



STRENGTHENING AN ENABLING ENVIRONMENT FOR COMMUNITY PHILANTHROPY IN EAST AFRICA.

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1. INTRODUCTION

The development field recognizes African philanthropy by its unique characteristics – of being deeply rooted in community culture and traditions – of interpersonal connectedness and social solidarity. In recent years, the emergence of African philanthropy narratives aims to appreciate African giving models that continue to inform giving. However, philanthropy in Africa has remained largely undocumented with limited information. This does not show appreciation for its breadth and depth in the development sector. (according to Dalberg Research and Dalberg Global Development Advisors (2013); Frameworks for a New Narrative of African Philanthropy - African Grantmakers Network/Southern Africa Trust, South Africa.)

Community Philanthropy is the practice of mobilizing various resources at the community level – financial, civic, social, human, political, and intellectual – to improve the lives of the communities' in the long run. This concept is rooted in local resource mobilization. People seek to mobilize resources or give back to a community where they have shared interests, values or geographic position, based on the specific needs. Civil society organizations are at the heart of institutional philanthropy based on community organizations undertaking philanthropy as non-governmental organizations, community-based organizations, trusts, and foundations.

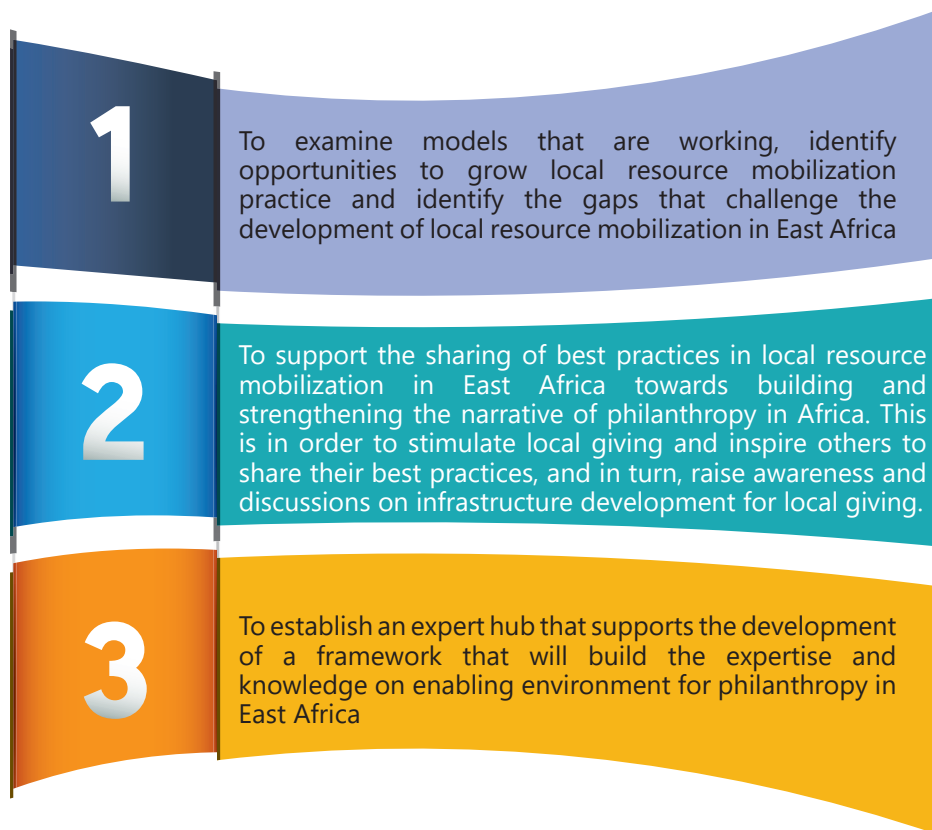
The East Africa Philanthropy Network (EAPN) believes that increased information on local resource mobilization trends in East Africa will enhance the diverse models of community philanthropy in the region. This information will influence the interest of non-state actors to engage in local resource mobilization and grow the community of practice in community philanthropy. EAPN envisions that establishing a framework on community philanthropy will inform the models of local resource mobilization that will harness the practice and growth of local giving in East Africa.

With support from ICNL, the Network embarked on the following activities with the aim of re-invigorating community Philanthropy in the region, establishing structures that will support the continuation of collecting and aggregating information as part of the process of growing both the understanding and practice of community philanthropy in the region.

