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Regulation or Restriction?



THE SHRINKING SPACE FOR RIGHTS-BASED NGOS IN PUNJAB



An HRCP fact-finding report

Regulation or Restriction?

The shrinking space for rights-based NGOs
in Punjab



Human Rights Commission of Pakistan

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Introduction

The emergence of democratic backsliding

Dahl's (1998) seminal work on democracy describes contestation and inclusiveness (or participation) as the two essential dimensions of 'polyarchy'. While 'contestation' refers to the existence of free, fair, and competitive elections, 'inclusiveness' argues for the realization of civil and political rights that enable citizens to participate meaningfully in the political process. Following the third and fourth waves of democratization, scholars have observed a period of sustained democratic recession—commonly referred to as 'democratic backsliding'—across the globe, including in countries previously regarded as stable democracies (Diamond, 2008; Freedom House, 2016). The term is used increasingly to explain the state-led debilitation of institutions, norms and practices that are fundamental to a functioning democracy. It typically involves the gradual weakening of checks and balances, constraints to civil liberties, efforts to undermine electoral integrity, and restrictions on civic and political participation.

Bermeo (2016) argues that democratic backsliding is an incremental process that introduces gradual changes to establish a hybrid regime rather than rapid radical changes that may cause the breakdown of an entire system. She further argues that in time and space coup-d'états, executive coups and election-day rigging (rapid and radical changes) are replaced by promissory coups, executive aggrandizement and the strategic manipulation of elections, which often takes place much before polling day (gradual changes). The irony here is that it takes place in the garb of a democratic mandate and often through 'legal' means.

Setting the context

In recent years, Pakistan has witnessed a severe form of democratic backsliding, characterized most notably by executive aggrandizement. Civil society organizations—particularly rights-based nongovernment organization (NGOs), which constitute a vital component of Pakistan's

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civic landscape—are usually seen as entities that can pose a challenge to the state and keep checks on such authoritarian drift. However, instead of enabling their role, the state has introduced restrictive laws and policies that have undermined NGOs' legitimacy and significantly curtailed their ability to operate, thereby weakening an important safeguard against democratic erosion.

In October 2015, the Pakistani government introduced a new policy for registering international NGOs (INGOs) and asked them to seek approval from the federal interior ministry (Human Rights Watch, 2015). This was also when Pakistan was still combating Islamist militants and attempting to have itself cleared by the Financial Action Task Force (FATF) on charges of terror financing. Some 29 INGOs were expelled in 2017 and another 18 in 2018 (Stacey & Bokhari, 2017; Sayeed, 2017; Civicus, 2018). The next target was local NGOs, which were required to seek approval and then sign a memorandum of understanding (MOU) with the Economic Affairs Division (EAD) in case they wanted to seek foreign funding. Since most NGOs working on human rights issues relied heavily on foreign donors, they were compelled to undergo this often-arduous process. Although these MOUs were meant to be issued within four months' time, many cases were not decided for years (Shah, 2017). Even if an NGO was able to obtain this certificate from the EAD, it still needed a similar certificate from the district administration.

Another set of laws governing charities was introduced between 2018 and 2019—initially in Punjab and then in all other provinces. All registered and active NGOs were required to re-register with the charities commissions in their respective provinces to continue their operations (Tanoli, 2022). Matters did not stop there. The authorities in several districts began taking arbitrary actions, requiring NGOs to seek prior permission for any activity or gathering they had planned (HRCF, 2022). Donor organizations, in the face of increasing pressure from government agencies, also introduced EAD registration as a prerequisite for funding.

A significant breakthrough occurred in 2022 when the Sindh High Court declared that the EAD's foreign funding policy had no legal effect. A two-judge bench headed by the chief justice held that, in the light of established jurisprudence and principles laid down by the superior courts, the Ministry of Finance, Revenue and Economic Affairs—or the EAD acting under it—was neither empowered nor competent under any law to regulate or curtail the operations of NGOs through a policy

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lacking constitutional authority, legislative mandate, or any enabling legal provision. Consequently, the court ruled that the policy carried no legal weight (Tanoli, 2022). Prior to this, in 2020, the Lahore High Court—responding to a petition filed by several NGOs, including the Human Rights Commission of Pakistan (HRCP), South Asia Partnership-Pakistan, Aurat Foundation, and AGHS Legal Aid Cell—had restrained government authorities from coercing NGOs into re-registering under the Charities Commission Act. However, the relief granted was restricted to the petitioners (‘Govt barred from coercing NGOs’, 2020). Following the Sindh High Court’s ruling, the EAD introduced a revised policy in 2022 that claimed to streamline foreign funding procedures and improve processing times. This revised policy was again challenged in the Lahore High Court by HRCP. The court struck down the ‘Policy for Local NGOs/NPOs Receiving Foreign Contributions 2022’ and directed the government to legislate in this regard, if it intended to regulate foreign funding for NGOs (Sheikh, 2024).

