

NEPAL



CSO SUSTAINABILITY: 4.4

Country Facts

Capital: Kathmandu

Government Type: Federal Democratic Republic

Population: 31,551,305

GDP per capita (PPP): \$2,400

Human Development Index: 145

Nepal is a diverse country in terms of geography, ethnicity, language, religion, and caste. For most of its history, Nepal was governed by a series of hereditary rulers. In 1990 a popular uprising, Jana Andolan (People’s Movement), ushered in a new period of political freedom. Since 1990, the government and political parties have been relatively supportive of civil society and its role in promoting democratization.



From 1996 to 2006, the country was embroiled in civil war between the state and the Communist Party of Nepal (Maoist). Given the turbulent situation, Nepal has not held local elections since 1997.

The Interim Constitution of Nepal of 2007, based on the Comprehensive Peace Accord signed in November 2006 and valid until a new constitution is adopted, guarantees the freedoms of association, assembly, and speech, as well as respect for human rights, thereby encouraging an unprecedented growth of registered CSOs. The first Constituent Assembly (CA) was held in 2008, but was dissolved in May 2012 without the promulgation of a new constitution. A second CA election was held in November 2013, and its first meeting was held in January 2014. The CA worked throughout 2014, but significant issues, including the governance

system, judicial system, and the territorial divisions in the country, had not yet been resolved by the end of the year.

In February 2014, Sushil Koirala was elected Prime Minister of Nepal. Although Prime Minister Koirala emphasized zero tolerance for corruption and promised to promote government transparency and accountability, government corruption remains pervasive.

Political parties dominate Nepalese society and influence almost every sector, including civil society. Many CSOs, including federations, are co-opted by political parties or require party support to win leadership positions or gain access to decision makers. In addition, CSOs that may be implementing legitimate projects are often identified with a particular party through past affiliations or their leadership's history. These relationships—perceived or real—often delegitimize positive CSO contributions and hinder CSOs' relations with the community or government. For the purpose of this evaluation, trade unions are not considered as part of the CSO sector given that they are mostly arms of political parties or affiliated with, and face undue influence from, political parties.

Although caste-based discrimination has been illegal since 1962, Nepal retains its centuries-old caste system and many of its related practices. The *Dalit*, the group most discriminated against, suffers from poor public services, inadequate economic opportunities, social stigma, and other forms of neglect by the state and society. Dalit CSOs, however, exist and form federations. For example, about 300 member organizations compose the Dalit NGO Federation.

Many policy documents emphasize the need and commitment of the state to create an enabling environment for CSOs. Despite this, legal impediments remain. For example, multiple ministries—including the Ministry of Women, Children and Social Welfare (MoWCSW), Ministry of Home Affairs (MoHA), Ministry of Federal and Local Development (MoFALD), Ministry of Forestry (MoF), and Ministry of Commerce and Industries (MoCI)—regulate CSOs, each with their own legal frameworks.

CSOs work in a variety of areas, including community and rural development; women's empowerment; human rights; legal aid; election observation; public health; environment; AIDS and drug abuse control; youth activities; child welfare; educational development; and handicapped and disabled services. According to the Social Welfare Council Act (SWCA) of 1992, as of July 2014, the number of CSOs registered with the MoWCSW's Social Welfare Council (SWC) exceeded 39,759. The number of CSOs registered with District Administration Offices (DAO) under the MoHA is likely much higher. Around 700 professional groups and CSOs are registered under the Companies Act of 2006 with the Company Registrar's office in the MoCI.

LEGAL ENVIRONMENT: 4.0

The Interim Constitution of Nepal provides that "the state shall pursue a special policy to regulate the operation and management of public and non-governmental organizations established in the country."

