

EDITORIAL HIGHLIGHTS

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India's NGOs at a new funding crossroads

When the first Foreign Contribution Regulation Act (FCRA) was passed in 1976, a government of a different political hue was in power from the one that has now proposed the more fierce FCRA Amendment Bill, 2026. But the underlying political apprehensions were similar – the fear that foreign powers could destabilise the country by funding civil society organisations (non-governmental organisations or NGOs). In the present case, there is also an unstated fear of religious conversions by Christian and other religious minorities. The Bill is yet to be enacted because of strong reactions by the Opposition parties and several civil society groups, particularly Christian organisations.

The government claims that the flow of foreign funds into India's NGO sector operates as a vast, intricate and opaque web. Under the banners of development, human rights and social welfare, thousands of crores of unmonitored capital pour into the country every year. Much of this money deliberately bypasses state accounting mechanisms and finds its way into politically charged campaigns, highly selective local advocacy, and aggressive proselytisation and religious conversion networks.

Proposed legislation, the concerns

Under the proposed legislation, if an FCRA certificate is cancelled, surrendered or automatically lapses, foreign contributions and all assets created from them would vest in a government-appointed "designated authority". The organisation can recover the assets if registration is restored within the prescribed period. Permanent vesting will occur only if registration is not restored within that period. The Bill also provides for revision and an appeal to the District Judge.

If a fresh certificate is not obtained within the prescribed period, the assets could be sold or transferred to a government department, with the proceeds going to the Consolidated Fund of India. However, during the provisional-vesting period, restoration of registration results in return of assets and unused foreign contribution.

NGOs, especially Christian organisations, which the government says receive a larger proportion of the funds among religious associations, are worried that the legislation may not be religion-neutral and that, ultimately, the real sufferers would be the beneficiaries served by such charitable organisations, which have established and operate numerous schools, hospitals, old-age care homes and similar institutions. As some leaders from the northeast and tribal areas have pointed out, such institutions are sometimes the largest or only providers of these services in many areas.

Already, the FCRA registrations of 22,496 NGOs



Pushpa Sundar

The author of several books on philanthropy, with the latest title being 'Giving with A Thousand Hands: The Changing Face of Indian Philanthropy'

have been cancelled since 2015, leaving about 14,466 active registered associations eligible to receive foreign contributions (Ministry of Home Affairs data, September 2026). In fact, the amounts received are larger than those in 2006-07 (₹12,289.6 crore from private international donors), the last year for which data were available when this writer wrote the book, *Foreign Aid for Indian NGOs: Problem or Solution?* (2010).

So why the protests? The fact is that different sources of funding have a differential impact on organisations and their effectiveness because, as the saying goes, "He who pays the piper calls the tune".

Though in total, the volume of foreign aid to NGOs is small compared with government budgets, and only a small proportion of NGOs receive such aid, it is highly valued because it is not only an alternative source of funding but also more flexible than government funding, with fewer restrictions on how it can be used. It is generally tailored to an NGO's needs through discussions between the NGO and the donor.

The book, *Foreign Aid for Indian NGOs*, which is based desk research and interviews with several NGOs, large and small, suggests that while a few organisations felt that foreign aid had adverse consequences, such as encouraging the adoption of ideas and practices from abroad that were unsuited to Indian conditions, most felt that foreign funds had contributed to India's development and, in particular, to the growth of the voluntary sector. They had brought in new ideas, techniques, technologies and organisational improvements. In the absence of adequate government funding and private philanthropy, foreign aid had played a positive role.

Need for funding diversity

Today, however, given political events in neighbouring countries and elsewhere in the world, and without being privy to the secret sources of information that the government has about the destabilisation role played by foreign money, it is difficult to pass a definitive judgment on the need for and value of foreign aid today.

There can be no doubt that a vibrant and independent civil society is necessary for a healthy democracy and for preventing the abuse of unrestrained political power by any one section of society. Plural sources of funding are also necessary to ensure that civil society is not dependent on any one source.