According to the key informants interviewed during this fact-finding mission, successive governments have repeatedly stated that they are working towards comprehensive legislation on the matter. However, no such law has been enacted to date. During this period, NGOs across Pakistan, both large and small, have reportedly experienced stringent scrutiny and significant pressure from state institutions, particularly those working in the areas of human rights and democratic governance. Anecdotal evidence collected by HRCP suggests that some service delivery organizations were also targeted but their ordeal was not as tough as that of rights-based NGOs. Combined with declining foreign funding and the absence of an enabling environment for raising resources locally, these constraints have severely weakened NGOs. As a result, the broader civil society movement in Pakistan appears to be caught in a ‘one-step-forward-two-steps-back’ trajectory, struggling to sustain momentum in the face of mounting challenges.

Rationale for fact-finding mission

Given this context, HRCP decided to conduct a four-day fact-finding mission with the following terms of reference:

- To examine the situation of NGOs—especially rights-based NGOs—operating in Punjab, particularly in the context of the 2022

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foreign funding policy, previous instances of government overreach, and the current environment in which formal restrictions on NGOs have apparently eased but freedoms of expression and association remain severely constrained.

- To understand how NGOs in Punjab have responded to these excesses and sustained themselves through this period.
- To assess whether the strategies they have employed to resist repression have ultimately helped sustain the broader civil society movement in Pakistan or, conversely, weakened it.
- To analyse the broader consequences of shrinking civic spaces, including loss of employment opportunities, a decline in advocacy initiatives, and a growing environment of fear and self-censorship, especially in smaller towns.
- To recommend policy and institutional reforms to safeguard fundamental freedoms, strengthen civic participation, and promote a rights-based enabling environment for civil society organizations in Punjab.

The mission was conducted from 29 October to 1 November 2025 in Lahore and Multan. The team comprised Raja Ashraf (vice-chair, HRCP Punjab), Lubna Nadeem (HRCP Council member), Naseem Anthony (HRCP member and minority rights activist), and Zeeshan Noel (development practitioner and human rights defender).

While this mission focused on assessing the situation of rights-based NGOs, representatives of service delivery organizations were also interviewed as some reported similar grievances. Both individual and group interviews were conducted in Lahore and Multan with NGO representatives from Kasur, Sialkot, Faisalabad, Rajanpur, Layyah, Vehari, Lahore, and Multan. A group of minority rights activists from Faisalabad, who have long been associated with various NGOs, also participated in the exercise.

Between resistance and survival: The story of NGOs in Punjab

How did it start?

The mission's discussions with NGOs suggest that the trajectory of crackdowns against them is closely linked to Pakistan's attempt to escape the FATF's black-list and demonstrate compliance on countering terror financing. This was the reason that the EAD's foreign funding policy was introduced in 2015. However, the state adopted an increasingly security-centric approach, widening its scrutiny of nonprofit organizations on the pretext of financial regulation and risk mitigation. As a result, a broad spectrum of NGOs—particularly those engaged in human rights, democracy and regional cooperation work—found themselves subject to enhanced surveillance, restrictive administrative procedures, and repeated demands for justification of their activities. What began as an effort to strengthen financial oversight thus evolved into a broader contraction of civic space, with regulatory instruments being deployed to control or delegitimize civil society actors.

Many NGO representatives interviewed during this mission also believed that the crackdown on NGOs began in the aftermath of Osama bin Laden's killing in 2011, and the subsequent involvement of an INGO and associated physician, Shakil Afridi, in allegedly tracing him. What followed in subsequent years was an extensive clampdown on both local and international NGOs, initially justified on the grounds of alleged financial leakages and mismanagement during emergency relief programmes. However, this soon expanded into broader scrutiny of the scope of their work—particularly that of NGOs engaged in human rights advocacy. NGOs that consistently criticized the military's direct and indirect role in politics became explicit targets, and the harassment they faced took the shape of administrative and regulatory pressures. Respondents in Lahore recalled numerous interactions with government

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authorities, during which they were told that the actions against NGOs were part of (a) the government's counter-intelligence operations, and (b) efforts to prevent the 'internationalization' of Pakistan's human rights issues.

