration and it also requires submission of more than a dozen documents (List of requirements attached at **Appendix-E**) Once the registration part is done, no monitoring and evaluation activity is being rendered by them. Lack of digitization, coordination gaps with other departments, HR constraints render the role of Social Welfare Department largely ineffective. To add insult to injury, after promulgation of Charities Act, another layer of regulatory compliance has also been added.

Industries Department, KP

The department oversees NGO/ NPOs registration under Societies Registration Act, 1860 and Trust Act, 2020. As reported by Industries Dept KP currently 264 active NGOs and 48 trusts are registered with them. Similar to Social Welfare department, Industries dept also lacked digitization, coordination and monitoring capacity.

Charities Commission, KP

Established under the 2019 Charities Act, this body is constituted under the administrative control of Home & Tribal Affairs Department, Government of KP, however, it remains non-operational, with no office, staff, or digital portal, virtually present only on website. This commission is another regulatory compliance layer in addition to already functioning Social Welfare and Industries departments. The structure of the Commission is inefficient and weak as compared to Commissions in other provinces.

District-Level Stakeholders

District-level coordination mechanisms are extremely weak, mostly ad hoc, and heavily dependent on the personal initiative of individual officers:

Deputy Commissioners (DCs) and Assistant Commissioners (ACs)

While serving as local gatekeepers and in the absence of centralized oversight, they exercise discretionary power to allow or restrict NGO access, leading to inconsistency across districts and undermines transparency. The Pakhtunkhwa Charities Act, 2019 delegates the power to DC to register NPO/ NGO at district level whereas AC is empowered to register NPO/ NGO when their activities are to the extent of Tehsil levels.

However, there is no monitoring mechanism provided to be implemented by the DCs or ACs. Moreover, there is lack of coordination between these offices and other stakeholders nor any database is being established for central repository.

District Relief Officers / ADC Relief

These officers are expected to collect data from NGOs and convene local coordination forums, however, no formal platform or SOPs exist. These coordination forums, even where present, are irregular and lack analytical capacity.

District Disaster Management Units (DDMUs)

Constituted under National Disaster Management(KP) Act-2010, these bodies involve the NGOs during emergencies but operate outside any formal integration system both in the pre and post crisis phases, hence no feedback mechanism after a natural or manmade disaster and resultantly, minimal improvements. Their relationship with PDMA, NGOs, and DDMU-level stakeholders remains informal and mainly on case-to-case basis.

Field Units of Social Welfare Directorate

They are present in all districts but lack integration with provincial and federal databases, thus their potential role in NGO monitoring and outreach remains untapped.

Institutional Weaknesses, Fault Lines, and Governance Gaps

The NGO-Government relationship has a profound impact on the contribution of NGOs to the society. The style of leadership in Government, organizational arrangements such as governance structures and development strategy also impact the relationship and thus influence working of NGOs. According to Clark, 1992, collaborative relations develop in countries where effective structures are established at government agencies. Similarly, (Brautigam et. al, 2007) argue that collaborative relations are established in countries where Government agencies have capacity to comply with donor partnership requirements. These collaborative engagement and relationships complement the working efficiency of their NGO counterparts.

However, if government organizations lack capacity and the employees have limited skills, the relationship between Government and NGOs are likely to be tense and frustrated (Jelinek, 2006). Similarly, the absence of a central regulatory or coordination authority creates inefficiencies in resource use and monitoring (Planning Commission of Pakistan, 2021).

Donor fatigue and dependency on external funding also threaten the sustainability of many NGO-led interventions. This results in an effort to maintain control over the service sector by the ineffective government agencies (Rose, 2006).

In view of above, the effectiveness and contribution of NGOs, INGOs, and GONGOs in Pakistan is linked with the efficiency and responsiveness of institutional frameworks that regulate them. However, the policy and regulatory framework as well as operational environment at federal and provincial levels suffer from inefficiencies, institutional weaknesses, outdated regulations, fragmented mandates, and overlapping jurisdictions. These issues affect the efficiency of NGOs, hinder service delivery, discourage donor engagement, and also erode trust of the public. This study applies the UNDP's eight governance dimensions, and map the institutional governance deficits in Pakistan's civil society regulatory and policy frameworks.

Participation

The engagement of the civil society in the formulation, implementation and evaluation of policies is very limited in Pakistan. There is no institutional arrangement for public or stakeholder consultation and the policies such as INGO policy-2015 and NGO policy-2022 were made without stakeholders' consultation. This limited participatory engagement results in lack of ownership and face criticism from stakeholders. According to civil society organizations, lack of stakeholder consultation and involvement in policy formulation and implementation is one of the major reasons why these policies were drafted through a security-centric lens instead of developmental priorities and partnership between the government and the civil societies. At district levels, the coordination meetings are held under Deputy Commissioners however this is not a regular phenomenon and varies from districts to districts, thus district-level coordination platforms are also missing.

Rule of Law

The legal infrastructure for regulation of NGOs and NPOs exists in Pakistan but there are three major issues with it. One, it dates back to colonial times and has not been updated according to modern scenarios such as Societies Act dates back to 1860. Secondly, its enforcement is uneven and inconsistent, especially after 18th amendment. Third, there is duplication and redundant compliance mechanism which results in regulatory burden and increased compliance costs. For instance, recent legislation of Charities Acts at provinces requires registration of entities with Charities Commission/ Authorities once again even if they are already registered with Social Welfare Departments or Industries Departments.

Furthermore, after the recent suspension of NGO Policy-2022 by LHC on 6th September, 2024, EAD has stopped signing of MOUs which has led to regulatory quagmire. Resultantly, potential projects and those in pipeline have come to a state of halt. The decision of LHC demonstrates that the state institutions often are operating without legal backing and accountability.