The Associations Registration Act (ARA) of 1977, amended in 1992, is the primary law governing CSOs in Nepal. CSOs register under the ARA at the relevant DAO. The ARA gives each DAO the authority to register, guide, direct and supervise CSOs within its district. According to CSOs in Nepal, the ARA is out of date as it envisions CSOs only as service providers; is not CSO-friendly; and does not readily apply to the diverse range of CSOs in the country.

The Social Welfare Council Act (SWCA) of 1992 facilitates, promotes, mobilizes, coordinates, monitors, and evaluates the activities of domestic and foreign CSOs. Its mandate includes advising the government on CSO development-related policies and programs. According to the SWCA, registration with the SWC is mandatory if an organization seeks to receive foreign or government funding or technical assistance. CSOs then must obtain prior approval from the SWC on a case-by-case basis to receive any foreign or government

assistance—financial, material, or technical. International CSOs also register with the SWC.

The Local Self-Governance Act (LSGA) of 1999 recognizes the role of CSOs as development partners. This act encourages Village Development Committees (VDCs), District Development Committees (DDCs), and municipalities to involve CSOs in the identification, formulation, implementation, and evaluation of projects.

The National Directive Act (NDA) of 1961 is mainly used to regulate trusts, professional associations, federations, and networks of professional associations. Associations registered under the NDA with the Company Registrar's Office are directly accountable to the government and are not required to report or renew registration with a DAO. Unless formed by the government itself, groups registering under this Act must apply and receive approval from the Cabinet. These professional groups include the Nepal Bar Association, the Teacher's Association, medical/nursing associations, faith-based organizations, Federation of Nepalese Chambers of Commerce and Industries (FNCCI), and the Nepal Chamber of Commerce (NCC).

There are also thousands of CBOs such as mothers groups, self-help groups, and consumer groups in Nepal that directly promote community interests. These groups often are affiliated or registered with local authorities. For example, Community Forest User Groups registered with District Forest Offices and Water User Groups registered with District Irrigation Offices are given management rights over local forest and water resources. Savings and credit groups are registered with the Division Cooperative Offices (DCO) under the Cooperative Act of 1992.

While CSOs are not generally harassed by the government, they do face several bureaucratic difficulties with registration. Government employees are inconsistent in their application of the legal framework and it can take months to complete the registration process. Founders of CSOs must submit their citizenship certificates along with other documents. However, many Nepali people lack citizenship certificates, which prevents them from establishing CSOs. In addition, many DAOs ask for police reports on the founders before registering a CSO and may deny registration based on the findings of these reports.

CSOs need to renew their registrations annually. To renew registration, CSOs are required to submit annual activity reports and audited reports approved by their general assemblies. According to the SWCA, these reports must be submitted to the DAO and SWC within four months of the end of the fiscal year.

In 2014, Nepal adopted the Development Cooperation Policy, which aims to build a self-reliant economy by effectively mobilizing development cooperation, thus helping to transform Nepal into a prosperous democratic country. Section 2.9 of the policy, which addresses civil society, requires all CSOs established in Nepal with the objectives of mobilizing development assistance to be registered with the SWC and to get prior approval from the SWC before mobilizing such assistance. In addition, it requires CSOs to align all activities with Nepal's national development priorities and to coordinate them with the relevant ministry or local government agency.

In early 2010, the Nepal Rastra Bank (Central Bank of Nepal) began restricting CSOs from opening saving accounts in banks, thus precluding them from earning interest. This policy has particularly affected organizations operating at the village level, which would benefit from interest to carry out small-scale social development projects. The NGO Federation of Nepal has lobbied with the government to withdraw this provision, but had no success in 2014.

CSOs' income from donations and membership fees are not taxed. CSOs are exempt from customs duties for specific imports, such as equipment to serve persons with disabilities and orphanages. To receive these exemptions, CSOs must secure prior recommendation from the relevant line ministries and final approval from the cabinet, which is a lengthy process. Tax benefits and customs exemptions are often subject to public officials' interpretation of the law or the influence of CSOs' personal connections. Individuals and legal entities that donate funds to CSOs do not receive any tax benefits or exemptions.