Some participants, especially in Multan, criticized the role of successive governments and the bureaucracy, whom they viewed as consistently hostile towards NGOs. Drawing parallels with earlier crackdowns in Punjab during the 1990s, they argued that the provincial government and its administrative machinery had historically been more rigid and punitive than in other provinces. From 1997 to 1999, for example, the PML-N led government scrapped more than 1,941 NGOs in Punjab, labelling them 'anti-Pakistan' (Newslines 2019; South Asia Citizens Web, 1999). They concluded that right-wing governments in Punjab, along with the provincial bureaucracy, have consistently sought to restrict the operations of NGOs in the province. In their view, this was why obtaining an EAD MOU and registration with the Charities Commission was made a prerequisite—serving as administrative tools to limit and control civil society rather than to regulate it in any constructive manner

What happened to NGOs on the ground

According to the news reports cited above and the key informants interviewed during this mission, NGOs were required to obtain multiple approvals and no-objection certificates (NOCs) to implement their projects as soon as the EAD's NGO policy was introduced in 2015. The first step involved securing approval and signing an MOU with the EAD. However, in most cases, the MOU alone was insufficient; NGOs also needed an NOC from the deputy commissioner to ensure smooth implementation at the district level as witnessed in later years; the practice continues in some areas. According to respondents, reaching an agreement with the EAD also required NGOs to avoid using terms such as 'human rights', 'governance', 'democracy', 'peace', and 'conflict resolution' in their project documents. Even with these approvals in place, representatives of security agencies could still intervene—directly or through the local administration—to halt planned or ongoing activities. Although this pattern was observed across Punjab, NGOs in South Punjab were disproportionately affected, particularly when seeking permission to hold events in public venues or hotels.

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From 2018 onwards, after the Charities Commission Act was enacted in the province, all NGOs previously registered under various legal frameworks were instructed to reregister with the Punjab Charities Commission—adding yet another layer of bureaucratic complexity. Although almost all NGOs complied with this requirement (except for the few that challenged it in court), their applications were frequently delayed or rejected without any credible justification. These delays resulted in the closure of multiple projects and, in many cases, adversely affected the organizations' current and potential funding opportunities. At times, registration and approval requests were denied over minor discrepancies, forcing NGOs to restart the entire process. According to respondents in Lahore and Multan, both registration and project approvals required clearance from security agencies. Many NGOs—particularly those based in smaller cities—reported feeling intimidated when agency officials summoned them for an interview or visited their office.

Respondents pointed out that instead of overt bans or direct confrontation, authorities deployed bureaucratic mechanisms—such as withholding NOCs for events, freezing bank accounts, delaying or denying registration for new NGOs, closing offices, and subjecting organizations to repeated inspections and questioning—to create an environment of persistent uncertainty and operational paralysis. These tools allowed the state to exert pressure while maintaining the appearance of procedural legality. Respondents noted that such tactics were especially pronounced against rights-based organizations, which were viewed as challenging entrenched power structures and drawing attention to issues that the state considered 'sensitive'. As a result, critical NGOs found themselves spending substantial time and resources navigating administrative hurdles rather than advancing their core mandates, contributing to a gradual but deliberate shrinking of civic space.

In this repressive environment, NGOs employed a range of strategies to help them survive. Many organizations working on human rights, democratic governance, and the rule of law remained steadfast, continuing their activities even by relying on their own limited resources. However, many organizations—particularly those operating at the local level—were compelled to shift their focus from rights-based work to service delivery, scale down their activities, or shut down operations altogether. In some cases, NGOs had little choice but to adopt a policy

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of appeasement, complying with the directives of government authorities merely to survive.

Many of us have managed to sustain our work through difficult times, yet others were co-opted or forced to cease operations, having no other choice. Several organizations scaled down their activities, adopting a ‘survive today, fight another day’ approach.