Transparency

The regulatory framework for NGOs and INGOs in Pakistan lacks transparency. There is no facility to track the approval requests submitted to EAD, MoI or other regulators. Moreover, information about security clearance is also not shared with applicants leading to uncertainty as well lack of transparency. There is no publicly available database of NGOs, tracking of their projects and evaluation of their activities which also results in lack of trust from public on the NGOs.

Responsiveness

State institutions lack responsiveness at federal and provincial levels in Pakistan. The regulatory inertia and lack of ownership aggravated by duplication in mandates leads to inefficient response and reactive approach by the Government institutions. NGOs reported that the Government departments are not aware of potential of civil societies in development, changing dynamics of the civil societies and only treat them as subjects. Moreover, the hostile responses and clearances from security agencies also discourage NGOs to continue operations in Pakistan. Latest example of the bureaucratic inertia is evident from no make shift arrangement by EAD after LHC decision against NGO policy 2022 which has resulted in pending application for MOUs at the end of EAD and MoI. This will result in return of unutilized funds and discontinuation of humanitarian services in high-need areas.

Consensus Orientation

The inter-agency consensus on mandate, responsibilities and regulatory hierarchies is also broadly missing. Moreover, National and Provincial development priorities have not been integrated with the activities of the civil societies and their potential has not been utilized. Hence the coordination mechanism which could lead to consensus amongst stakeholders and unified direction of actions and priorities is missing.

Equity and Inclusiveness

Current institutional and regulatory framework disproportionately disadvantages small and community-based organizations. Cumbersome regulatory requirements for registration, difficult and costly tax exemptions are financially and procedurally prohibitive for most local actors.

Absence of transparency and enabling environment has led to exclusion of small entities from mainstream. The resource fulness of big NGOs and INGOs has further contributed to inequitable access to funding and decision-making.

Effectiveness and Efficiency

The government institutions are generally inefficient and lack of accountability is further adding to the damage to the civil societies. Some departments see these societies as their competitors and contribute to slow down of their activities. The inefficient registration process, lack of digitization and transparency has resulted in redundant service delivery and weak data utilization.

Accountability

While interaction with civil societies, it was learnt that that the major focus of Government departments is on pre-clearance procedures and there is no institutional mechanism for post-approval monitoring or impact evaluation of NGO or INGO projects. There is no accountability of NGOs for the claimed or projected benefits of the projects and actual contribution to the society. On the other hand, departments lack digital infrastructure and trained HR to monitor the field activities of the NGOs, hence there is not monitoring and reporting mechanism. Moreover, internal accountability mechanism exists at Government departments on the opportunity cost incurred to NGOs for not delay in registration, issuance of NOCs and signing of MOUs.

Institutional Fault Lines and Public Trust Deficit in NGOs & INGOs

The role of NGOs and INGOs has increased incrementally in recent decades and organization like Edhi Foundation, Al-Khidmat Foundation, Chipa welfare Association and Agha Khan Foundation are widely acknowledged for their contributions to education and health services, especially in underserved regions (AKDN, 2022; TCF, 2022). These organizations often partner with communities to provide low-cost, scalable, and culturally sensitive interventions. Similarly, UNICEF, Save the Children, Islamic Relief, Muslim Aid, and Oxfam are all INGOs whose contributions provide a substantial basis and resource to Pakistan for humanitarian assistance, primary healthcare needs, educational programs, and initiatives for empowerment of women. They bring different global experiences, resources for financing, and proven international models of how to get into development locally. For instance, Khyber Pakhtunkhwa and Sindh have benefited from essential child health and nutrition programs provided by UNICEF, especially in a flooding emergency and recovery from the latest pandemic (UNICEF Pakistan, 2023).

But, at best, the continuity of operations of INGO's is interrupted frequently because of bureaucratic delays and restrictions related to national security, and it also adversely affects its ability to sustain impacts long-term greatly (Human Rights Watch, 2019).

However, one of the most persistent fault lines in the civil societies' landscape in Pakistan is the profound trust deficit between the government and these organizations. Similarly, a chasm exists between the latter and general public as many Pakistanis perceive INGOs as foreign actors, allegedly pursuing western cultural agendas that contravene local religious and social norms. Their involvement in advocacy surrounding controversial issues such as LGBTQ+ rights or progressive gender narratives (e.g., Aurat March) in particular reinforces the public perception of NGOs serving Western ideological interests oblivious to local development needs. This is further compounded by high-profile incidents such as the Shakeel Afridi case, where an NGO's vaccination initiative was reportedly used as cover for intelligence operations, severely undermining the credibility of international humanitarian efforts. Similar apprehensions exist in the society about polio eradication and vaccination campaigns.

Moreover, owing to prevalent law and order situation in Pakistan, the state, particularly security agencies and the Ministry of Interior, view NGOs through the national security lens. Resultantly, the current INGO policy requires vetting by multiple security agencies and restricts foreign staffing, limits their movements, geographic coverage, and even the thematic scope of projects. The perception about INGOs as potential covers for intelligence agencies has led to revocation of NOCs, project closures, and a stifling regulatory environment, particularly in strategically sensitive regions like Balochistan and KP. Conversely, local NGOs are often seen as self-serving, stuffed with family-led boards and lacking internal transparency or monitoring mechanisms. The public's preference for giving Zakat and other donations directly to individuals, mosques, or madrassas, rather than through NGOs, is also outcome of this mistrust.

On the end of NGOs, a mismatch also exists between donors' priorities and genuine community needs which is another major fault line as many externally funded projects are designed with little local input, leading to thematic misalignment and poor outcomes. In certain cases, NGOs have also been accused of collecting sensitive terrain and demographic data under the garb of development surveys thereby triggering further scrutiny from security and regulatory agencies. While some GONGOs such as PBM and BISP have wider acceptance and appreciation due to being officially sanctioned, they are also plagued inefficiencies, political interference and poor inter-agency coordination, both at horizontal and vertical levels.