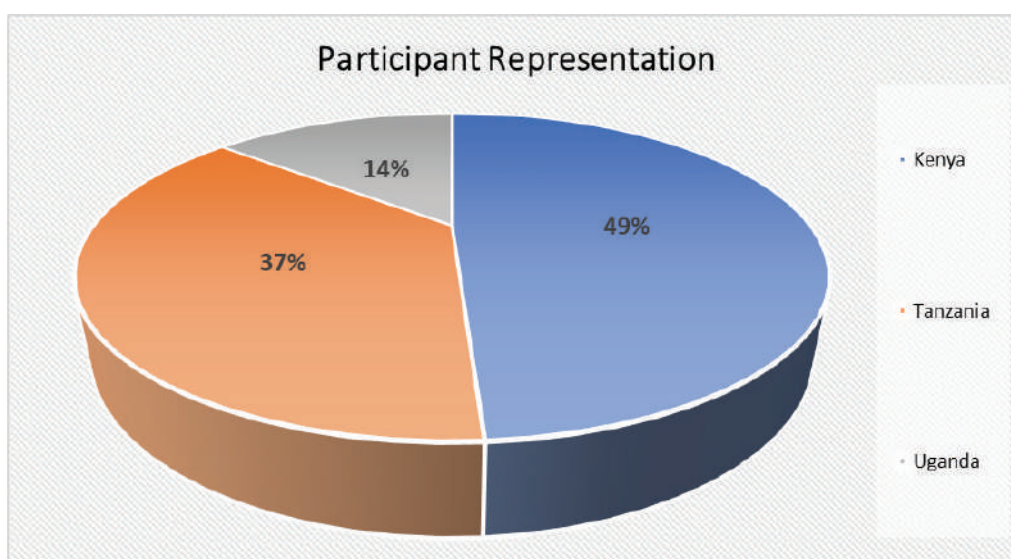
2. RESEARCH ON LOCAL RESOURCE MOBILIZATION TRENDS IN EAST AFRICA

The study set out to establish models that are working, identify opportunities to grow local resource mobilization practice and identify the gaps that challenge local resource mobilization in East Africa.

The study was anchored on the following objectives:



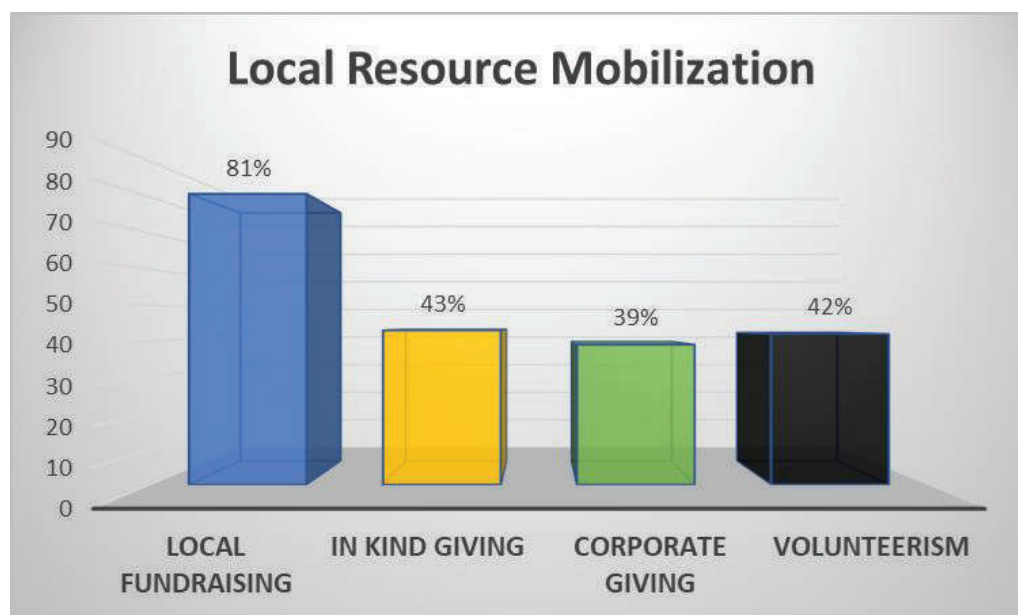
The study reached out to 150 respondents from Tanzania, Uganda and Kenya. 49 of the respondents responded positively. An analysis of the survey data revealed that 49% of the respondents were from Kenya, 37% from Tanzania and 14% from Uganda respectively (see figure 1 below).