A CSO is allowed to earn income from the provision of goods and services, as long as the profit from such activities is used to pursue its mission; the activities conform to the CSO's objectives; and the profit is not distributed among CSO members or staff. To participate in government tenders, including those for UN projects implemented through government ministries, CSOs—like businesses—are required to have Permanent Account Numbers (unique taxpayer identification numbers) and to be registered with the Value-Added Tax (VAT) system.

Most lawyers are familiar with the existing legislation governing CSOs and can provide legal assistance. In addition, some lawyers are specialized in CSO legal issues. While legal service providers are readily available in the major cities, legal counsel remains largely out of reach for CBOs and small CSOs at the local level, which often lack the financial means to hire qualified lawyers. In addition, many local CSOs are unaware of the legal service providers in their localities.

ORGANIZATIONAL CAPACITY: 4.5

Many Kathmandu-based CSOs—especially those focused on development—are donor driven and therefore typically do not develop their own constituencies. Instead, these organizations move from project to project according to the availability of funding. However, certain CSOs that concentrate on specific fields like human rights, child rights, right to food, HIV/AIDS, the Dalit community, women, ethnic minorities, and governance have developed strong constituencies. This includes such groups as Dalit Welfare Organization (DWO), Informal Sector Service Center (INSEC), and the Forum for Women, Law and Development (FWLD). Some CSOs have developed constituencies based on ethnicity to serve their particular communities.

Most CSO statutes include organizational visions, missions, goals, and objectives. CSOs are also aware of the importance of strategic planning. However, they typically engage in ad hoc planning in order to meet the requirements of available funding rather than long-term planning. In addition, many CSOs copy mission and vision statements from other CSOs in order to register.

CBOs, including self-help groups, mothers groups, and consumers groups recognized under LSGA, mobilize resources from local government authorities to serve communities at the grassroots level. However, very few CBOs have clear visions, goals, or objectives, and most lack access to capacity building opportunities.

Most CSOs are family-based. As a result, CSOs—like entities in other sectors in Nepal—tend to have poor governance practices, and generally lack fair elections for executive committees, regular meetings of executive committees, and clear divisions of responsibilities between the board of directors and the management.

Most CSOs rely on staff hired on a part-time, intermittent, or project basis. Smaller CSOs especially face difficulty retaining skilled staff due to the limited number of qualified workers and competition from other CSOs and international development organizations. Therefore, most CSOs rely on volunteers, but in general the culture of volunteerism in Nepal has declined drastically due to economic hardship in the country and access to foreign employment opportunities.

Most CSOs have basic technical equipment, including computers, as well as Internet access. However, small, rural-based CSOs lack the financial resources needed to acquire such equipment. Furthermore, only 25 percent of the population regularly uses the Internet and Internet access is affected by lengthy power cuts.

FINANCIAL VIABILITY: 4.8

According to a Pilot Study on Improving Aid Transparency conducted by the Non-governmental Organization (NGO) Federation in May 2012, 61 percent of CSO respondents reported that CSOs seek foreign aid because they lack domestic resources. Similarly, 89 percent said they lack information on the foreign aid available. These percentages suggest that most CSOs in Nepal lack sustainable sources of funding.

Almost all CSOs—especially those working on advocacy, awareness raising, capacity building, the Dalit community, women, persons with disabilities, human rights, and good governance issues—depend on foreign funding. Although no reliable data is available, foreign funding for CSOs from sources like USAID, the United Kingdom’s Department for International Development (DFID), the Swiss Agency for Development and Cooperation (SDC), Japan International Cooperation Agency (JICA), Norwegian Agency for Development Cooperation (NORAD), and Danida increased in 2014. Support was mainly focused on constitutional drafting, human rights promotion, and good governance.