These factors combine together to severely compromise the potential of Pakistan's civil society and their recognition as a strategic development partner in eye of both Government as well as general public. A reform agenda must therefore begin by acknowledging these fault lines, establishing institutional credibility, ensuring transparency, and fusing their programs with Pakistan's socio-cultural values and national priorities.

International Trends/ Best Practices and relevance to Pakistan

In the light of institutional weaknesses and regulatory fragmentation outlined earlier, the integration of globally recognized best practices offers a pragmatic pathway to reform Pakistan's NGO governance framework. Countries with comparable institutional contexts, such as India, Bangladesh, Kenya, and the United Kingdom have implemented streamlined, transparent, and risk-sensitive models for NGO oversight. These models emphasize digital integration, unified registration systems, sectoral coordination, and risk-based compliance, demonstrating the feasibility of a system that balances regulatory control with operational flexibility. The following subsections present relevant international examples and assess their applicability to Pakistan:

United Kingdom - Charity Commission Model

The UK Charity Commission, a renowned international organization is managing 170,816 main and 14,042 linked registered charities. It is an independent public body which safeguard compliance and transparency via public registers, and classifies NGOs on the basis of functions, scope and most important the public trust. For monitoring, Risk Based Approach has been adopted, wherein frequent audits are being carried out of the high-risk organizations while trusted ones benefit from longer registration tenures and fewer compliance hurdles.

Relevance to Pakistan: Establishment of a National Charities Commission, will connect the provincial stakeholders digitally replicates this model. Pakistan currently lacks a federal monitoring mechanism. Moreover, the provincial commissions (such as in KP) are non-functional. A risk-based regulation mechanism linked to performance scorecards and long duration of MoU can be used to swap the current existing long process of security clearance.

India - Development Partnership Administration (DPA) and NGO-DARPAN Platform

India has established a Development Partnership Administration under the Ministry of External Affairs for synergizing the foreign-funded initiatives and national development goals. Moreover, National Institution for Transforming India Aayog and the Ministry of Electronics and IT, has developed an actual public registry which contain data of over 100,000 NGOs, regarding financial matters, allies and results.

Relevance to Pakistan: A similar national level portal for integrating the functions of SECP, PCP, and other departments at federal and provincial level can aid in ensuring transparency and identification of reliable NGOs for the donors. The portal can be used for assessing the performance of NGOs, for tracing the MoU status, the locations of the interventions, coverage, beneficiaries' validations and audit records.

Kenya – NGO Coordination Board

There is a Coordination body called Kenya's NGO Coordination Board which provide all services like registration, compliance, data transparency. Moreover, it also serves as the regulatory body to resolve the executing and regulatory issues between the NGOs and the state, hence, it demonstrates to be a One Stop Agency for all the activities.

Relevance to Pakistan: Despite involvement of several stakeholders regarding donor-funded initiatives in Pakistan, there is no institutionalized forum for continuous dialogue between the government and NGOs. The One Stop Agency Model of Kenya can be replicated in Pakistan too for coordination between the civil society and the government.

Bangladesh – NGO Affairs Bureau

The government of Bangladesh has established a Bureau called NGO Affairs Bureau which Bangladesh controls INGOs and foreign-funded NGOs. The board operates through an efficient approval process, annual monitoring, and sectoral performance evaluations. There a proper coordination and data/progress sharing mechanism between different sectors like health, education and the donors.

Relevance to Pakistan: In Pakistan particularly KP, main govt. departments like Social Welfare Dept., Home Dept., P& D Dept. and Industries Dept. are not involved in NGO approval or monitoring processes, which leads to duplication. By adopting the Bangladesh model in Pakistan would result in institutionalization of cross-sectoral endorsement and would enable provincial line departments to participate in vetting and M&E.

The review of international best practices illustrates that effective NGO governance requires more than procedural control it demands transparency, inter-agency coordination, digital infrastructure, and inclusive stakeholder engagement. For Pakistan, the path forward lies in customizing these proven frameworks to the national and provincial context, especially in KP, where administrative gaps are most visible. Incorporating risk-based clearance, centralized data platforms, and sector-linked monitoring can bridge existing institutional deficits and enhance service delivery. These insights directly inform the subsequent gap analysis, which identifies the systemic disconnects between policy frameworks and operational realities in Pakistan's NGO ecosystem.

Issues and Challenges

While NGOs, INGOs, and GONGOs in Pakistan are playing an important role in poverty alleviation and social sector service delivery, their operational effectiveness gets hampered by a range of implementation bottlenecks. These include regulatory challenges, poor inter-agency coordination, fiscal rigidity, outdated institutional systems, anachronistic legal frameworks and weak accountability structures. This section attempts to synthesize key bottlenecks under five broad categories, i.e, fiscal, administrative, procedural, implementation, and governance-related, primarily focused on federal and KP-level challenges.

Fiscal Bottlenecks

Among the most significant constraints affecting NGO operations and efficiency is the increasingly hostile financial environment defined by donor withdrawal, high compliance costs and delayed financial approvals.

- Shrinking donor pool: Some of the major funding sources such as USAID and the UK's FCDO have either reduced or withdrawn support altogether to their internal policies whereby these countries have started diverting funds to other high priority domestic sectors. However, the local NGOs also pin blame on Pakistan's non-transparent and high-friction regulatory environment as a push-factor for the remaining donors as the latter get frustrated over delayed approvals and divert the funds elsewhere. Similarly, it was shared that an estimated \$40 million in donor commitments were returned unutilized in 2023 due to bureaucratic stagnation.
- Compliance-related costs: While big INGOs like IMC can maintain dedicated compliance staff and incur certain fixed administrative costs e.g., premises rents, documentation, obtaining bank letters, paying certification fees to PCP and securing project-specific tax exemptions, smaller local NGOs get disproportionately impacted as their financial outlays are hardly enough to maintain the staff and allied paraphernalia required to stay operational.
- Banking barriers: SBP regulations and donor requirements often prescribe opening of separate bank accounts for each project, yet owing to around two-dozen mandatory documents required for the same, commercial banks delay account openings without even for self-financed or domestically funded NGOs, thus making the latter go around in circles and stalling fund disbursements and payrolls.