— Respondent based in Lahore

The EAD’s slow-paced processes

The EAD’s slow-paced approval process further complicated operations on the ground. While the process was officially expected to be completed within a few months, in practice it often took years, with the delay routinely justified on the grounds that the organization’s security clearance was still pending. This provided local authorities with the discretion to permit or halt NGOs’ activities at will, undermining their operational autonomy. Consequently, project implementation and reporting timelines were frequently disrupted, affecting the overall efficiency and effectiveness of NGOs. The situation worsened when donor agencies made EAD approval and an MOU a mandatory requirement when applying for a grant. This created an additional procedural constraint, as donors required an MOU in advance, while the EAD would only consider the application after the project had already been approved.

This created yet another hassle, leaving us completely helpless. Donors required an MOU to be submitted along with the project proposal, while the EAD would only accept the application once the project was approved. Donors often sought blanket approval from the EAD, whereas the EAD issued only project-specific approvals and MOUs. The process was also inconsistent, as some organizations were able to secure long-term, blanket MOUs of up to three years.

— Respondent based in Multan

This scenario created spaces for organizations that were traditionally engaged in service delivery or were perceived as being closer to state institutions to step into roles previously performed by rights-based NGOs. Such organizations were often able to secure MOUs with the EAD far more quickly, while others remained in queues for approval, in

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some cases for years. Although the foreign funding policy was revised in 2022 and introduced a nominal 60-day processing period, stakeholders reported that very few applications were processed within this timeframe. However, after the revised policy was introduced, NGOs were permitted to continue their work so long as they had submitted their application for approval and MOU signing and possessed an official receipt as proof of submission. In many cases, however, the final decision arrived only after the organization had already completed its project cycle.

Organizations that were not rights-based NGOs and were perceived as being in the ‘good books’ of government institutions stepped forward and were able to secure timely approvals from the EAD, enabling them to obtain donor projects with relative ease. In many cases, organizations agreed to whatever arrangement the local authorities offered them to allow their work to continue. This dynamic significantly weakened the broader rights agenda in Pakistan, as much of the work became compromised; organizations increasingly confined themselves to issues that the authorities deemed acceptable, rather than those grounded in rights-based advocacy.

— Respondent based in Lahore

Lack of response from the international community

NGO representatives also observed that the response from the international community, including INGOs, UN agencies and donor organizations, was inadequate. With the exception of a few that raised concerns with government authorities, most international actors made it increasingly difficult for rights-based NGOs to partner on projects or even submit applications. The eligibility criteria for grants became more stringent, with MOU and NOC requirements turning into non-negotiable prerequisites. As a result, many rights-based organizations were effectively sidelined from potential funding opportunities.

Some respondents argued that the lukewarm response from the international community was also linked to the broader decline of civil society movement observed globally in recent years. As civic space contracted in various parts of the world, the global human rights agenda itself appeared to lose momentum, weakening the solidarity and advocacy networks that had previously supported rights-based actors in

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Pakistan. They further pointed out that changes within major donor agencies also contributed to this shift. For example, the merger of the UK's Department for International Development (DFID)—long regarded as a relatively independent development agency with strong commitments to rights-based work—into the Foreign, Commonwealth and Development Office (FCDO) signalled a move towards aligning development assistance more closely with foreign policy and strategic interests. According to respondents who spoke to the mission, this institutional restructuring diminished the scope for independent rights-focused programming and made donors more risk-averse when partnering with rights-based NGOs in politically sensitive environments.

Minority and women groups suffer the most

The mission's meetings held in Lahore and Multan indicate that women-led organizations and minority groups were among the most adversely affected by shrinking civic spaces. Participants observed that in addition to experiencing the challenges of reduced institutional and financial support for grassroots work, these groups became particularly vulnerable to harassment and intimidation. Many described operating in a constant state of uncertainty—feeling 'on the brink' and insecure about their safety, legitimacy, and ability to continue their work.

Their challenges were particularly complex because of the pressures they faced from multiple directions. Not only were they subjected to surveillance and administrative hurdles by state institutions, but they were also exposed to threats from nonstate actors, including extremist groups, local power brokers, and conservative community elements. This dual exposure had heightened their sense of precarity and further constrained their ability to advocate for rights, mobilize communities, or expand their work without fear of retaliation. Some women respondents also mentioned lacking the agency and social networks that men usually had, making it difficult for them to continuously visit government offices at the local and provincial level for approvals.