Two-thirds (65%) of the organizations in the study have a national focus followed by 15% with a district or county focus. Regarding the types of respondent institutions, 75% were NGOs. These comprised 55%, which were International NGOs (INGOs), 20% local NGOs, and 8% which were local foundations.

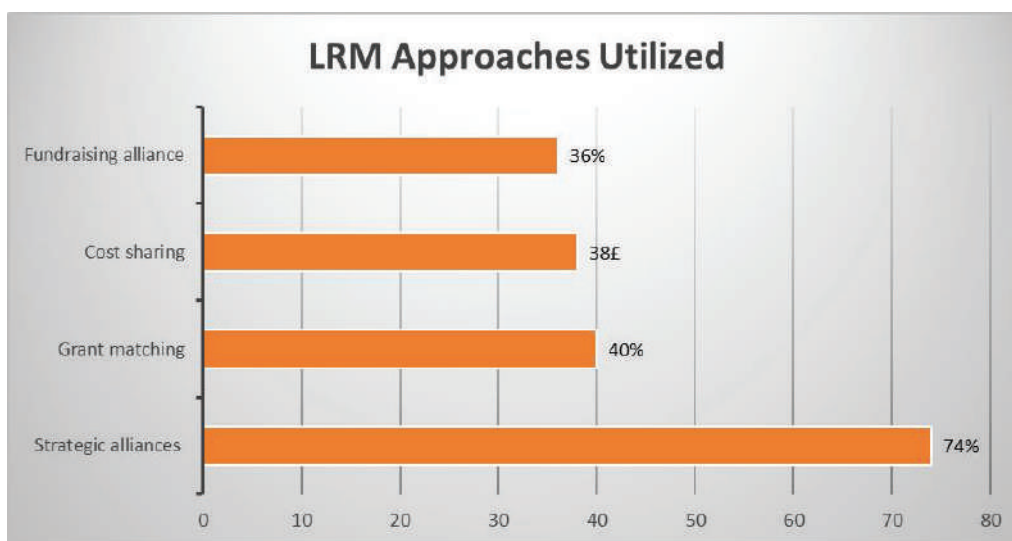
The findings from the research revealed that 98% of the respondents had some level of experience or involvement in local resource mobilization. Notably, for a majority (58%), local resource mobilization appears to have gained prominence over the last decade (1-10 years). Further, the study revealed that a majority (57%) of the organizations had 1-3 staff whose job description included responsibilities for local resource mobilization. Additionally, the survey findings offered a glimpse into the extent of institutionalized capacity of local RM within these organizations. 43% indicated that their staff had some practical experience in local Resource Mobilization. It is worth noting that up to 52% of the respondents had no staff who are sufficiently trained and experienced in local resource mobilization. This calls for concerted efforts in further developing institutional capacity among staff working in philanthropy organizations.

The study showed that there were existing approaches, platforms and benefits of local resource mobilisation. It highlighted the applications for local grants as the most adopted option for local fundraising at 81% with in kind giving at 43%, corporate giving at 39% and volunteerism at 42%.