Administrative Bottlenecks

The bureaucratic machinery tasked with overseeing NGO operations is marred by capacity constraints and inter-departmental disconnects.

- Limited institutional capacity: The Directorate of Social Welfare in KP lacks trained personnel, digital tools, monitoring mechanism and integration with other departments. Despite having presence down to the district level, it is unable to track NGO activities or contribute meaningfully to project oversight.

- Disempowered provincial entities: The Planning & Development Department's IDS section in KP is unable to approve any NGO projects in the absence of an MoU from EAD, which in turn has suspended this function indefinitely following court orders in 2024, hence rendering the provincial approval process completely dysfunctional and the NGOs clueless (SRSP, 2024).
- HR constraints: PBM, despite its expanding mandate, operates under a government-imposed hiring freeze owing to austerity measures, resultantly preventing the recruitment of new staff to fill the already approved vacant posts due to retirements since the last four years. Likewise, quite a sizable number of trained, experienced and educated human resource erstwhile employed in the NGO sector has moved to better climes overseas, resulting in brain drain and loss of technical expertise).

Procedural Bottlenecks

Redundant and non-transparent procedures delay project rollouts and deter effective coordination.

- Multiplicity of clearances: NGOs, even after getting NOCs/ approvals from EAD and MoI, have to perform complex navigation maneuvers by obtaining up to 10 separate NOCs from federal, provincial, and district authorities. There is no one-window clearance system and no status tracking portal.
- Manual documentation: Despite the presence of an EAD portal, most provincial departments (including KP's Departments of Industries and Social Welfare) still require physical document submissions, adding to logistical burdens and pushing the planned timelines.
- Inconsistent approval timelines: There are no binding timeframes for project review or MoU approval and in certain cases, projects have been pending for over six months, even after completing all formalities, due to delayed approvals from concerned govt. agencies, resulting in donor frustration and project withdrawal.

Implementation Bottlenecks

The regulatory architecture in its very design lacks coherence, interoperability, and alignment with sectoral needs.

- Legal and institutional fragmentation: NGOs have to navigate a complex legal environment, including the Societies Registration Act, Companies Act, and various provincial Charity Acts. These laws largely operate in silos with overlapping mandates compounding the confusion and there is no overarching framework or harmonization effort to bring uniformity.
- Non-functional Charities Commission: Despite the legal mandate under relevant legislations, the provincial commissions have not been operationalized with Balochistan being the only exception. Thus, the applications get stuck in limbo, leading to incertitude and legal uncertainty

for civil society actors (Industries Dept., 2024).

- Absence of sectoral coordination: Health, education, and women development departments-while being thematic counterparts to NGO programs are not included in project vetting, monitoring, or evaluation processes, leading to poor alignment with local needs.

Governance-Related Bottlenecks

Weak oversight and non-existent feedback loops undermine learning and accountability.

- No monitoring and evaluation system: After NOC issuance, there is literally no follow-up or monitoring mechanism to assess whether the approved project delivered its intended outcomes or even the organization remains functional at all as neither EAD nor provincial departments conduct field-level validation and checks.
- Security overreach without performance checks: INGOs invariably face extensive pre-clearance requirements from security agencies, but there is no risk-based scoring system or trust-building mechanism for organizations with proven track records (IMC, 2024).
- Opaque decision-making: Decisions regarding project approvals, rejections, or NOC expirations are rarely communicated in writing and keep rotting away in files, and no grievance redressal forums exist at the federal or provincial level (SRSP, 2024).

The bottlenecks affecting the implementation of NGO and INGO-led programs are deep-rooted and systemic, encompassing fiscal rigidity, procedural opacity, institutional fragmentation and poor administrative design. Unless addressed through coherent policy reform, streamlined procedures, digital integration, and capacity building both at the federal and provincial levels, the development potential of this sector will remain underutilized.

Conclusion

The role of NGOs, INGOs, and GONGOs in Pakistan's social development landscape has evolved significantly, especially in view of the state's limited ability to ensure consistent service delivery in remote, disaster-afflicted and marginalized communities. However, despite their proven contributions to myriad domains of social development such as education, health, women empowerment and disaster response, these organizations operate in an environment of increasing regulatory hostility, procedural opacity and public mistrust. The intersection of security imperatives and development goals has given rise to a fragmented governance regime, where multiple agencies have overlapping jurisdictions, often without any coordination, thus resulting in procedural inertia, financial inefficiencies and underutilization of the sector's potential. Public misgivings further complicate this landscape with large sections of the populace viewing INGOs as purveyors of foreign agendas and local NGOs as unaccountable entities, leading them to routes charitable giving through informal networks outside the regulated system.

In the interest of restoring trust and optimizing the development potential of these organizations, an integrated reform strategy that streamlines legal frameworks, eliminates institutional overlapping and enhances coordination between different tiers of the governance vertical is the need of the hour. Aforesaid in view, the proposed establishment of a Pakistan NGO and Charity Commission, along with strengthening of its provincial counterparts, would prove instrumental in creation a one-window interface for these entities as well as it will unify registration, licensing, compliance, and performance monitoring across the country. By incorporating international best practices such as public access registries, sectoral vetting, and donor dashboards, Pakistan can graduate from a control-oriented to a collaborative governance model. This will not only strengthen transparency and accountability but also create a policy environment that aligns the endeavors of these organization with national development priorities and amplifies its role in poverty alleviation and sustainable service delivery.