The SWCA regulates the flow of domestic and foreign assistance to registered CSOs. CSOs need approval from the SWC to obtain funds, technical expertise, and any other form of assistance from foreign governments, international non-governmental organizations (INGOs), domestic and foreign individuals, or the Government of Nepal. Once approval is granted, donors are obliged to release funds to CSOs through commercial banks in Nepal. An INGO may access its funds only by opening an account in a commercial bank. These processes involve many bureaucratic hurdles detrimental to CSOs' activities, particularly those of smaller and rural-based CSOs.

Some CSOs like Rural Reconstruction Nepal (RRN) and Local Initiative for Biodiversity Research and Development (LI-BIRD) have been able to mobilize joint funding from the government and donors through government ministries. For example, under the Multi-Stakeholder Forestry Program (MSFP), the Ministry of Forestry supported a dozen CSOs to promote better management of forest resources. These CSOs received more than one billion Nepalese rupees (about \$9.5 million) through this program in 2014. Since 2008, MoFALD, in collaboration with a consortium of donors, has operated the Local Governance and Community Development Program (LGCDP) to improve local governance through effective service delivery and citizen empowerment. The program has provided funding to hundreds of CSOs on a competitive basis. Similarly, the World Bank-funded Poverty Alleviation Fund (PAF) is working with more than 23,000 CBOs. The SWC also provides limited funds to local CSOs on an annual basis. In 2014, SWC granted 1.5 million Nepalese rupees (approximately \$15,000) to sixteen CSOs.

In general, local sources of funding—particularly from philanthropy—are scarce. However, some membership-based CSOs, such as faith-based organizations, professional associations, and transport associations, primarily rely on local financial resources, mainly fees from their members and donations. Other CSOs, like Transparency International Nepal and Maiti Nepal, have been able to secure small amounts of funding under CSR programs, including those of the Ncell mobile company and some commercial banks, to promote good governance and stop human trafficking. Some CSOs have been allowed to place donation boxes in prominent public places and raise additional funds by imposing stamp duty on air tickets. However, such public fundraising initiatives have little impact on overall CSO sustainability.

Smaller CSOs struggle to receive both foreign and local funding due to strong competition from larger CSOs. Smaller CSOs are less able to conform to donor requirements, demonstrate sound internal governance, or win the trust of stakeholders necessary to receive funding.

CSOs can also earn income from fees for services. However, recipients of services often cannot afford to pay fees. Some CSOs such as Women for Human Rights (WHR)—an organization representing single women—charge fees for services, such as renting their meeting halls or selling commercial products. However, these sources do not make up a significant portion of organizational budgets. Nepal Rastra Bank has authorized a very limited number of CSOs to operate microcredit schemes.

CSOs registered under the SWCA must submit annual reports and audit reports to renew their registrations with the government. In the districts, some CSOs engage licensed individuals from local agencies of line ministries to conduct their audits, which creates potential conflicts of interest. Although they comply with the reporting requirements, most CSOs do not have sound financial management systems. They tend to hold nominal general assembly meetings and maintain their books in an informal manner. Although some larger

CSOs have better financial management systems, they lack internal democracy within their organizations, as board members are often comprised of family members who control funding and membership.

ADVOCACY: 4.0

Nepalese CSOs engage in advocacy initiatives targeting policy makers and local communities to achieve their core objectives. They also increasingly critique state policy and propose alternatives for monitoring public policy and service delivery. Professional groups, women's groups, and organizations involved in issues such as human rights, Dalit rights, and good governance have implemented hundreds of awareness campaigns to provide comparative examples of democratic processes. However, CSO advocacy and lobbying efforts in the constitution making process remained weak in 2014.

While many successful advocacy initiatives in Nepal credit their achievements to a show of mass support, linkages between local and national level organizations are not always strong. Frequently, the views and voice of the grassroots remain unheard, and advocacy agendas remain disconnected and therefore weak. Additionally, coalition building can be hampered by the image, and to some extent the reality, of a party-dominated sector, and the narrow issue focus maintained by many organizations. Because many organizations are identified with political parties, issues may become politicized and CSO recommendations may be considered unacceptable on the basis of which party's views they reflect.