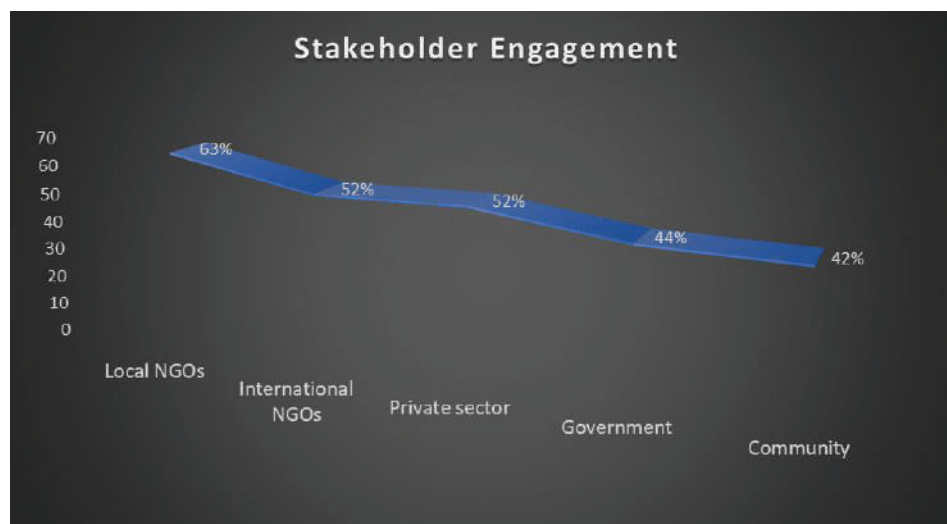


The study indicated that the platforms used were online campaigns (56%) and local community structures (56%). The least used platform was alumni giving (9%). This points towards the opportunity to grow some of the models of local giving. With regards to the benefits of local resource mobilization, 79% of the respondents indicated having benefited from an increased scope of social impact followed by personal fulfilment and increased media exposure. Only 10% stated that they had benefited from tax exemption and rebates. This underscores the need to invest in advocacy for favourable regulatory regimes; particularly taxation, as a basis for promoting local giving.

Factors that have enabled local resource mobilization include; leadership commitment; community engagement; networking; marketing and visibility and capacity development. Several challenges that constrained the achievement of the institution's local resource mobilization goals were identified. These included: delayed or declined issuance of tax exemptions; the perception that INGOs are well resourced; limited awareness of the rationale, potential and platforms for local giving; limited access to giving tools and platforms amongst others. The systems supporting local resource mobilization were identified as financial management and administration (74%), program management (63%) and staffing for resource mobilization (63%). The majority of local actors tend to focus only on financial accountability. Strategic alliances (74%) were observed as the most common technique for local resource mobilization followed by grant matching (40%), cost sharing (38%), and fundraising alliances (36%).



Regarding the current status and preference for stakeholder engagement, local NGOs (63%), international NGOs (52%), private sector (52%), government (44%), and community (42%). The same entities were deemed by the respondents as the most strategic to collaborate with for deepening local resource mobilization in the future.



The research showed that good practices on information and knowledge management were observed. Two-thirds of the respondents revealed that they produced reports that were shared with both internal and external stakeholders. Annual reports were the main knowledge pieces produced by the organizations as indicated by 79% of the respondents. Those producing financial reports represented 56%, newsletters at 50% and human impact stories at 44%. Participants detailed using platforms to share local resource knowledge products. Those using social media represented 79%, followed by organization websites 73%, and stakeholders' meetings 65%.

The study highlighted opportunities for the growth of local resource mobilization, such as alliance building and networking, and knowledge generation and sharing. Influencing policy on giving was considered by about half of the participants (51%) as a major opportunity which implies that many philanthropy actors are not tapping into the conducive operating environment available to them.

3. COUNTRY ROUND-TABLES & THEMATIC DISCUSSIONS

A series of Country Roundtables were held in each of the EAPN partner countries - Kenya, Uganda, and Tanzania. These were organized to engage stakeholders in conversations on infrastructure development for local giving. The series of convenings presented avenues for various CSOs and Philanthropy actors to share the findings from the study and discuss opportunities to contribute to the discourse on community philanthropy. The first series of forums were held under the theme *Scaling Philanthropy through local resource mobilizations* in April and a subsequent series in July, 2022.



In Kenya, CSOs and philanthropy organizations struggle with a scattered registration regime that is spread across ministries and departments of government. This makes registration very long and tedious. In addition, the processes of obtaining tax exemptions and filing returns become prolonged and getting tax rebates is almost impossible.



The Roundtable in Tanzania discussed the intricacies of awarding tax exemption certificates to CSOs and community philanthropy actors. These were identified as tedious processes that took very long to obtain, to the extent that they had expired by the time organizations got them.



In Uganda, the Roundtable was informed that NGOs must go through a detailed, multi-level registration process and are subject to a registrar with wide powers. The Non-Governmental Organisations Act, 2016 has been seen as a way to restrict civil society in Uganda. NGOs had to register with the National Board of Non-Governmental Organisations (NGO Board). A 2006 amendment put representatives from the state security agency on the NGO Board and gave the board the discretion to deny registration to NGOs. These amendments make the growth of philanthropy a difficult challenge, especially in the management of meagre resources they are able to marshal from local resources. The 2016 Act gives 'wide and discretionary powers' to the NGO Bureau. These include 'the power to revoke an NGO's permit'. It can refuse to register an NGO or blacklist it. The Board can make the NGO's shortcomings public, or revoke its permit.