Recommendations

The policy and institutional framework governing NGOs, INGOs, and GONGOs in Pakistan is very fragile, inefficient and lacks coordination among stakeholders. Improvement of the environment to tap potential contribution of Civil Societies an overarching reform agenda comprising set of strategic, actionable, and evidence-based reforms is required. On the basis of exhaustive study of local dynamics and international best practices, this policy paper offers evidence-based recommendations in form of a proposed model regulatory and institutional framework which address the key challenges of regulatory duplication, legal ambiguity, administrative inefficiencies, and fragmented coordination. The proposed way forward entails merger of fragmented regimes, consolidation of institutional efforts and review and repeal of outdated laws.

In the interest of promoting inter-provincial harmony, improving coordination, wider acceptance and ensuring institutional coherence, it is recommended that the proposal for establishing the Pakistan NGO and Charity Commission (PNCC), along with its provincial chapters, be formally placed before the Council of Common Interests (CCI). Given the fragmented and overlapping nature of NGO regulation involving federal and provincial mandates, arriving at a consensus-driven decision from the CCI will provide constitutional legitimacy, enhance provincial ownership and pave the way for uniform implementation by all tiers of government. This approach will also bring greater alignment between national development goals and localized social sector interventions. The proposed way forward is outlined below:

Establishment of Pakistan NGO and Charity Commission (PNCC)

At National level, a national Commission-Pakistan NGO and Charity Commission shall be established which would be the national single window for NGOs, INGOs, NPOs and charities. It will work under a Governing Board with representation from all key stakeholders and function as a monitoring and coordinating unit for seem-less and coordinated oversight of civil societies. It will align the activities of civil societies with national development plans and act as a benchmark for provincial Charities Commissions.

Minister for Ministry of Poverty Alleviation will chair the Board. Composition of the Governing Board is proposed to be as below:

- Representative of each of the Ministry of Interior, Ministry of Finance, Ministry of Economic Affairs, Ministry of Law, PCP, NDMA, SECP, Ministry of Science and Technology.
- Representative of Planning and Development Board Punjab, Sindh, Baluchistan and Planning & Development Department Khyber Pakhtunkhwa.
- Civil society experts including (NGOs, INGOs, GONGOs) as co-opted members.

- Academia can play a vital role in improving regulations of the NGOs through research, training programs, and backing amendments in policies. Hence, 2 co-opted members from academia will also have made part of the provincial boards.
- 2 co-opted members from donor community, will also be made members of the board.

Provincial NGO & Charity Commission

To complement the National NGO and Charity Commission, at provinces level, the mandate of Charity Commissions and Authorities already established at provincial level will be expanded and amended to Provincial NGO and Charity Commissions, and will oversee the entire NGO landscape of the provinces. These Charity Commissions already have Governing Bodies and in line with federal governing board, a board will also be established at four provinces which will govern all the matters pertaining to NGOs, INGOs, and charities at the provincial levels. Composition of the provincial boards is proposed to be as under:

- Representative of Planning & Development Board/Department.
- Representatives of relevant line departments like Home Department, Social Welfare Department, Industry Department, Agriculture Department, Finance Department, Law Department, Relief Department, ST&IT Department along with Head/Nominee of Provincial IT Boards.
- Co-opted members from Civil Society (NGOs, INGOs, Charities) and key stakeholders.
- Representative from Donor Community and
- Representative from Academia, as co-opted members.

Mandate and Framework of Pakistan NGO & Charity Commission

- i. **Unified Registration & Authorizing System:**
 - A single online platform for registration and authorizing of all NGOs, INGOs including Charities, a federally hosted multi-agency digital portal will be developed.
 - Multiple MoUs and clearances will be replaced with introduction of a simplified approvals procedure containing single MoU.
- ii. **Risk-Based Compliance & Monitoring**
 - Risk classification on the basis of governance, financial health, prior performance, and sector focus will be introduced for assessing the mechanism of compliance, monitoring, and evaluation.
 - Digital performance score system will be introduced to assess organizational performance, financial, and governance.

- Annual and biennial audits/ reviews will be conducted for high-risk NGOs. Similarly, for low-risk and complaint organizations, extended MoU validity and longer licensing periods will be introduced.
- iii. **Public Access Registry**
 - A public digital registry will be established which will be updated in real time showcasing:
 - All registered NGOs/ INGOs and Charities will be listed.
 - Financial revelations, project funding and ongoing activities will be updated.
 - Geographic coverage, sectoral focus, and impact assessment and projects graduation will be displayed.
 - Status of MOUs and audit reports will be shared on the registry.
 - Donor-Friendly features will be introduced and performance reports, donor dashboards, and fund-tracking tools will be established to build donor confidence.
- iv. **Inter Sectoral Coordination & Dispute Resolution**
 - To ensure inter sectoral coordination key government departments shall be engaged in vetting of the NGOs, monitoring, evaluation, and endorsement.
 - A separate platform will be established for conflict resolution between NGOs and federal/provincial government via negotiation and settlement.
- v. **Data Reporting & Policy Advisory**
 - Annual Sectoral Reports will be published to analyse civil society's performance, trends, and challenges.
 - Data sharing mechanism will be introduced through which access to key sector data shall be given to donors, media, academia and the public.
 - Advisory role shall be given to federal and provincial governments for giving recommendations to harmonize regulations of civil society, and policy improvements.
- vi. **Capacity Building, Knowledge Sharing & Private Sector involvement for Corporate Social Responsibility (CSR)**
 - Capacity-building programs regarding compliance, financial management, governance, transparency, and donor engagement will be conducted regularly.
 - Knowledge sharing mechanism shall be introduced which may contain creation of forums and platforms for NGOs, government bodies, and donors to share best practices and innovations.
 - Private sector organizations will be engage to mobilize their contributions to Corporate Social Responsibilities (CSR) generating resources and financing for development initiatives across the country.

