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AN ENABLING ENVIRONMENT  
FOR CIVIL SOCIETY

# Enabling Environment Snapshot

India

September 2025

## Context

India's civil society continues to face a complex operational environment, marked by regulatory hurdles and heightened scrutiny, particularly for rights-based organisations. At the same time, new developments over the past few months have created cautious optimism for an improved enabling environment. These include recent adjustments in income tax laws impacting NGOs, rare positive signals regarding Foreign Contribution Regulation Act (FCRA) licensing, and increased state-civil society engagement through platforms like the National Human Rights Commission (NHRC).

### 1. Respect and protection of fundamental freedoms

The crackdown against civil society leaders and [social activists](#) is continuing at its peak. Activists who led the anti-[Citizenship Amendment Act \(CAA\)](#) movements in the country and civil society leaders, [environmental activists](#) and academicians who write and criticise government based on evidence, are being jailed. The recent incident of seizing laptops and detaining students at [Tata Institute of Social Sciences](#) constitutes a continuation of ongoing crackdown on dissent.

While restrictions on freedom of assembly and expression remain, the National Human Rights Council has signalled renewed attention to human rights and openness for dialogue. For example, in July 2025, it organised a [human rights camp in Odisha](#), bringing together civil society groups, government officials, and affected communities. The event provided a platform to raise concerns related to displacement, tribal rights, and access to justice, signalling an opportunity for constructive dialogue in regions where civil society voices are often marginalized. Similar camps were organized in other states as well. The NHRC also sensitized key officials—including the Chief Secretary and Director General of Police—on issues like violence against women and children.

### 2. Supportive legal framework for the work of civil society actors

India's civil society continues to operate in a challenging regulatory environment, but the past few months have seen some cautiously positive developments. On the legal front, recent changes to the Income Tax framework have eased compliance for NGOs, with [Section 12AB](#) (tax exemption) registrations now valid for ten years if annual income is below ₹5 crore (ca. 480,000 Euro), though Section 80G (tax deduction) must still be renewed every five years. Organizations whose certificates expire in March 2026 are required to [reapply](#) by September 2025. The new [Income-tax Act, 2025](#) passed in August and effective from April 2026 further simplifies compliance by reducing sections, promoting faceless digital assessments, and retaining a ₹12 lakh (ca. 11,500 Euro) exemption threshold, while restoring the "[zero penalty](#)" principle for small taxpayers.

These tax reforms, especially the extended validity of 12AB registrations from five to ten years for smaller organizations and the removal of penalty burdens for non-filers with no tax liability are expected to ease compliance significantly. By reducing the frequency of renewals and eliminating unnecessary penalties, NGOs can devote more resources to programmatic work

rather than administrative compliance. This is particularly beneficial for grassroots organizations that often lack dedicated compliance staff and face disproportionate strain from regulatory requirements.

However, the reforms also bring challenges. The continued requirement to renew 80G certificates every five years, even when 12AB validity is extended to ten years, creates a dual compliance burden and potential confusion for smaller NGOs. The revalidation process itself continues to demand detailed documentation and scrutiny, which many community-based organisations struggle to meet. While reforms simplify compliance on paper, they tend to favour larger, urban NGOs with professional staff who can handle the requirements, leaving smaller and rural organisations at risk of losing their tax-exempt status if they fall behind. These risks widen the resource gap in the sector, where well-resourced organisations continue to thrive while smaller ones face sustainability challenges.

A significant development occurred in August 2025, when Union Home Minister Amit Shah assured a positive consideration for the renewal of the FCRA license of the Rural Development Trust (RDT), one of Andhra Pradesh's largest and most respected NGOs, pending a final decision within a week. While the RDT did not receive the reinstatement within a week, this assurance is notable in the broader context of thousands of FCRA license cancellations in recent years, which have severely restricted foreign funding flows to civil society. The case of RDT is particularly significant because of its 55-year track record of service delivery in healthcare, education, rural development, and social welfare, impacting millions of marginalised families in Anantapur and surrounding regions. The organisation has long been recognised for its non-partisan, community-driven approach, which has earned its trust across political lines. Reflecting this, regional MPs and MLAs from across the spectrum strongly advocated for its license renewal, underscoring both its credibility and the vital role it plays in supplementing public services. If the renewal is granted, it could mark a rare shift towards pragmatism in the Government's approach to FCRA, offering hope for other credible organisations that have faced uncertainty despite their longstanding developmental contributions.

### 3. Accessible and sustainable resources

CSOs in India are facing existential crisis as far as access to financial resources are concerned. Restrictions like the FCRA continued to limit foreign funding for over 20,000 CSOs, constraining their advocacy for transparency and accountability. Not only their ability to access funding is restricted due to ever evolving laws but also many donors have reduced or stopped their fundings to India. Particularly, smaller and medium-sized organisations are unable to access resources due their limited ability to compete for funds.

Apart from easing registration and compliance burdens, the tax reforms also have positive implications for access to funding. For donors, including both philanthropists and corporations channelling funds through corporate social responsibility (CSR), the simplified regime enhances confidence that recipient organisations are legally secure and financially transparent, encouraging more consistent and long-term support for social initiatives.

### 4. State openness and responsiveness

The openness and responsiveness of the Indian state toward civil society organisations (CSOs) continue to exhibit significant variation across government levels, ministries, and states, with constructive engagement in select areas juxtaposed against limited participation or regulatory constraints elsewhere.