Article 35 of the Interim Constitution envisions public participation in governance and the enactment of a legal framework to facilitate this participation. The Right to Information Act and the Good Governance Act reinforce the state's commitment to recognizing the strengths of CSOs as development partners by engaging them in policy planning, implementation, and monitoring, but these laws are weakly implemented. The LSGA creates a CSO-friendly environment in the VDCs, DDCs, and municipalities by making these local bodies responsible for engaging CSOs, including CBOs, in various aspects of development. For example, local bodies are mandated to provide seed funds for CSOs to organize public hearings, public audits, and social audits to promote local government accountability and transparency. In 2014, VDCs, DDCs, and municipalities provided funds to local CSOs and CBOs in all seventy-five districts of Nepal. However, the level of public participation in policy making and implementation depends on the discretion of concerned officials. Moreover, the absence of local elections since 1997 makes it difficult to hold these local bodies accountable.

While CSOs have lines of communication with local, and to some extent, central level policy-making bodies, this communication depends largely on personal relationships. CSO representatives are invited to parliamentary committees to make presentations in their fields of expertise and observe the parliamentary process, but CSOs often find they are unable to influence legislation substantially. There are some collaborative programs between government and CSOs, such as the LGCDP, PAF, and the Governance Facility. CSOs have worked with local agencies of line ministries on health, education, agriculture, human rights, governance, climate change, and natural resources issues. For example, GoGo Foundation was nominated by the Office of the Auditor General of Nepal to develop "Guidelines to Engage Civil Society in the Auditing Process-2014." These guidelines were approved by the Auditor General and are now implemented. However, such collaboration generally does not extend beyond small projects.

At the community level, CSOs work to eliminate structural poverty and cultural taboos, and to uphold human rights and good governance. For example, women's organizations promote gender empowerment; Maiti Nepal and similar organizations work against the trafficking of girls and women; Dalit organizations advocate against social injustice and the caste concept of untouchability; and GoGo Foundation focuses on good governance and anti-corruption. As a result, these issues have become prominent in public debates and discourse. Human rights organizations like INSEC regularly document and publish reports of human rights violations. Mothers' groups have successfully mobilized the public against alcohol and gambling. Youth

groups also have mobilized to demand human rights and improve public service delivery and governance. However, youth activism is generally not well organized and has not launched strong campaigns.

In 2014, Nepalese CSOs organized some events to discuss the need for a Social Development Act that would categorize organizations based on their objectives and fields of expertise in order to address some of the weaknesses of the ARA.

SERVICE PROVISION: 4.3

CSOs in Nepal offer a wide range of goods and services in fields with little government presence, such as health, education, water, sanitation, relief work, awareness raising, and vocational training. For example, LI-BIRD works to improve livelihoods through farming and gardening. GoGo Foundation and Freedom Forum work to promote the right to information. Many CSOs are also involved in marginalized community issues, including youth and women's empowerment, and provide services to improve health, sanitation, and literacy. CSOs have initiated various projects financed by international agencies. For example, with support from USAID, World Bank, DFID, SDC, and Danida, projects like Sajhedari Bikaas, PAF, and Strengthening the Accountability of Local Government (SALGP) have mobilized numerous CBOs to promote governance, education, health, and sanitation in local communities.

Many large CSOs based in the capital maintain branch offices in regional hubs, as well as in some districts. They work in health and sanitation, education, agriculture, environment, and human rights. CBOs exist in all VDCs in Nepal. CBOs in rural VDCs, especially mothers groups, community forestry groups, ward citizen forums, citizen awareness centers, agriculture groups, human rights activists, and forest and water user groups, play an indispensable role in providing basic services to local communities. However, due to the geographical remoteness of these communities and limited funds, they are not always able to provide adequate services. In addition, while CSOs try to develop strong relationships with their beneficiaries, they rarely engage beneficiaries when developing project proposals. Due to limited resources and capacities, local CSOs cannot carry out local needs assessments, instead focusing on donor priorities to mobilize funding.