But equally, one can question whether foreign funds are the only answer to the needs of civil society today. First, the voluntary sector is more developed now. Second, the situation regarding foreign aid itself has changed. Bona fide foreign donors are themselves moving away from giving

to India because of their own economic difficulties and the perception that India, which is aiming to become the world's third-largest economy, no longer needs aid from them.

Third, the domestic non-government funding environment has also improved. According to the Forbes 2026 list, there are 3,332 billionaires in the world, of whom 229 are in India, giving it the third-largest number after the United States and China. The amount they donate to philanthropy has also increased. According to the India Philanthropy Report by Bain & Company, private philanthropy was projected to reach ₹1.43 lakh crore (\$16 billion) in FY 2025. In addition, there is retail giving of about ₹37,000 crore annually.

The downside is that, according to the same report, demand is growing faster than supply, with projections indicating that the gap could reach ₹18 lakh crore (\$210 billion) by 2030.

Moreover, new philanthropists, especially entrepreneurs and technology leaders, are shifting away from traditional areas towards ecosystem building, scientific research, higher education and complex institutional support.

This is undoubtedly good news for social and economic change, but bad news for NGOs delivering traditional education, health and social welfare services.

A glimmer of hope for such NGOs is that, following the Companies Act, 2013, which made corporate social responsibility (CSR) spending compulsory for companies above a certain size, CSR spending by such listed companies was ₹22,563 crore in FY25, up 17.5% (latest CRISIL report).

Since many companies do not have the internal competency to undertake social development, they rely on NGOs as partners. Although many companies are moving into environmental and other emerging areas, many still find the traditional areas of health, education and rural development more meaningful.

A new opportunity

So if, in the ultimate analysis, the government does decide to limit foreign funding, the future need not be bleak if Indian domestic philanthropy steps up to fill the gap.

However, indigenous donors, and the government in particular, must become more responsive to the needs of NGOs, learn from foreign donors some of the practices that made their aid so sought after, and engage in more serious dialogue on funding practices, as distinct from development issues, to improve those practices and address the dissatisfaction on both sides. Ultimately, it is the innate generosity that is dormant in hundreds of dedicated Indians that will change the dynamics of development in India, not foreign aid, which at best can be the cherry on the cake.

India's non-governmental organisations must navigate shifting foreign and domestic funding sources

GS 2: Polity

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What does Tulu's new official language status mean?

How will the new status change the use of Tulu in administration? Is the Cabinet's decision enough?

Raviprasad Kamila

The story so far:

Karnataka government, in its Cabinet meeting held in Mangaluru on September 18, decided to accord the additional official (administrative) language status to Tulu, which is commonly spoken in Dakshina Kannada district, southern parts of Udupi district in Karnataka, and northern parts of Kasaragod district in Kerala. While making the announcement, Chief Minister D.K. Shivakumar said the status will apply to administrative matters in the two districts. The government will release ₹82 lakh annually for translation, training and language usage purposes.

How will the decision help people?
B. Shivarama Shetty, former Project Director, Centre of Excellence for Studies

In Classical Kannada, Central Institute of Indian Languages (CIIL), Mysuru, said that elected representatives can speak in Tulu at gram sabhas of gram panchayats, taluk panchayats, and zilla panchayats meetings. It also applies to urban local body meetings such as city corporation council, city municipal council and town municipal council meetings. The government circulars and orders issued in the two districts should also contain Tulu. People can submit applications to government departments in Tulu. This will make officials who do not know Tulu depend on translations, translators, or learn the basics of Tulu.

When did the government move to grant official status to Tulu begin?

When the BJP government was in power, the then Minister for Kannada and Culture, V. Sunil Kumar, on January 30, 2023, formed a committee headed by M.

Mohan Alva, Chairman, Alva's Education Foundation, Moodbidri, Dakshina Kannada, to study and submit a report on declaring Tulu as the second official language of Karnataka.

The committee was asked to submit its report to the government in a week. According to Mr. Kumar, the BJP government could not grant official language status to Tulu because the model code of conduct for the 2023 Assembly elections in Karnataka was declared on March 29, 2023, and the BJP lost power in the elections.

Later, the Congress government took over in Karnataka. It appointed a committee led by K. M. Gayatri, Director of Kannada and Culture, to study the procedures adopted by the Andhra Pradesh government to grant additional language status to Urdu.