Furthermore, the participants were made aware that organisations can also register as trusts or foundations to provide grants or loans for NGOs, private or community organisations. Foundations can be registered by the Companies Act (2012) but are not exempt from any tax. NGOs are also classified based on whether they are incorporated in Uganda or elsewhere, and where the citizens who control them are based. Foreign NGOs are subject to a more difficult registration process. NGOs must be non-partisan, according to section 44(g). They may not do anything prejudicial to 'the interests of Uganda and the dignity of the people of Uganda.' This potentially limits NGO advocacy, human rights or governance work.



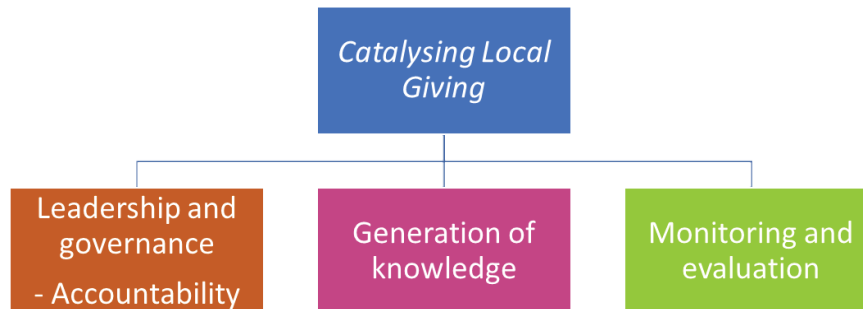
In addition, there are local registration requirements and security concerns that are considered by the authorities. To register, an NGO must also sign a Memorandum of Understanding with the local government where it intends to work. State security officials sit on the district non-governmental organisations monitoring committees (DNMCs) and sub-county non-governmental organisations monitoring committees (SNMCs) with which NGOs must register.

The registration procedures are 'cumbersome'. Foreign NGOs need to register with the NGO Bureau, have letters from their embassies and the Ugandan Ministry of Foreign Affairs, recommendations from the relevant ministry and the NGO Monitoring Committee where they will operate. Moreover, registration needs to be renewed every five years. There is no stipulated time limit for the Bureau to review applications.

The Roundtable also discussed issues of accountability. In Uganda, the state and the NGO Bureau can request a range of financial information. This included the announcement by the Financial Intelligence Authority (FIA) on April 19, 2018, where they stated that, 'NGOs will be required to declare their sources of funding to the Authority to ensure transparency and avoid money laundering in the sector'. NGOs must also disclose their work plan to the authorities. Moreover, NGOs also require authorisation for any new project, which limits their ability to work flexibly. The NGO Bureau has wide inspection and disciplinary powers. It can 'summon and discipline registered organizations through warnings, suspension of registration, exposing the organization to the public, blacklisting or revocation of registration'. The Act grants powers to an inspector, after giving notice of at least three working days to an organisation, to inspect the premises of the organisation and to request "any information" which appears necessary "for purposes of giving effect to the Act."

The second series of Country Roundtables under the theme of Catalysing Local Giving engaged in discussions that created spaces for further dialogue. The issues of leadership and governance, accountability, generation of knowledge, documentation, monitoring and evaluation featured prominently in the second phase. The

role of governance and leadership in laying down the structures and running local resource mobilization campaigns was brought to the fore. The challenges of attracting, training and maintaining program staff in running fundraising were raised. The study revealed that there is a shortage of trained fundraising professionals in the sector. In addition, there is demand for local resource mobilization requiring additional training in partnerships and collaboration.



The generation of knowledge, particularly the compilation and documenting of stories of impact from the work of the community philanthropy actors and CSO organizations participating in development has been advanced by social media and the continued growth of the media space. Challenges in ensuring that this happens have been in the capability of staff to undertake both program and communications roles. At the same time there have been issues whereby limited resources have been dedicated to communications, indicating that it is often neglected.

Monitoring and evaluation tied to the collection, curation, and use of data was another component in resource mobilization. A number of organizations expressed their frustration in not having the full capacity to collect and process information for use. This was partly due to capacity issues but also budgetary constraints. On the other hand, the roundtables revealed a yearning among many of the organizations to marshal sufficient capacity to fully engage in data collection and interpretation as part of the growth process towards self-sufficiency.