CSOs increasingly provide trainings, organize workshops, disseminate publications, and provide expert analysis for policy input, but these products and services have yet to reach the level of professionalism needed to influence policy.

Some CSOs working on health and sanitation, education, and environment charge nominal fees for their services to ensure organizational sustainability. However, CSOs are largely unable to recover the costs of services because they lack clear cost recovery strategies and do not understand the market for their services.

The national government has recognized the contribution of CSOs in strengthening democracy and providing services. CSOs sometimes partner with the government to implement government policies, receiving nominal grants, which mainly originate from donors, for this work. Although state policies acknowledge CSOs as partners in national development, relations between the state and CSOs can be uneasy and contentious. In some cases, the government does not trust CSOs to provide services. Some government officials believe that human rights organizations carry out foreign agendas and thereby threaten national security. Partnerships between government and CSOs therefore are usually temporary and collaboration is limited even on particular projects. In addition, CSOs believe that political connections play a strong role in the award of government tenders.

INFRASTRUCTURE: 4.6

While there are no local organizations that work as intermediary support organizations, to some extent, USAID, DFID, SDC, Danida, the Norwegian Embassy, and the World Bank have all invested funds to improve their partners' capacities, helping them to establish financial controls, better management practices,

and networks and alliances. In addition, donor-funded projects like Sajhedari Bikaas, LGCDP, Governance Facility, and SALGP have included components focused on building the capacities of grassroots and intermediary CSOs at various levels. Capacity-building support has focused on proposal writing, advocacy, internal governance, conflict mitigation, and the use of social accountability tools. In addition, in recent years, some programs helped to establish CSOs as resource centers. For example, the World Bank's Program for Accountability in Nepal (PRAN) has provided grants to the South Asia Partnership (SAP) Nepal to establish resource centers that aim to strengthen grassroots capacity and networking around social accountability. The SWC provides some capacity building for CSO personnel and provides small grants to a limited number of CSOs. Even national CSOs primarily depend on donor support to build their organizational capacities.

Despite the existence of these programs, most CSOs have limited access to information, technology, and training. Most resource facilities are based in Kathmandu, making them largely inaccessible to CSOs working in remote areas.

Grant-making organizations in Nepal include The Asia Foundation, PACT, CECI, OXFAM, and CARE. The Asia Foundation frequently provides sub-grants of 500,000 (about \$4,800) to 15 million Nepalese rupees (about \$142,500) to local CSOs working on human rights, peace, conflict mitigation, constitution making, election monitoring, governance, right to information, climate change, and other issues. A few specialized CSOs like RRN provide small grants for local infrastructure development. However, these organizations are also project based, and their funding originates from their headquarters or other international donor organizations.

CSOs routinely work in coalitions. There are numerous officially registered federations, including community forestry federations, the NGO Federation, Dalit NGO Federation, Association of Community Radio Broadcasters Nepal (ACORAB), FNCCL, as well as hundreds of other networks and coalitions. Some CSOs, including the NGO Federation of Nepal and SAP Nepal, are dedicated to facilitating information sharing among CSOs. CSOs have also developed communication platforms to share information on human rights, agriculture, and other issues. For example, the website of the National Network on Right to Food Nepal (RtFN) aims to share information with those working on right to food issues. In addition, some online platforms and TV and radio stations have initiated services for CSOs to promote projects and recruit staff.