This committee visited Andhra Pradesh on January 19 and 20, 2026 and studied

how Urdu is being used in administration. The committee submitted its report to the Karnataka government on March 4, against the backdrop of the move to declare Tulu as the additional official language.

Is the Cabinet's decision enough?

Article 345 of the Constitution allows each State legislature to choose one or more regional languages or Hindi as the official language for its official work. It says:

"Subject to the provisions of articles 346 and 347, the Legislature of a State may by law adopt any one or more of the languages in use in the State or Hindi as the language or languages to be used for all or any of the official purposes of that State."

Section 2 of the Karnataka Official Language Act, 1963 states that Kannada is the official language.

Some law graduates say that if Karnataka is to implement the Cabinet's decision, it will have to amend the Karnataka Official Language Act to incorporate Tulu as an additional administrative language in Dakshina Kannada and Udupi districts. Once the amendment is approved by the appropriate authority, the Governor, the government will issue a notification, following which the Cabinet's decision will come into force. The governments of Andhra Pradesh and Telangana followed

the same procedure – amending their respective language laws – to declare Urdu as the second official language of their States.

How is this language introduced in academics?

Tulu is taught as the third optional language in schools, from Class 6 to Class 10, in Dakshina Kannada and Udupi districts. It was first introduced for Class 6 in the 2010-II academic year. It is not being taught as a subject in pre-university and degree classes. Mangalore University introduced a two-year Tulu postgraduation programme in its erstwhile University Evening College (now closed down) in 2018-19. The programme was wound up from the academic year 2024-25, citing a lack of students in double digits who applied to join the programme.

Is it an independent language?

The Registrar General and Census Commissioner has recognised Tulu as an independent language of India ever since the department was established, and the Census Report gives statistics about Tulu speakers as a separate linguistic community.

It is treated as an important non-scheduled language of India. But it is not included in the Eighth Schedule of the Constitution.

GS 2: GOVERNANCE

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How EU plans to keep children under 15 away from social media

EU is considering age-based rules that would restrict children's access to social media, video-sharing platforms, AI chatbots and online games; the proposal would place new responsibilities on technology companies, including age verification, safer recommendation systems, parental controls

John Xavier

The European Union is considering a major change to the way children access the internet, and it could affect everything from kids using Instagram, TikTok, YouTube, and various AI chatbots.

Under a proposal being prepared by the European Commission, per a report by Reuters, children under 15 could face restrictions on creating and using accounts across a wide range of digital services.

The EU's plan is part of the EU Kids Act, which is aimed at making digital services safe for children, and it comes at a time when governments around the world are grappling with growing concerns over how digital platforms affect children's well-being.

Social media platforms have come under increasing scrutiny over how they design their applications to be addictive and serve harmful content that is powered by recommendation algorithms.

Rather than imposing one rule on every child, the EU proposal would create different levels of access based on age.

Children aged 15 and above would be able to create their own accounts.

For children aged 13 and 14, access to social media and video-sharing platforms would require parents to get involved.

Parents could create introductory accounts for their children, with restrictions on contacts and time spent on the platforms.



For children between 3 and 12, accounts would be controlled entirely by parents. Their access would be limited to services considered suitable for children and required to meet stronger safety standards.

The proposal could potentially ban access to digital platforms for children under 3.

The exact rules could still change before the plan is formally presented and negotiated with EU governments and the European Parliament.

One of the more significant aspects of the proposal is its broad scope.

Beyond social platforms

The rules would not stop at platforms like Facebook, Instagram, TikTok and YouTube. They would also cover AI chatbots and online gaming platforms, bringing a much wider part of children's digital lives under the proposed framework.

The proposal is being framed based on the idea that children's internet use is no longer limited to scrolling through social feeds. They text AI chatbots, play games online, watch videos that are

Tech platforms have been arguing that they already have safeguards in place, as major social media applications have set a minimum sign-up age of 13; but critics have complained that age limits on paper are not enough

algorithmically recommended and chat with other users across numerous platforms.