Frankly, we have our own limitations working in such a cultural context. We do not have the networks or the ability to 'settle matters informally' the way men often can. Just three or four visits to the offices of local administrations or provincial departments are enough for our presence to be questioned and our character to be scrutinized. Even so, we

did everything we could, but our work has suffered significantly. The support that small women-led organizations once received from larger NGOs and donor agencies has gradually disappeared. What was previously a collaborative and supportive environment has become increasingly isolating, leaving us to navigate these challenges largely on our own.

— Woman respondent based in Multan

Speaking to the mission, a minority rights group from Faisalabad expressed great dissatisfaction with the response of larger rights-based organizations. They noted that such organizations had long mobilized their communities to advocate their rights but were largely absent when support was most needed, particularly after the mob violence perpetrated against the Christian community in Jaranwala in 2023. While they acknowledged that these organizations were themselves operating under immense pressure, they stressed that, at the minimum, visible solidarity was expected. Respondents also said that many organizations that had begun working in the area after the Jaranwala attacks were unfamiliar with the local context and lacked an understanding of the community's history, vulnerabilities, and needs. Only a few of these actors were genuinely committed to rights-based work, they said, attributing this to the fact that established and credible rights-based organizations had been forced to scale back or withdraw due to the restrictive environment—creating a vacuum that was quickly filled by less experienced or less grounded actors. This, they argued, not only diluted the quality of rights advocacy but also provided very little support on ground to the victims of this violence.

How did civil society respond?

The strategies that rights-based NGOs have adopted to counter this onslaught are a mix of partial successes and continuing challenges. Legal recourse has proven to be the most effective strategy, providing relief in many instances when offices were closed or organizations harassed or pressured to re-register with the Charities Commission. The ultimate win in this regard was that the Lahore High Court struck down the EAD's 2022 revised foreign funding policy in 2024. However, this approach was primarily employed by large, well-resourced NGOs, mainly based in Lahore, who could afford to pursue court cases, such as HRCF itself, South Asia Partnership, the Aurat Foundation, the Centre

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for Social Justice and the AGHS Legal Aid Cell. Some organizations based in smaller cities, such as the Women Rights Association of Multan, became co-petitioners with these organizations in some cases. These legal victories offered much-needed relief to civil society across the province and reinforced a sense of solidarity, demonstrating that larger organizations were standing up for all NGOs in the region.

On the other hand, many organizations chose to scale back or discontinue their advocacy work, often linking this to service delivery and avoiding language that might provoke the authorities, including NGOs the mission spoke to in Sialkot, Multan, and Kasur. They felt it was more important to sustain their work and continue serving communities than to risk their operations over a few contentious terms. Almost all the NGOs the mission spoke to had applied for approval from the EAD to comply with legal requirements. This process also offered them an opportunity to streamline internal operations and strengthen institutional procedures and practices.

Many organizations, despite the challenging environment, have remained steadfast and continued their work by significantly reducing their operational expenses. They have scaled down office spaces, limited staff, and curtailed non-essential activities to sustain themselves in the absence of donor funding. For some NGOs, this strategy proved effective, allowing them to maintain a minimal level of operations and continue serving their communities. However, for others, the prolonged financial strain and constant administrative hurdles became insurmountable, ultimately forcing them to suspend their programmes or close entirely after a few years. This approach reflects the resilience of civil society but also highlights the precariousness of organizations operating in such a restrictive environment.

What is the situation now?

Most respondents noted that the situation had eased comparatively, although significant damage had already been done to rights-based civil society movements in the province. Repeated visits to local authority offices and seeking approval for every activity are no longer mandatory. While NGOs still need to apply for EAD approval and sign an MOU, projects can now be implemented once the application has been submitted. Many donor organizations have also relaxed their requirements, revising previously stringent eligibility criteria.

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However, respondents also highlighted emerging challenges. A number of new actors have entered the civil society space, but they do not demonstrate the same level of commitment to human rights and democratic values as traditional rights-based organizations. Established NGOs have, in many cases, shifted their priorities, focusing more on uninterrupted community service rather than advocacy to avoid friction with government authorities. Nevertheless, respondents emphasized that some organizations continue to stand firm, actively challenging every overreach by state institutions and defending human rights and democratic norms despite the ongoing risks.

