

Council for Non Governmental Organizations in Malawi

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# **Press Release**

# NGO BOARD FEES HIKE

#### **PREAMBLE**

The Governing Council of CONGOMA which is a policy body in CONGOMA met on Wednesday, 17 January 2018 to elect new leadership and take position on the issue of fees hike by NGO Board of Malawi. CONGOMA with a membership of over 1,200 NGOs countrywide is the overall NGO coordinating body in Malawi and a representative of collective NGO interests and concerns. As CONGOMA our duty is to ensure that there is a coordinated NGO sector that is well capacitated and to advocate for a conducive legal, policy, political and economic working environment for all NGOs in Malawi for the betterment of marginalized majority.

#### 1. ELECTED LEADERSHIP

CONGOMA is pleased to inform the general public and stakeholders that the new leadership in CONGOMA is **Mr. Steven Duwa** of Pan African Civic Educators Network (PACENet) as Chairperson of CONGOMA while the Vice is **Mrs Kate Harawa** of Water for People.

# 2. NGO BOARD FEES HIKE

#### 2.1 Introduction

CONGOMA is shocked and dismayed at the implementation of new Regulations on fees that NGOs pay to NGO Board of Malawi effective January 1<sup>st</sup> 2018 without due process. We take note that the issue was raised at the last Annual General Meeting of NGOs and minutes are available that the NGO Board assured NGOs that there will be consultations on the issue. However, NGO Board has gone ahead to implement without consultations with NGOs who are

the main stakeholders. Of course, we take cognisance of the fact that the NGO Board has the mandate to determine fees according to NGO Act; but with empathy.

### 2.2 CONGOMA position

Our position as CONGOMA is that the new fees should be put on hold until all issues surrounding it are resolved. CONGOMA would also like to appeal to its members not to pay the new fees because they are illegal and il-conceived. In addition, we are of the view that NGOs should be allowed to pay the old rate for the time being.

### 2.3 Basis of our position

CONGOMA has arrived at the position above based on a number of factors as follows:

## (i) Legality of the Regulations

According to our knowledge, the Regulations being used to introduce the new fees have not been gazetted as of 17 January 2018 at 2.58pm. This means that implementation of these new fees rates is illegal and ultra-vires because it is against Section 17 of the General Interpretation Act of the Laws of Malawi.

## (ii) Deceitfulness on part of NGO Board

CONGOMA would like to inform the general public that at its last Annual General Meeting of 16-17 November 2017 as highlighted above, the NGO Board Chairperson assured NGOs that the Board will consult NGOs on the new fees before they come into effect. To the surprise of everyone, the new fees have come into effect without that consultation. It is therefore our considered opinion that the NGO Board Chairperson was not honest and she lied to NGOs at the General Assembly that NGOs will be consulted. CONGOMA takes this as a serious public trust issue considering that this is not the first time NGO Board has acted illegally with impunity.

### (iii) Wrong Concept

It is our considered view and common knowledge that NGOs as charitable organizations cannot be construed as income earning because they rely on grants. These grants are activity and results specific that NGOs cannot vary and justify it by paying Government a substantial proportion of these grants in the name of fees. In fact in the SADC Region, apart from Malawi, our investigations indicate that only two countries charge fees to NGOs. Tanzania charges at most USD 50.00 per annum while Lesotho charges at most R3,000.00 once in the life of an NGO. This is because they understand that NGO work is charity. Why should Malawi Government and NGO Board embark on this level of fees with a maximum fee of over MK2

million per annum for some NGOs? Are they indirectly raising funds for Government Account number 1 through NGOs because Direct Budget Support is not there?

## (iv) Shrinking of Civil Society Space

Converse to the Wrong Concept above, CONGOMA's considered view is that Government is already aware that most NGOs cannot afford the fees and as such will close down. This will be advantageous to Government because it will thoroughly shrink the public policy spaces that NGOs occupy and advocate for human rights and good governance for the good of the majority Malawians. Could this be the reason why Government seems to be preparing itself to ironically take up Civil Society space as evidenced from attempts to review the NGO Act secretly; and forming District Advocacy Forums comprising NGOs and Government through the backdoor? We take this fee hike as one of the efforts by Government to further and lastly close Civil Society space and is bad for democracy.

## 2.4 Our Appeal to Government

With the foregoing, CONGOMA appeals as follows:

- 1. Minister of Gender should immediately withdraw the Regulations and halt their implementation forthwith because they are illegal and ill-conceived. If this is not done, CONGOMA will be compelled to take further action.
- 2. Withdraw any invoices sent out to any NGO who is a member of CONGOMA on the new fees immediately and members should be allowed to pay the old rate.
- 3. Pay back any money paid by any member of CONGOMA to NGO Board as the basis of that payment is illegal as the Regulations have not been gazetted.

### **CONCLUSION**

CONGOMA would like to end by saying that the issue of fees hike is at the centre of survival of NGOs and will not hesitate to point out publicly without fear or favour any manipulations of NGOs; tactics of divide and rule, backdoor introduction of laws and policies to stifle NGO space, selfish leadership at all levels among many ills.

Signed

Steven Duwa
CHAIRPERSON