Accountability is one of the challenges around resource mobilization and utilisation that was discussed at the country roundtables. For most organizations, the practice has been concentrated on financial accountability where they account for the financial resources which they mobilised and expended. Other aspects of accountability also need to be given attention, such as non-financial resources, talents and human resources offered. The Round-tables brought forth the larger discourse on the participatory approaches to resource mobilization that lend to a more comprehensive accountability mechanism. This includes the call to 'shift the power' from those who have been wielding power as well as the making decisions by virtue of having resources and determining the expenditure of the resources.

4. PROFILING PHILANTHROPY ACTORS

This segment of the initiative consisted of sharing best practices of local resource mobilization in East Africa in a bid to build and strengthen the narrative of philanthropy in Africa. It explored how to stimulate local giving and inspire others to share their best practices. This in turn, was meant to raise the conversation on infrastructure development for local giving.

This part of the project also aimed to give a better perspective of the opportunities that exist, and the gaps that need to be addressed towards growing institutional capacities for local giving to thrive. These included; the legal and operational environment, organization technical competencies in response to the growing needs of the community members and the philanthropy sector.

From the feedback received, the profiles explored how community philanthropy is a powerful force for development and prosperity in East Africa. It also highlights the challenges encountered by local organizations in mobilizing resources locally like identifying funders, establishing trust with beneficiaries, garnering support from local leaders who directly influence decision-making concerning the achievement of the project, and creating a more multilateral relationship with the entire organization ecosystem.

The stories shared reflect the unique experiences of organizations working in the philanthropy sector in East Africa. Understanding how these organizations have managed their operations, their challenges and goals, and the socio-cultural forces influencing them enabled us to identify appropriate areas of learning which include:

4.1. Legal and Policy Environment Influencing Giving

The enabling environment for organizational giving consists of regulatory policy frameworks including other driving factors that affect giving. It is important to note that organization feedback on matters enabling the environment was influenced by their country's regime and organizational operations. Organizations have been deliberate in complying with outlined processes by the government on matters of registration and statutory requirements thus ensuring that they align themselves to the regulatory policies within their respective countries.

While this has been the case, feedback received points to the need to review existing policies on matters affecting the philanthropy space such as tax issues, prolonged registration processes, cashflow controls, and accountability measures. Learning gained from these processes is that organizations' that have been in operation for long have formed relationships with authorities, therefore they do not encounter many interruptions. This has enabled them to operate with more ease in comparison to the newly registered organizations. This directly impacts their resource mobilization processes since many new and upcoming organizations have to take a lot of time in aligning themselves to some of the regulations.

4.2. Partnerships Building for Promoting Local Resource Mobilization

The importance of building partnerships for success was emphasized by the interviewees. The realization that working in silos and combining efforts for the public good was a key lesson drawn from the process. Engaging members of the community allows for more strategic planning, strengthens community identity and awareness, and makes people more socialized to making use of their own potential. It also helps to

create bonds between communities in different areas, and focuses on resolving issues locally instead of waiting for external solutions.

Engagement of local and national government authorities, the private sector, and more have contributed to the success of local resource mobilization by organizations. Working to engage them directly encourages partnerships building, not only for monetary donations but also for in-kind giving, through volunteering, offering pro-bono services, and creating a conducive environment for the organizations to operate in.

More Private Sector engagement has brought the aspect of more structured and strategized engagement with non-profit players other than one-off Corporate Social Responsibility. This emerged as a new trend in partnership between the public and private sector players with actors in the development space. It enables these groups to collectively address a majority of existing social challenges. Organizations such as The Rotary Club of Uganda, and Clean-Start in Kenya have used this method to support beneficiaries to gain access to services that have transformed their livelihoods.

4.3. Intentional Adoption of Technology in Organization Processes and Operations

Technology works best when adopted to bring people together. Organizations are harnessing the power of technology to spearhead organization processes and operations. The successful implementation of online fundraising platforms like Global Giving and M-Changa have significantly raised the fundraising portfolios of various organizations.

Integration of tech in organization processes such as using social media and websites as effective tools of communication has enabled them to reach more communities and share their narrative with a wider audience. Organizations have used technology as a means to support raising their accountability profile. The use of platforms to disseminate knowledge such as report findings and showcase activities has been instrumental in giving organizations an opportunity to demonstrate their accountability and transparency to their donors and partners.