It has become increasingly difficult to work the way we did a few years ago, especially when political parties, from whom we expect much, compromise on citizens' rights. The environment is more challenging now, but some of us continue, as we have not learned any other way to make a difference.

— Respondent based in Multan

Testimonials

The Centre for Social Justice (CSJ), a Lahore-based NGO dedicated to protecting minority rights in Pakistan, has faced repeated intimidation and harassment from both state and nonstate actors in recent years. Following the submission of an alternative report as part of Pakistan's Universal Periodic Review (UPR), documenting the situation of minority rights in Pakistan, the organization experienced increased scrutiny and pressure. The Lahore Registrar of Joint Stock Companies and Firms issued a notice to the CSJ, questioning its activities and requesting documents for registration renewal, citing its UPR report. After receiving further notices concerning the scope of its work with reference to the Societies Registration Act 1860, the CSJ petitioned the Lahore High Court, which granted interim relief and scheduled another hearing to prevent coercive actions by the Registrar. Before that, newspaper articles surfaced in a national daily, claiming that the organization had 'defamed' Pakistan at international forums on issues such as the blasphemy laws and forced conversions. These articles had appeared even before the CSJ submitted its UPR report to the Human Rights Council and made it public. The CSJ was compelled to scale back its activities and temporarily close its office to ensure the safety of its staff and associates. These threats and

intimidation tactics continue, and the organization remains at risk. In a recent incident in April 2025, a mob gathered outside the CSJ office, requiring police intervention to disperse the crowd and protect the staff.

An NGO based in northern Punjab has been working on gender equality, women's empowerment and local development issues for over two decades. It began facing restrictions from local authorities soon after the EAD's foreign funding policy was introduced in 2015. In the following years after 2018, its bank accounts were seized and ongoing projects halted. Two major banks where the organization had maintained accounts for years froze its funds and refused withdrawals until the organization signed an MOU with the EAD. The EAD approval process proved lengthy and complex, requiring multiple clearances from registration bodies and security agencies. As a result, ongoing projects were shut down, and a donor withdrew from another approved project due to the lack of banking access. During the MOU process, the NGO was repeatedly instructed not to engage with young people or universities, or to work on themes related to human rights, governance, peace, or community cohesion. Although the organization applied for EAD MOUs for all its projects and completed the required documentation, approval was granted for only one. In another troubling incident, the contact details of participants of an activity—also submitted to the authorities—were leaked. Participants subsequently received threatening messages accusing the NGO of being a 'Jewish agent' supported by Western countries. This not only damaged the organization's reputation but also endangered its staff and the communities associated with it. In the last two years, the situation has improved, but the NGO remains uncertain about what lies for it in the future.

A leading rights-based civil society organization in South Punjab has actively worked throughout the 2010s to strengthen democratic governance, social inclusion, and citizens' sociopolitical and cultural rights. However, this period coincided with a growing clampdown on civil society. In 2016, surveillance of NGOs by local authorities and intelligence agencies intensified across Multan and the wider South

Punjab region, and this NGO, like many other organizations holding power to account, soon found itself under scrutiny. A defining moment occurred during a meeting held at its office, attended by representatives from various NGOs in Punjab. An individual claiming affiliation with a security agency insisted on remaining present but refused to identify himself or clarify his role. The meeting's chair, not a member of the NGO's staff, objected to his presence, citing concerns over transparency and safety. As tensions escalated, the police were called, and it was later confirmed that the individual was indeed from a security agency. This incident marked a turning point for the organization, as the environment for its work rapidly deteriorated, creating fear and uncertainty for its staff. Soon after, the organization's activities were effectively banned. Although the NGO reported the incident to the meeting's organizers and senior figures within civil society networks, it received no meaningful support. Instead, those same actors contacted donors and urged them to replace the NGO, alleging that it had 'mishandled' the situation.

As pressure mounted, the NGO was forced to shut down its offices, its executive director was compelled to temporarily leave the country, and all ongoing projects suspended. Prospects for future funding disappeared almost immediately. After several months in exile, the organization's head returned to Pakistan and attempted to restart operations from Islamabad. This effort, however, proved unsustainable due to limited funding opportunities, the continued focus of the NGO's advocacy for civil and political rights, and the bureaucratic requirement of securing an EAD MOU. Eventually, the organization returned to Multan but under profoundly changed circumstances. With civic space still restricted, the organization has significantly narrowed its scope of work and now focuses primarily on cultural events and awareness raising around cultural rights, continuing its mission in a constrained environment while adapting to the realities imposed by shrinking democratic space.