Mandate and Framework of Provincial NGO & Charity Boards

- i. Provincial Registration & Licensing Facilitation**
 - In order to manage registration of NGOs/ NPOs at provincial level PNCC's unified online portal will be used to ensure single window operations and centralized database.
 - A localized monitoring mechanism will be developed for issuance of licensing, MoUs, clearances along with their monitoring to ensure compliance with both federal and provincial laws.
 - Within the province, NGOs will be classified into Low, Medium, and High Risk, in line with PNCC and compliance burden will be lowered on low-risk entities.
- ii. Provincial Risk-Based Compliance & Monitoring**
 - A risk-based mechanism will be developed for monitoring, auditing, and evaluation of NGOs operating within the province.
 - In line with PNCC dashboard, digital score system will be maintained for provincial NGOs for performance tracking.
 - Annual and biennial audits will be conducted for high-risk NGOs. Similarly, for low-risk and complaint organizations, extended MoU validity and longer licensing periods will be followed.
- iii. Donor Assurance at Provincial Level**
 - Provincial dashboards will be established and periodic reports will be issued to enhance transparency and attract localized donor funding.
 - Initiatives will be taken for trust building and bringing informal donations to formal sector.
- iv. Provincial Coordination & Dispute Resolution Mechanism**
 - Relevant provincial departments will be engaged in vetting, monitoring, and evaluation processes to ensure effective coordination
 - The PNCC will act as the primary authority for dispute resolution between NGOs and provincial authorities.
- v. Data Collection, Reporting & Policy Recommendations**
 - Annual performance reports will be published and submitted to the PNCC, highlighting local dynamics, issues and support requirements.
 - Compile and submit annual performance reports to the PNCC, highlighting local dynamics and issues.
 - Will consolidate the Government and civil societies activities and initiatives for coordinated efforts of social interventions
 - Will recommend provincial-specific regulatory improvements while aligning with national harmonization efforts.

vi. Provincial Capacity Building & Outreach

- Will conduct regular sessions for NGOs, local officials, and donors on compliance, governance, and transparency tailored to provincial contexts.
- Will facilitate local platforms for dialogue, innovation, and experience-sharing between NGOs, donors, and government stakeholders.
- Initiatives will be undertaken to showcase the contribution made by NGOs to local community and drive informal charity to performing NGOs.

vii. Donor Engagement & Confidence Building at Provincial Level

- Will provide provincial-level donor dashboards linked to update NGO performance reports and fund utilization.
- Will establish systems to track and report donor funds utilized in the province to enhance credibility and trust.

15. Log-Frame Matrix

Objectives	Key Activities	Expected Outputs	Responsible Institutions	Timeline	Monitoring Indicators
Establishment of a unified national NGO governance body	Enactment of PNCC legislation; establishment of central authority and board	PNCC legally established and functional	Ministry of Law, EAD, SECP, PCP	12–18 months	Passage of the Act; PNCC board notified; office operational
Streamlining of provincial oversight	Reconstitution of Provincial Charity Commissions as Provincial NGO & Charity Commissions	Active and functioning provincial NGO boards with local oversight	Provincial Departments of P&D, Social Welfare, Industries	6–12 months	Boards established; portal usage stats; number of registrations
Digitization of registration and approvals	Launch the unified national NGO digital portal integrated with provincial systems	One-window e-governance portal	PNCC, MoIT, PITBs, SECP, PCP	9 months	Portal live; number of departments on-board
Introduction of risk-based regulation	Designing the NGO risk classification and scorecard	Scalable compliance model with incentives	PNCC, MoI, EAD, Provincial Boards	6–9 months	Framework adopted; percentage of NGOs categorized
Improvement in transparency & donor trust	Launch of online registry with MoUs, audits, and	Transparent NGO database for public and donors	PNCC, SECP, PCP	6 months	Registry live; user access data

	project info				
Strengthening inter-sectoral coordination	Involvement of sectoral depts. in vetting and post-evaluation	Program alignment with national priorities	PNCC, MoH, MoE, MoPD, Social Welfare	3–6 months	SOPs issued; meetings recorded
Simplifying the compliance for small NGOs	Waive PCP/SECP fees; issue simplified reporting formats	Inclusive regulatory environment	PCP, SECP, PNCC	3–6 months	Number of templates issued; number of waivers granted
Institutionalizing the Monitoring & Evaluation	Conduct periodic impact evaluations and audits based on risk category	Performance-based accountability culture	PNCC, Provincial Boards	6–12 months	Evaluation reports submitted; percentage coverage
Building stakeholder capacity	Train NGOs and govt staff on compliance, CSR, coordination	Stronger institutional skills and collaboration	PNCC, academia, donors, PCP	Ongoing	Number of trainings; pre/post assessments
Creation of donor engagement platform	Launch donor dashboard; tracking utilization and reporting	Rebuilding of trust and streamlined fund flow	PNCC, SBP, FBR, EAD	6 months	Dashboard analytics; donor feedback

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Appendix-A

**Details of Departments/ NGOs/ INGOs/ GONGOs Visited/ Contacted for
the study**

Sr#	Name of Departments/NGOs/GONGOs	Mode Visited/Contacted
1.	Sarhad Rural Support Programs (SRSP)	Physical Visit
2.	Directorate of Social Welfare Khyber Pakhtunkhwa	Physical Visit
3.	Directorate of Industries Khyber Pakhtunkhwa	Physical Visit
4.	Charity Commission Khyber Pakhtunkhwa	Contacted On Call
5.	Pakistan Baitul Mal (PBM)	Physical Visit
6.	Deputy Secretary, Economics Affair Division	Contacted On Call
7.	Initiative for Development & Empowerment Axis (IDEA)	Physical Visit
8.	International Medical Corps. (IMC)	Contacted On Call
9.	Water Aid Pakistan	Contacted On Call
10.	Bank Islamic Ltd.	Contacted On Call

Appendix-B

QUESTIONNAIRE FOR GOVERNMENT OFFICES

GENERAL OVERSIGHT

1. **Department Role:**
 - What is the primary role of your Department in overseeing NGOs working on poverty alleviation?
2. **NGO Registration Process:**
 - Can you explain the process for registering and evaluating NGOs in the social sector?