As of December 2025, developments reflect continuity in uneven engagement. India's 2025 [Voluntary National Review \(VNR\)](#) for Sustainable Development Goals highlighted partnerships with civil society for last-mile delivery, involving consultations steered by the National Institute for Transforming India (NITI) Aayog. Yet, regulatory measures, including Foreign Contribution (Regulation) Act (FCRA) amendments emphasising compliance and disclosures, have raised concerns about heightened oversight rather than facilitation. Reports from human rights organizations note persistent challenges in civic space, with tools like the Unlawful Activities Prevention Act (UAPA) applied in advocacy contexts, underscoring the need for stronger institutional dialogue to foster sustained, inclusive collaboration.

The NHRC's Odisha camp exemplified proactive state–civil society engagement by not only conducting open hearings on more than a hundred human rights cases but also ensuring that NGOs and affected communities were directly included in the process. During the camp, senior state officials—including the Chief Secretary and Director General of Police—were sensitised on pressing issues such as violence against women, child protection, and the rights of marginalised communities. Importantly, the Commission issued directions on specific cases, such as the alleged [social boycott of Dalit families in Ganjam district](#), where it sought a formal response from state authorities within a week.

Such initiatives highlight how structured platforms for dialogue and accountability can bridge the gap between the state and civil society, strengthen trust, and create opportunities for collaboration on sensitive issues. If replicated in other states, these camp sittings could become a valuable model for institutionalised engagement, especially in regions where civil society voices are often marginalised.

Meanwhile, legislative moves, including proposed amendments to the [Right to Information Act in 2025](#), sparked concerns among voluntary organisations about reduced access to public data, further constraining their ability to hold authorities accountable.

## 5. Political Culture and Public Discourses on Civil Society

Civil society organisations (CSOs) intensified grassroots efforts, particularly in Manipur, advocating for environmental and social justice, though these were often met with government narratives framing them as obstacles to national development. Despite this, groups like the [Association for Democratic Reforms](#) conducted mass awareness campaigns on the unconstitutionality of electoral bonds, thereby contributing to civic education, advancing electoral reform [discussions](#), and influencing Supreme Court debates on political funding. Youth-led digital campaigns gained momentum, highlighting a growing demand for inclusive governance, though elite-driven priorities often overshadowed these efforts.

Public rhetoric from government officials frequently portrayed critical NGOs as anti-development or foreign influenced [labelling certain environmental campaigns](#) in Maharashtra as threats to industrial growth, further polarising public discourse. Despite these pressures,

the Government selectively collaborated with apolitical NGOs focused on service delivery, such as those in health and education, channelling funds through schemes like the [National Rural Livelihood Mission](#) to align their work with state priorities.

## 6. Access to a secure digital environment

No notable digital-safety reforms or policy developments were reported during this period, leaving CSOs in India exposed to ongoing digital risks. Many NGOs face challenges such as surveillance, phishing attacks, hacking attempts, and harassment of staff on social media, with rights-based groups, women, Dalit, and minority activists particularly [targeted](#) through online abuse and misinformation campaigns. Despite the Digital Personal Data Protection Act (DPDPA) 2023, there are [no robust safeguards](#) for CSOs, leaving them vulnerable to data breaches and legal challenges. Internet shutdowns remain frequent, disrupting civic mobilisation, service delivery, and outreach. In response, some CSOs invest in costly [digital protection tools](#) or limit online engagement, which strains resources and restricts their ability to operate freely.

## Challenges and Opportunities

Civil society in India is navigating a period of transition, where old structural constraints coexist with emerging possibilities for renewal. On the one hand, organisations continue to grapple with layered regulations, uneven access to resources, and persistent vulnerabilities in both physical and digital spaces. These challenges often weigh most heavily on smaller, community-based groups, which face difficulties in sustaining their work and are frequently left out of broader policy conversations.

These combined regulatory burdens including heightened scrutiny in tax filings and foreign funding processes alongside funding uncertainties and emerging data protection obligations, further compounded by a polarised political climate and uneven state engagement, have contributed to increasingly restrictive and unpredictable operating conditions for civil society organisations (CSOs) in India as of late 2025, complicating efforts to foster trust and sustain long-term partnerships with stakeholders.

Civil society organisations (CSOs) in India play a vital role in addressing the escalating climate crisis through grassroots innovation, mitigation, adaptation, and climate justice efforts alongside government initiatives like national missions and the National Action Plan on Climate Change. However, their involvement remains limited, ad hoc, and bureaucratic in design, implementation, monitoring, and funding mechanisms, while the expanding digital space offers significant opportunities for enhanced fundraising, policy advocacy, and visibility.

India's civil society stands at a critical point. The same forces that threaten its autonomy and sustainability, opaque and ever-shifting compliance regimes, delayed FCRA processes, absent data-protection safeguards, and a polarised political environment also underscore its indispensable role in tackling the existential challenge of climate change. While national missions and digital platforms signal new possibilities for collaboration and resource flow, these opportunities remain largely out of reach for the vast majority of grassroots and smaller organisations that are best positioned to deliver contextualised, equitable interventions. Without deliberate policy measures to simplify regulatory burdens, ensure predictable and inclusive fund-flow mechanisms, strengthen data security, and institutionalise meaningful

CSO participation in governance, the sector's transformative potential will remain stifled. Renewing India's civil society therefore demands more than incremental reform; it requires a decisive re-commitment to an enabling environment that allows diverse, independent voices to partner with the state in building a just and climate-resilient future. Together, these developments suggest that even within a challenging environment, there is room to strengthen trust, reduce compliance pressures, and build more constructive relationships between the state and civil society.

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