



SUPPORTING
AN ENABLING ENVIRONMENT
FOR CIVIL SOCIETY

Enabling Environment

Snapshot

Nepal

January 2026

Context

Period covered by the report: December 2025 – January 2026

During December 2025–January 2026, Nepal’s civic space evolved within a period of political transition, pre-election tensions, and continued public mobilisation following the Gen Z-led protests of September 2025. Nepal’s March 5 [elections are shaping up amid lingering uncertainty](#), with nearly 3,500 candidates from 68 parties filing nominations, including both established leaders and new faces from the Gen Z uprising. The pre-election period has been punctuated by [Gen Z faction led protests at Maitighar](#), raising concerns over potential disruptions and public order, [alongside reports of clashes in Damak](#). Major parties initially hesitated due to fears of backlash and poor performance, while new political outfits lacked organisational strength, creating a tense electoral landscape.

While the interim government reaffirmed commitments to democratic governance, human rights, and rule of law, implementation gaps remained evident across several dimensions of civic space. Civil society organisations (CSOs) continued advocating for protections of fundamental freedoms, improvements to the enabling legal environment, and more meaningful state engagement. At the same time, Nepal’s approaching graduation from Least Developed Country (LDC) status, shifting donor priorities, and regulatory pressures such as FATF-related banking controls added new challenges to CSO sustainability. [Financial pressures are compounded by Nepal’s placement on the FATF grey list, which has led Nepal Rastra Bank to enforce stricter banking regulations](#). Digital platforms increasingly shaped civic participation and public discourse, though they also introduced risks related to misinformation, surveillance, and regulatory overreach. Overall, the period reflected a mixed environment: civil society remained active and influential in public debate, yet continued to face structural, political, and financial constraints that affect its ability to operate effectively.

1. Respect and protection of fundamental freedoms

In the period of December 2025 to January 2026, Nepal’s respect for fundamental civic freedoms showed a mixed picture amid ongoing political transitions and international scrutiny. The period followed Gen Z-led protests in September 2025 against corruption and social media bans, which had escalated into demands for rights and rule of law. By November, civil society groups continued advocating for protections, highlighting persistent restrictions on association, assembly, and expression. There are commitments to uphold international obligations, but gaps remain in implementation.

Press freedom continues to be restricted, with Nepal ranking 90th in the [2025 World Press Freedom Index](#), amid over 70 incidents against journalists from 2023-2025. Civil society called for reforms to address arbitrary arrests and ensure peaceful assembly.

During the reporting period, concerns over [the deteriorating political and democratic environment](#) intensified following deaths and injuries linked to earlier protest crackdowns and continuing tensions around public demonstrations and electoral processes. These developments raised questions about state accountability, the protection of human rights, and the overall safety of civic space in the lead-up to elections. Civil society actors highlighted the need for credible investigations, stronger safeguards for peaceful assembly, and assurances that upcoming elections would be conducted in a [timely, peaceful, and fear-free manner](#). In

response, the NGO Federation of Nepal urged greater cooperation between government institutions, political parties, and civil society to protect democratic institutions and ensure an enabling environment for civic participation and inclusive governance.

In Birgunj, during the first week of January, a TikTok video by two youths triggered communal unrest, leading to [curfew and clashes](#) with police. Rapid social media dissemination amplified the conflict, increasing challenges for authorities in balancing civil liberties and public order. The incident raised concerns about the potential for restrictive public order measures, such as curfews and policing of online content, which can affect freedom of expression, peaceful assembly, and the broader enabling environment for civic engagement.

Despite continued commitments to human rights, the ongoing political crisis created heightened risks for fundamental freedoms. [Youth-led protests and demonstrations](#) during the reporting period raised concerns over potential restrictions on peaceful assembly, increased security sector responses to public mobilisation, and pressures on freedom of expression, both online and offline. Civil society organisations continued to call for stronger safeguards and consistent enforcement of rights to ensure that freedoms of expression, association, and peaceful assembly are protected during the politically sensitive pre-election period.

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

Nepal's legal framework for civil society remained anchored in the [1977 Association Registration Act](#), which governs NGO operations but is increasingly seen as outdated amid calls for reform. Complex registration and renewal procedures across multiple authorities—including ward offices, municipalities, District Administration Offices, the Social Welfare Council, and tax offices—continue to create significant administrative and financial burdens for CSOs. Additional requirements, such as SWC recommendations, tax clearance certificates, and in some cases mandatory VAT registration, disproportionately affect smaller and community-based organisations.

Following the September protests, the interim government committed to upholding the rule of law within the constitutional framework. However, CSOs continue to face administrative delays, complex procedures, and limited government dialogue. The Gen-Z protests led to the disruption and, in some districts, dismantling of District Administration Office (DAO) operations and municipal offices, directly affecting CSO registration, renewal, grant applications, and routine administrative processes. As a result, many organisations experienced prolonged delays in renewal, interruptions in programme implementation, and reduced access to funding opportunities. The NGO Federation of Nepal has [advocated](#) for simplified processes, digital services, and regular coordination mechanisms to strengthen civil society's role in promoting democracy, social justice, and human rights.