The Democratic Commission for Human Development (DCHD) was a rights-based capacity-building organization that worked across Pakistan to mobilize and train community groups in democratic values and human rights. Despite its longstanding contributions, the organization ceased operations two years ago. Historically, the

DCHD had often found itself at odds with various governments due to its strong advocacy work. However, it had never faced vilification or harassment. This situation changed following the introduction of the EAD's foreign funding policy. During a conference organized by the Pakistan Human Rights Defenders' Network—for which the DCHD served as the secretariat—a speaker (not representing the DCHD) openly challenged the increased surveillance being carried out without legal authority. This speech triggered an adverse reaction from the authorities, placing the DCHD under scrutiny. Subsequently, the organization was repeatedly questioned about its activities, and its nationwide operations were made contingent on obtaining an MOU from the EAD. Its bank accounts were frozen, further undermining its ability to secure funding. Two longstanding projects related to monitoring child labour in the carpet-weaving industry were also halted. These projects were only allowed to resume after their titles were changed and activities significantly toned down. During this period, some religious factions also began maligning the DCHD and its leadership. This campaign subsided only after senior religious clerics familiar with the organization's work intervened. The DCHD applied twice for an MOU with the EAD, but both applications were rejected. Its registration under the Societies Registration Act 1860 was also not renewed. As a result, individuals formerly associated with the organization are now primarily engaged in consultancy work and operate small-scale medical and educational services.

For over two decades, a woman-led NGO based in Kasur has championed women's rights and education. However, the organization faced severe scrutiny and intimidation from local authorities following the implementation of new foreign funding policies and increased surveillance. They received instructions to exclude politicians from their events and were repeatedly pressed to disclose extensive details about their donors, both local and international. During this period, the organization's office was burglarized, resulting in the theft of several computers. This incident compromised data privacy and the confidentiality of sensitive information. Soon after, the CEO became embroiled in a court case, which she suspected was instigated by local authorities, allegedly using

the organization's own staff. Furthermore, the NGO's bank account was closed. The bank issued a draft for the remaining funds, instructing the organization to open an account at another bank—a process that proved exceedingly difficult under the prevailing circumstances. Consequently, the NGO was compelled to close its office and drastically reduce its operations. Although it eventually obtained an MOU with the EAD, the subsequent requirement to register with the Charities Commission presented a new hurdle, and the NGO's application was denied. While the organization believes that the environment has improved, allowing it to resume its work, the reputational and financial damage it has sustained will take time to repair. Moreover, the lack of funding for the past five years has severely impacted its operations.

Qaswa Women Development Organization, a local NGO based in Rajanpur, focuses on community development, particularly women's economic empowerment through microfinance and local amenities. Despite not receiving foreign funding, the organization was targeted by the local administration. Its bank accounts were frozen, ostensibly on the recommendation of the District Intelligence Committee, preventing any withdrawals. The bank directed the organization to obtain approval from the registration authority to unfreeze the accounts. The registration authority confirmed full compliance but clarified that it did not issue such approvals. Informal contact with the District Intelligence Committee yielded no confirmation regarding its involvement in freezing the accounts. The bank continues to receive deposits but still prohibits withdrawals, without providing a clear explanation.

From 2016 until recently, several NGOs in South Punjab—including those operating in Multan, Layyah, and Rajanpur—have experienced ongoing harassment from local authorities. In some instances, arbitrary restrictions persist. According to these organizations, the situation began when security agencies increased surveillance and mandated an NOC from the local administration, particularly the deputy commissioner, for any planned event. Over time, the local administration assumed a more active role, demanding detailed

information about projects and their scope. Women-led organizations have been disproportionately affected due to their limited networks and influence to navigate official channels. This restrictive environment has also contributed to fewer funding opportunities for local NGOs. A similar pattern emerged during recent flood relief efforts, with the local administration requiring NGOs to distribute relief goods through government channels and often prohibiting the use of their own branding. While NGOs acknowledge improvements compared to the pre-Covid-19 period, uncertainty remains. They report that authorities continue to take ad hoc actions and arbitrarily interrupt their activities, creating instability in their operating environment.