Hundreds of donors in Nepal have invested in capacity building, resulting in many independent trainers and training institutions, including Chetana Kendra, Media House, Sancharika Samuha, Himawanti-Nepal, and the Social Welfare Institute. These groups provide training for CSOs on strategic development, monitoring and evaluation, proposal writing, institutional capacity building, resource mobilization, advocacy, and networking. Training materials are available mostly in English and Nepali. Some specialized trainers and companies provide advanced training in such areas as financial management, strategic management, and fundraising. However, these kinds of trainings are out of reach geographically and financially for CSOs based in remote areas.

Inter-sectoral partnerships are at a nascent stage in Nepal. For example, the concept of corporate social responsibility (CSR) was just introduced in Nepal a few years ago. However, CSOs are aware of the possible benefits of inter-sectoral partnerships and partnerships between CSOs and the private and public sectors have begun to emerge. For instance, Surya Nepal, Ncell, and Nabil Bank have provided financial support to CSOs to advocate on anti-corruption and human trafficking, as well as other issues.

PUBLIC IMAGE: 4.7

The media often presents national CSOs as urban-based and out of touch with local communities; focused on stirring ethnic issues or promoting Christianity; associated with partisan politics; unaccountable to government or private donors; lacking in transparency; or characterized by poor internal governance,

nepotism, and self-dealing. There is a lack of more specialized media coverage by journalists who understand and interact with CSOs.

While the media rarely analyzes the achievements of CSOs, some media outlets have provided coverage of CSOs' activities and helped to generate public support. For example, some local media outlets have allowed CSOs to present their local programs and budgets. In addition, some radio stations provided live coverage of district level public hearings in 2014. CSO campaigns on constitution building and large organizations working in healthcare and public welfare have received much publicity. Only large CSOs such as RRN, INSEC, and BASE have resources to pay for public service announcements (PSA) and advertisements—most media outlets charge for both. Sometimes radio stations allow smaller CSOs to make PSAs about their missions for free.

The public's perception echoes media messages—that CSOs are donor-driven and lack transparency, accountability, and reliability. The public perceives that most CSOs and civil society platforms are run by the same privileged caste and groups that dominate politics and governance in the country. At the same time, the public appreciates services provided by CSOs in difficult times. During the civil war, CSO services were critical to local communities.

The relationship between civil society and government is characterized by both confrontation and cooperation, and on the part of government, by ambivalence towards civil society that ranges from distrust to recognition of its utility in the context of service delivery. While the government and CSOs sometimes have a tense relationship, the government's attitude towards the role of CSOs is gradually improving. Many government officials view CSOs as a means of communicating with and receiving political favor with local communities, as well as key partners in development. The government has also recognized the role of CSOs in achieving the goals of the prolonged transition period to democracy. CSOs and the business sector have recently engaged in more dialogue on possible collaboration. However, there is no regular platform to promote such collaboration. While businesses tend to appreciate the role of service-providing CSOs, they are wary of collaborating with CSOs working on governance or consumer rights. The government and business sectors also question the accountability and transparency of CSOs.

CSOs attempt to promote their activities and public image through traditional and social media. They try to engage journalists to receive coverage in print media, radio, and television. Most CSOs based in urban areas also have their own websites to promote their activities.

Most CSOs lack internal democracy, transparency, and accountability. Very few CSOs have developed or follow codes of conduct. However, the NGO Federation, the Association of International Non-Governmental Organization Nepal (AIN), RRN, INSEC, and GoGo Foundation, among others, have developed codes of conduct and encourage their members to comply with them.

Although the Right to Information Act of 2007 recognizes CSOs as public organizations and mandates them to publicize their budgets and activities on a quarterly basis, few CSOs comply with these requirements. CSOs are obligated to submit annual financial audit reports and administrative reports to the DAO, DDC, and SWC to renew their registrations. However, these institutions lack the organizational capacity needed to evaluate the reports submitted by CSOs. Some leading CSOs share their annual reports on their websites to demonstrate transparency and enhance organizational visibility among donors and other stakeholders. In addition, some CSOs have initiated "public audit" processes where they present their financial transactions and respond to queries raised by their stakeholders, including local communities.