However, concerns persisted over arbitrary regulations, highlighting needs for reforms to enable a more enabling regulatory environment. [UPR outcomes](#) in January 2026 underscored the urgency for updates to reduce bureaucratic obstacles and enhance protections for civil society operations.

3. Accessible and sustainable resources

The financial sustainability of Nepalese CSOs is at a critical juncture. As Nepal prepares for its graduation from Least Developed Country (LDC) status in November 2026, international donor engagement is evolving, influenced in part by improvements in Nepal's Human Development Index (HDI) and an increasing focus on climate resilience, disaster risk reduction (DRR), and large-scale infrastructure. While these shifts open new funding avenues, they may not always align with the capacities or mandates of smaller, rights-based, and grassroots organisations. At the same time, core funding remains limited, encouraging CSOs to rely on short-term, project-based financing that can constrain long-term advocacy and institutional development.

Domestic resource mobilisation continues to be [limited by a tax framework](#) that provides few incentives for private philanthropy in civic advocacy. In response, there is a gradual rise in “social enterprise” approaches within the NGO sector as organisations explore pathways toward greater self-sufficiency, although the legal and regulatory clarity for such hybrid models remains evolving.

CSOs continue to face hurdles in opening and renewing bank accounts and experience delays in receiving international funds, disproportionately affecting smaller and community-based organisations with limited compliance capacity. These challenges are further intensified by limited banking accessibility, including procedural and physical barriers faced by visually impaired individuals in opening and operating bank accounts.

4. State openness and responsiveness

Nepal's state demonstrated partial responsiveness to civil society amid post-protest reforms, following the September 2025 Gen Z uprising against corruption and media bans. On 11 December 2025, [a ten-point agreement](#) and the [ownership of the unrest](#) were transferred to the interim government, leading to anti-corruption measures and governance changes.

Despite these developments, civil society organisations (CSOs) in Nepal continue to face challenges related to shrinking civic space, human rights concerns, and limited structured dialogue with state and political actors. [Advocacy efforts led by the](#) NGO Federation of Nepal (NFN), along with other networks such as the Nepal Federation of Journalists (NFJ) and Nepal Bar Council (NBC), have highlighted these issues through nationwide actions and formal submissions, including memoranda to the Prime Minister in December 2025. These efforts have reinforced the role of CSOs in promoting accountable governance, peaceful electoral processes, and democratic freedoms.

Civil society continued to call for justice, freedoms, and accountability during the political crisis, but state engagement remained largely reactive and ad hoc, with limited institutionalised mechanisms for meaningful CSO participation. While dialogue increased during moments of crisis, and CSO involvement in policy planning—especially at the local level—has expanded in recent years, this engagement is often tokenistic, offering little influence over decisions or implementation. Persistent regulatory pressures, past crackdowns, weak follow-up, and lack of accountability continue to undermine consistent and meaningful collaboration between the state and civil society.

The government has announced plans to hold elections in March; however, concerns raised by major political parties regarding security issues have created uncertainty about the timely conduct of the polls. Despite renewed commitments to democratic norms and greater openness under youth-led pressure, the absence of proactive and structured civil society

engagement continued to limit trust and effectiveness, underscoring the need for systematic, non-tokenistic inclusion beyond times of crisis.

5. Political Culture and Public Discourses on Civil Society

The momentum generated by the Gen Z uprising has to some extent generated a public culture more supportive of civil society. At the same time, segments of mainstream political parties continue to express criticism of the changes emerging from this movement. Consultations with CSO leaders indicate that public discourse has increasingly emphasised justice, rights, and freedoms, with initiatives such as the *Brihat Nagarik Andolan* convening forums on gender equality and civic roles.

Nepalese civil society, long instrumental in promoting democracy, inclusion, and human rights, is facing [growing vilification](#) in public discourse, often fuelled by political actors threatened by accountability and resource oversight. NGOs and INGOs, despite some internal challenges, have empowered marginalised communities, advanced progressive reforms, and strengthened democratic participation, yet are increasingly framed as enemies of the nation when they challenge power.

The media played a generally supportive role by [providing space for civil society voices](#), facilitating public debate, and highlighting governance and rights issues. However, government engagement with media to promote informed, balanced discourse on civil society remains fragmented, lacking a coherent and proactive strategy. Overall, discourses were positive, viewing civil society as a democratic pillar, though challenges from political instability persisted.

[Nepal's UPR](#) highlighted key concerns related to the inclusion of marginalised communities, with recommendations from 101 countries urging alignment with international standards, including stronger protections for Indigenous Peoples and persons with disabilities. Civil society submissions stressed the need to harmonise national laws with the UN Convention on the Rights of Persons with Disabilities. The [ratification of the Marrakesh Treaty](#), which would improve access to published materials for persons who are blind or print-disabled, remains pending due to an awaited Cabinet decision.