In 2016, the Ministry of Interior ordered the shutdown of South Asia Partnership Pakistan (SAP-PK), a Lahore-based NGO. Subsequently, the district authorities closed one of SAP-PK's local offices, alleging that the organization was 'working against Pakistan's national interests' and had submitted a shadow report to the UN Human Rights Council that negatively portrayed the country. SAP-PK challenged the decision in the Lahore High Court. The chief justice ruled in favor of the organization (*South Asia Partnership Pakistan vs. Federation of Pakistan*, LHC WP 1991/2017), declaring the ministry's notification illegal because it violated constitutional provisions, and barred further action against the organization. A similar incident occurred in 2017 with Women in Struggle for Empowerment (WISE), another NGO whose operations were shut down by local authorities who claimed its activities were contrary to the country's strategic security interests. WISE also contested the decision in the superior courts and obtained legal relief. Although both organizations eventually resumed operations, they endured prolonged intimidation, including forced office closures and the freezing of bank accounts, reflecting broader pressures faced by civil society in Pakistan.

Recommendations

Recommendations to the federal and provincial governments

Enact a rights-compliant legal framework for NGO regulation. The federal and provincial governments should ensure that any new or revised regulatory framework governing NGOs is enacted through primary legislation and is fully aligned with constitutional guarantees of freedom of association, Pakistan’s international human rights obligations, and principles of democratic governance. Subordinate rules or executive policies should not override statutory protections.

Streamline and standardize registration and renewal processes. In case such legislation is passed—with formal inputs from NGOs—the provincial governments should simplify registration and renewal procedures by (a) introducing clear and time-bound approval timelines with automatic approval mechanisms where deadlines are not met; (b) developing uniform criteria for registration, renewal, and cancellation to reduce arbitrariness; and (c) establishing online, transparent tracking systems that allow NGOs to monitor the status of their applications and receive written reasons for any delays or rejections.

Institutionalize dialogue between the government and civil society. Governments should establish formal, regular consultative forums with NGOs at both the provincial and federal levels to jointly formulate, review, and revise NGO policies. Such dialogue mechanisms would help reduce mistrust, address operational bottlenecks, and ensure that regulatory frameworks reflect on-ground realities.

Protect the independence of civil society from undue interference. Governments should clearly delineate the roles of civilian authorities and security agencies in NGO regulation. Independent oversight mechanisms, such as parliamentary committees, judicial review processes, or autonomous regulatory bodies, should be established to prevent undue interference by state or local authorities, including security agencies, in lawful NGO activities.

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Recognize and facilitate international reporting and shadow reports. Governments should adopt a constructive approach towards NGOs' engagement with international human rights mechanisms, including treaty-body reporting and the submission of shadow reports. Rather than viewing such engagement as adversarial, governments should recognize it as a legitimate contribution to international accountability and policy improvement.

Ensure effective legal remedies and protection measures. Governments should guarantee rapid and accessible legal remedies for NGOs facing harassment, deregistration, or threats, whether from state or nonstate actors. This includes strengthening judicial oversight, providing interim relief against arbitrary administrative actions, and ensuring protection for human rights defenders at risk.

Recommendations to NGOs

Strengthen collective advocacy and self-regulation. NGOs should strengthen collective platforms and networks to engage with the government on policy reform, share legal resources, and develop self-regulatory standards that promote transparency, accountability, and public trust.

Enhance documentation and the strategic use of evidence. NGOs should systematically document cases of regulatory interference, delays, or rights violations and use this evidence strategically in domestic litigation, policy advocacy, and international reporting mechanisms.

Build capacity in legal and compliance frameworks. NGOs should invest in internal capacity-building related to regulatory compliance, financial reporting, and governance standards, enabling them to navigate complex regulatory environments more effectively and reduce vulnerability to arbitrary action.

Recommendations to donors and international partners

Provide targeted and flexible support to at-risk NGOs. Donors should provide targeted assistance to women-led, minority-focused, and human rights-based NGOs, including access to networks, capacity-building, mentorship, and flexible funding that enables organizations to respond effectively to regulatory and security pressures. This support

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should also include discontinuing the requirement to obtain prior NOCs when applying for specific donor-funded grants.

Support legal aid, policy engagement, and research. International partners should support initiatives that provide legal assistance to NGOs facing regulatory challenges, facilitate dialogue between the government and civil society, and generate evidence-based research on civic space and NGO regulation at the provincial and national levels.

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