POLICY IMPLEMENTATION GAPS

3. **Policy Awareness:**
 - How well do you think NGOs understand the government policies related to social welfare and poverty alleviation?
4. **Implementation Challenges:**
 - What are the main challenges faced by NGOs when implementing these policies on the ground?
5. **Compliance Monitoring:**
 - How does your department monitor compliance with government policies among the NGOs?
6. **Feedback from NGOs:**
 - Do you have mechanisms for NGOs to provide feedback on policy effectiveness? How is this feedback utilized?

COORDINATION AND COLLABORATION

7. **Collaboration with NGOs:**
 - How does your Department collaborate with NGOs to align efforts in poverty alleviation?
8. **Inter-Departmental Coordination:**
 - What measures are in place to ensure coordination between different government departments and NGOs?

MEASURING IMPACT

9. **Evaluation of Programs:**
 - How does your department assess the impact of NGO programs on poverty alleviation?
10. **Success Stories:**
 - Can you share any success stories or case studies that highlight effective interventions by NGOs?

INSTITUTIONAL CHALLENGES

11. Resource Allocation:

- How does funding from the government and other sources affect NGO operations in the region?

12. Capacity Building:

- What initiatives are in place to strengthen the capacity of NGOs to deliver effective social services?

FUTURE DIRECTIONS

13. Policy Recommendations:

- Based on your observations, what changes would you recommend to improve the implementation of NGO related policies?

14. Challenges Ahead:

- What do you foresee as the biggest challenges for your Department and NGOs in the coming years?

Closing Questions

15. Support Needed:

- What additional support or resources does your Department need to enhance its oversight of NGOs?

16. Engagement with Communities:

- How does the department ensure that community voices are heard in the planning and implementation of welfare programs?

Appendix-C

QUESTIONNAIRE FOR NGOs/ INGO/GONGOs

GENERAL QUESTIONS

1. Mission and Objectives:

- What are the primary goals of your organization regarding poverty alleviation and social sector interventions?
-

2. Target Population:

- Who are the primary beneficiaries of your programs, and how do you identify and reach out to them?

3. Program Overview:

- Can you provide an overview of the key programs you are currently implementing in Khyber Pakhtunkhwa?

POLICY IMPLEMENTATION GAPS

4. Policy Awareness:

- How familiar are you with existing government policies related to poverty alleviation and social welfare in Khyber Pakhtunkhwa?

5. Implementation Challenges:

- What specific challenges have you encountered in implementing these policies at the ground level?

6. Collaboration with Government:

- How do you collaborate with government institutions to align your programs with national and provincial policies?

7. Feedback Mechanisms:

- Do you have systems in place to provide feedback to policymakers about the effectiveness of their policies? If so, can you elaborate?

INSTITUTIONAL FAULT LINES

8. Resource Allocation:

- How do funding and resource allocation from both government and international donors impact your operations?

9. Capacity Building:

- What capacity-building efforts are in place for staff and volunteers to address institutional weaknesses?

10. Coordination Among NGOs:

- How do you coordinate with other NGOs and INGOs to avoid duplication of efforts and ensure comprehensive coverage of social issues?

MEASURING IMPACT

11. Monitoring and Evaluation:

- What methods do you use to measure the impact of your programs on poverty alleviation?

12. Success Stories:

- Can you share any success stories that demonstrate the effectiveness of your interventions?

COMMUNITY ENGAGEMENT

13. Community Involvement:

- How do you involve the community in the planning and implementation of your programs?

14. Feedback from Beneficiaries:

- What mechanisms do you have in place to gather feedback from beneficiaries regarding your services?

FUTURE DIRECTIONS

15. Policy Recommendations:

- Based on your experiences, what recommendations would you make to improve policy implementation for poverty alleviation?

16. Sustainability:

- How do you ensure the sustainability of your programs after initial funding or support ends?

Closing Questions

17. Challenges Ahead:

- What do you see as the biggest challenges facing NGOs in Khyber Pakhtunkhwa in the next few years?

18. Support Needed:

- What type of support or resources do you believe would enhance your capacity to address poverty more effectively?

Appendix-D

Documents required for NGOs Account (Revised)

1-Account Opening Form (Used for Corporate A/C) duly signed

2-Valid CNIC along-with Bio-Verisys/Nadra Verisys (as the case may be) of

- a)-All members of Governing Body/Board of Directors/Trustees/Executive Committee, if it is ultimate governing body.
- b)-all authorities' signatories

If Registered from SECP

3-Certified copies of following documents:

- a)-All relevant Registration documents/Certificate of Incorporation/License issued by SECP, as applicable.
- b)-Memorandum & Article of Association
- c)-Incorporation Form II in case of newly incorporated company (within one year) and Form-29 in case of already incorporated company/NGO (after One Year).

Note: All above documents must also be signed stamped by Signatories cosigned by BM/CSM with Stamp

d)-Resolution of the Governing Body/Board of Directors/Executive Committee, if it is a governing body, for opening of account authorizing the person(s) to operate the account.

3-I)-Statement of Objectives, Source & Utilization of Funds (Signed/Stamped by Board)

If Registered under Cooperative Societies Act

3- Certified Copies of

- a)-Certificate of Registration b)-Memorandum of Association c)-Annual Renewal Certificate
- d)-Constitution/Bye-Laws

Note: All above documents must also be signed stamped by Signatories cosigned by BM/CSM with Stamp

e)-Resolution of the Governing Body/Board of Directors/Executive Committee, if it is a governing body, for opening of account mentioning authorizing the person(s) to operate the account.