Widening economic inequality in Nepal, driven by regressive fiscal policies, rising public debt, climate vulnerability, and weak governance, continues to limit equitable access to sustainable resources for marginalised communities, indirectly impacting their ability to participate in decision-making. In response, [Nepali civil society initiated the advocacy](#) during the World Economic Forum, calling for progressive taxation, transparent debt management, climate finance, and strengthened social protection systems. The effort emphasises fair, inclusive, and sustainable resource allocation as a foundation for just and resilient development and inclusive participation.

As the elections progress, there is an increasing debate [of the proportional representation \(PR\) system](#). Although the PR system aims to ensure the inclusion of marginalised communities, its implementation has not always fully aligned with this objective. Closed lists often favour party elites, relatives, or repeat officeholders rather than genuinely underrepresented groups, undermining the system's original intent. [Experts and CSOs warn](#) that such manipulation weakens diversity in governance and erodes public trust in the PR mechanism.

6. Access to a secure digital environment

Access to a secure digital environment in Nepal remains uneven, marked by both expanding digital participation and growing risks to civic freedoms. [Digital space played a critical role](#) in information sharing, civic mobilisation, and youth-led activism, particularly as recovery efforts continued following the September repression. Increased internet penetration and social media use enabled civil society actors, journalists, and movements to engage wider audiences on governance, accountability, and social justice issues.

However, this digital expansion has been accompanied by significant challenges. The rapid and excessive use of artificial intelligence technologies, including the spread of deepfakes, has diverted public attention and undermined trust in media and information ecosystems, especially during this election time. [Misinformation and disinformation continue to circulate](#) widely on social media platforms, often amplifying political polarisation and targeting civil society actors. Regulatory responses have struggled to keep pace with these developments. While Nepal adopted the [National Cyber Security Policy \(2023\)](#) and the [election code of conduct](#) is activated, implementation and oversight remain weak, and regulatory frameworks lack clarity and safeguards.

During CSO consultations, civil society coalitions have raised concerns over increased digital surveillance, which undermine digital security and freedom of expression. Many CSOs lack adequate technical capacity and infrastructure to protect sensitive data from cyber threats posed by both state and non-state actors.

Overall, while [digital spaces continue to offer important opportunities](#) for civic engagement and innovation, the absence of strong, transparent, and rights-based digital governance frameworks limits access to a truly secure digital environment. Strengthening digital literacy, ensuring proportionate regulation, and protecting online civic space are essential to safeguarding democratic participation and the enabling environment for civil society in Nepal.

Challenges and Opportunities

Key Challenges

- **Uneven protection of civic freedoms:** Incidents involving journalists, restrictions on peaceful assembly, and reactive state responses during protests continue to raise concerns about the consistent protection of fundamental rights.
- **Outdated and burdensome regulatory framework:** The Association Registration Act (1977) and complex administrative procedures create significant compliance burdens for CSOs, particularly smaller and community-based organisations.
- **Operational disruptions and administrative delays:** Political instability and disruptions to District Administration Offices and municipal authorities have delayed CSO registration, renewal processes, and programme implementation.
- **Financial sustainability pressures:** Shifting donor priorities linked to Nepal's upcoming LDC graduation, limited domestic philanthropy incentives, and regulatory constraints—such as FATF-related banking requirements—are restricting access to resources.
- **Limited institutionalised state–civil society dialogue:** Engagement between government and CSOs remains largely ad hoc and often reactive, with few formal mechanisms ensuring meaningful participation in policy processes.
- **Sustaining a supportive public culture** that values independent civil society is critical to safeguarding accountability, protecting civic space, and ensuring the voices of

marginalised groups continue to influence Nepal’s democratic development. However, the contributions of CSOs often remain insufficiently recognised and protected by the government, underscoring the need for more enabling and supportive state–civil society relations.

- **Digital risks and regulatory uncertainty:** The spread of misinformation, deepfakes, and potential misuse of proposed digital legislation create challenges for online civic engagement and freedom of expression.

Opportunities

- **Growing youth civic engagement:** The Gen Z mobilisation has increased public awareness of governance, accountability, and civic freedoms, creating momentum for democratic reforms and greater civic participation.
- **UPR recommendations and international commitments:** The outcomes of the Universal Periodic Review provide a platform for advancing legal and policy reforms aligned with international human rights standards.
- **Emerging innovation in CSO sustainability:** Some organisations are exploring social enterprise models and new funding approaches to strengthen long-term financial resilience.
- **Digital platforms for civic participation:** Expanding internet access and social media use continue to provide new channels for advocacy, public dialogue, and citizen mobilisation.
- **Public recognition of civil society’s democratic role:** Despite criticism from some political actors, civil society remains widely viewed as an important pillar in promoting inclusion, accountability, and democratic governance.
- **Potential reforms in electoral and governance processes:** Ongoing debates on proportional representation and electoral integrity create opportunities for civil society to advocate for more inclusive and transparent political systems.



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