The bloc's views on the overall digital ecosystem could make the path ahead for social platforms and consumer-facing AI applications a bit difficult, as they will have to take up new responsibilities.

More responsibilities for platforms

Platforms could be required to reduce features designed to encourage engagement and limit exposure to harmful recommendation feeds. They would also need to make it easier for children to report inappropriate content.

They will need to provide parents with stronger tools to control what their children see and how long they spend on their services.

Age verification could become an important requirement as social media and video-sharing platforms would need to verify a user's age when a new account is created.

Online gaming platforms would have to check age before allowing children to download games.

Apart from features that control the

use of these applications, tech companies could also be expected to pay for the system, as the bloc could propose a supervisory fee to fund regulatory enforcement and oversight.

Child and the digital ecosystem

The EU's proposal comes amid a growing clamour of voices wanting clear guardrails over a child's relationship with the digital ecosystem.

Tech platforms have been arguing that they already have safeguards in place, as major social media applications have set a minimum sign-up age of 13.

But critics have complained that age limits on paper are not enough if platforms cannot reliably determine how old their users actually are.

The EU's proposed approach would shift more of the responsibility onto technology companies, while giving parents greater control over younger children's online activities. This could mean fewer ways for children to sign up for popular social applications on their own.

Tech firms, on the other hand, will have to operate more carefully in the bloc as rules governing how they verify users, design their platforms and recommend content to younger audiences will structurally change.

This proposal still has a long way to go before becoming law. The European Commission will need to work with EU member states and the European Parliament, and the final rules could look different from the current draft.

GS 3: ENERGY AND ENVIRONMENT

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MADAN SABNAVIS

THE PRICE of sugar has gone up. This is part of a normal cycle based on how sugar output moves. But, it comes at a time when there has been a push for the production of ethanol to reduce the import of crude oil. Some pertinent issues have been raised considering that sugarcane is also an important feedstock for producing ethanol. At a broader level, will this lead to pressure on crop supplies?

Ethanol can be produced from maize, rice and sugarcane-derived products. Around 45 per cent comes from maize and

20-25 per cent from rice, with the balance being sugar based. The economics of the mix is interesting. Maize is most preferred as 1 tonne of maize yields 380-400 litres of ethanol. In case of rice, it is slightly lower at 370-385 litres; for sugarcane it is 220-280 litres. Therefore, maize is highest in the pecking order among the three. Besides, there is also the availability issue which favours maize.

Maize again comes at the lowest cost which is around Rs 20,000-21,000 per tonne. In case of rice, it is around Rs 38,000-39,000 per tonne while for sugar it works out to approximately Rs 37,000 per tonne. Therefore, companies would prefer to use maize. But, all three guzzle a lot of water. In the case of maize, it takes 500-900 litres to produce one

kg, which goes up to 1,500-2,500 litres for sugarcane and 2,000-3,500 litres for rice. Hence, ideally more maize should be diverted for ethanol production.

For maize, there are three sources of demand. First, households, who account for a small part of the demand. Second, maize is also used for supporting cattle and poultry and accounts for 60 per cent of the total feed.

Higher demand could potentially increase prices which will trickle to prices of dairy, meat and related products ethanol production

Third, for industrial use, where starch is the product. Ethanol will now be the fourth dimension. Considering that production using GM variety seeds is not permitted for maize, output growth and, as a consequence, demand has to be met by using existing domestic seeds. This can be a problem as demand for ethanol is now going to rise with E20 being made mandatory. Higher demand could potentially increase prices which will trickle to prices of dairy, meat and related products. A tempting solution would be to allow the use of GM seeds to enhance output for only ethanol production.

Presently, the excess stocks of rice held by the FCI, which were procured earlier, have been sold in the market. As the quality of rice

was low, it made sense to sell these stocks in the open market. But this cannot be the strategy going forward while considering a feedstock for producing ethanol. The higher water usage for rice and sugarcane may make maize a preferred feedstock. But the incremental output will only add to the pressure on water resources in the country. Curiously, there has also been a big push for the creation of data centres which are also heavy consumers of power and water. The supply of water will be a key challenge going ahead for the Indian economy.

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Ethanol vision needs a feedstock reality check