Other Documents for Both above

4- List of Board Members on Letter Head comprised of i)-Name ii)-CNIC # iii)-Designation iv)-Signature

5-Registration from Charity Commission is also required. Provincial or Federal as the case may be (must also be signed stamped by Signatories cosigned by BM/CSM with Stamp)

6 -Personal Profile required of each Board Member or Governing Body/Executive Committee

7-OFAC/UNSC/NACTA of Board Members and Signatories (Cosigned by BM/CSM with Stamp)

8 -OFAC/UNSC/NATCA of NGO itself (Cosigned by BM/CSM with Stamp)

9- On Letter Head, addressed to Bank to open Account with Operation Mode and Signatories signed by Authorized Signatories.

10- Undertaking required from customer that any change take place in members/signatories during operations of the account, the management of entity will inform to the BANK officially in writing without any delay (Required from Board)

11- Declaration on ultimate control regarding purpose, source and utilization of funds. Also non-involvement in Terrorism Financing (Required from Board)

12- Declaration that any member/Signatory and Organization itself does not belong to any proscribed entity either locally or internationally (Required from Board)

Note: Point # 10, 11 & 12, Board can provide in Main Board Resolution as mentioned in point # 3d (SECP) & 3e (Societies Act Section)

13- In Case, NGO is mandated to receive Foreign Funding as mentioned in constitution, it is mandatory to present Memorandum of Understanding (MOU) signed off by Govt of Pakistan (Ministry of Economic Affairs Division). If not, then undertaking that NGO will not receive Foreign Funding at all or if receive, will inform to Bank immediately (From Board)

14- Registration Certificate of Respective Education Authority Required if it runs Educational Institution otherwise other concerned Body's Certificate keeping in view nature of Business .e.g i)-Approval from Ministry of Interior in case of

International NGO ii)-NOC from Registrar Office in case of opening Housing Society's A/C.

15 -NTN is must. If not available, then Exemption Certificate from FBR. In case NGO/Society is newly established, then undertaking regarding under processing of NTN and stating to present to Bank as and when it will receive. (NTN must be verified online and jointly signed by BM/CSM with Stamp).

16 -In case of Newly established NGO, undertaking from Board Directors regarding in processed NTN and stating to ensure same will be present upon receipt. AM & ROM (N)'s Joint Approval is required on Format given on Page# 126-127 of GBM- 2022 in case A/C is being opened without NTN.

17-Latest Audited Financial. **18**-List of Donors **19**-Visit Report **20** -Location from Google Map

21 - i)-KFS- One Pager. ii)-Vernacular Form (Signed by each signatory)

22-Branch should ensure that transactions are in line with the specific purpose as mentioned in objectives of the entity and will not involve any ML/TF activities.

23 -Branch confirmation required that customer (all members/directories/Signatories and entity)are screened through BIPL internal list and no match found.

24- Branch should ensure and confirm that if any of the associated members is PEP or linked with any PEP, EDD must be conducted and separate approval must be taken as per matrix.

25- Branch confirmation required that they have originally seen all documents of entity and found it genuine.

Note: Branch can use one Format for foregoing points # 22 to 25 (Format is given below-This is requirement of Compliance Deptt)

Approval Matrix of NGO Account: Refer Page# 530 of GBM 2022

Sr #	CUSTOMER/ACCOUNT TYPE	Recommendation & Approval Authority							
		Approval Criteria	BM/CSM	AM	ROM	GM	Head of Operation	Group Head Distribution	Head of Compliance
4	NGO's,NPOs,Charitable/Religious Organization	In All Cases	R	R	R	R	A	A	A

Note: This A/C is excluded from Biometric Image Capturing Process (GBM-2022 v 2.2, Page#694)

Definitions:

Memorandum of Association: It explains organization's relationship with outside world under which business. The nature of Business of Organization.

Articles of Association: It is about day to day proceedings within the company. It tells about the role of CEO and directors. In short, it tells about how the company will run.

Difference Between NGO & Trust

1-“NGO” is an abbreviation for “Non-governmental Organization,” and “trust” is the term itself.

2-NGOs assist the government with initiatives that it cannot already carry out, whereas trusts are not reliant on the government.

3-NGOs strive to enhance the natural environment, encourage human rights adherence, improve the welfare of the underprivileged, or reflect a corporate objective. However, Trust is a modest organization that seeks to attract donors who give you money with the expectation that you would spend it wisely to fulfill the purposes outlined in your trust deed.

4-NGOs may get funding from the government, whereas trusts do not receive funds from the government.

Collected By: Mubashir Akram-RCSM under kind guidance and supervision of Venerable MohammadAbid Khan (ROM-N)

1-Kindly point out deficiency in it, if any, or any addition so that it may be revised.

2-This document is not conclusive. These are minimum requirements which must be adhere to. The authority subject to approval/activation of Account can demand any other document according to scenario.

3-Kindly share it with others. mubashir.akram@bankislami.com.pk

Appendix-E

**REQUIREMENTS FOR REGISTRATION
OF NEW ORGANIZATION UNDER VOLUNTARY SOCIAL
WELFARE AGENCIES (REGISTRATION & CONTROL)
ORDINANCE 1961.**

1. Feasibility Report. (By Concerned District Officer)
2. Constitution (as per rule-3 of VSWA (R&C) Rules 1962 & Schedule-I).
3. 1st meeting minutes.
4. Last meeting minutes.
5. General Body list (25-40 NICs).
6. Executive Body list (7-9 NICs selected out of General Body).
Note: - Members of the Executive Body must be at least 21 year of age.
7. Future Plan, Plan of Operation and Thematic Area of the organization.
8. Income & Expenditure Statement of previous activities.
9. Progress Report of previous year activities.
10. Details of Employees/Staff of the organization.
11. Affidavit (In which it is affirm that there is no member of the org from any previous de-registered/banned organization. No member of the org is involved in any criminal, anti-state activity and there is no member amongst Executive Body is a govt; servant).
12. CVs of Executive Body members.
13. Police clearance/verification certificates of all Executive Body members from concerned Police Assistance Line (PAL).
14. Undertaking/certificate form concerned District officer.