Harnessing technology has aided in increasing youth engagement in matters of philanthropy and fundraising. The use of social media has motivated young people to join campaigns and volunteer their skills to support missions aimed at fundraising for various organizations and raise next-gen philanthropists.

4.4. Promoting a More Inclusive and Diverse Community

Inclusion seeks the participation of individuals from diverse backgrounds in the process. Diversity is the practice of including a full range of perspectives, ideas, and experience in philanthropic decision-making. The organizations shared their perspective on how they have created a more inclusive and diverse community in their operations. This has been witnessed through the creation of interventions directly aimed at supporting persons living with disabilities, working to advocate for policy changes affecting minority groups such as incarcerated women, orphaned children, and unemployed youth to develop soft and hard skills which will enable them to create employment and promote sustainability.

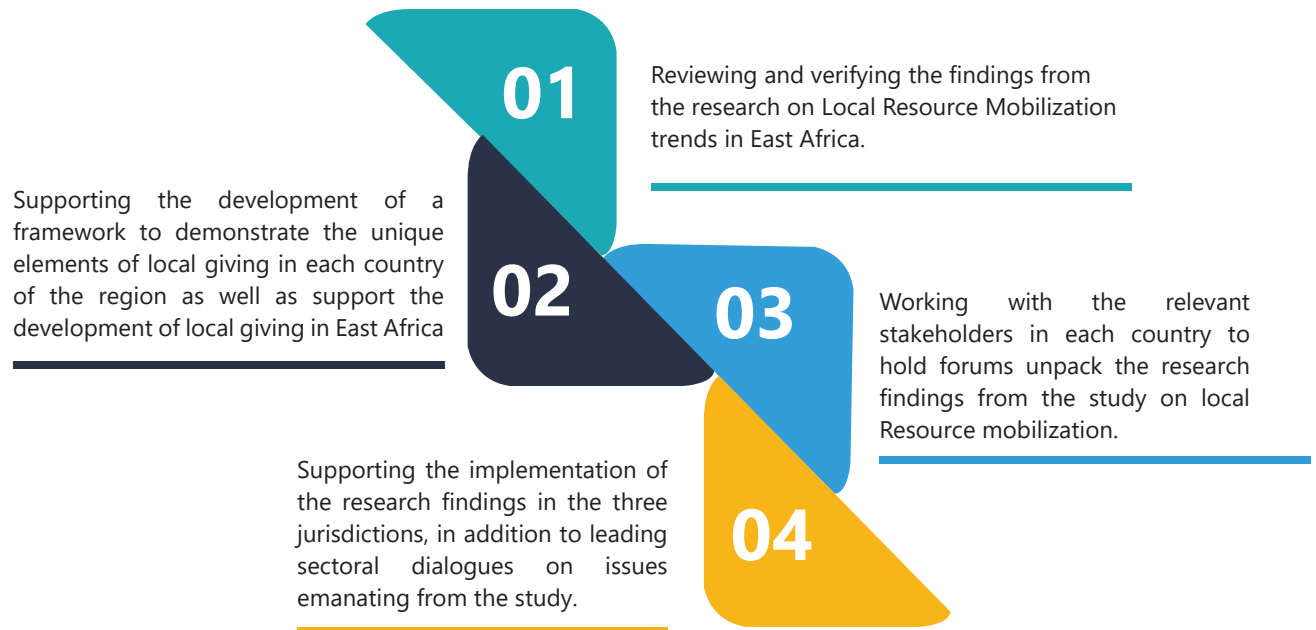
The development of sessions aimed at offering counselling and rehabilitation services to young people has enabled the organizations to gain the trust of the community, as their interventions are seen to positively impact the lives of their members. A lesson learned was that inclusivity and diversity should go beyond sporadic events and organizations should be deliberate in their planning to include minority groups in their daily programs and activities.

4.5. Use of Data in Decision Making

Data-driven decision-making is instrumental for organizations to effectively demonstrate their impact and leverage on filling existing gaps that are present around the work they do. The stories documented indicate that the majority of organizations have set in place data collection and analysis interventions though some may not be as advanced as others. While this is a good indication, challenges arise in the inadequate human resources to support the monitoring and evaluation of the data collected. This has however not hindered organizations from working with existing evidence to influence their decision making. The engagement of volunteers with skills to analyse data has supported organizations to, not only address these challenges, but also improve their existing interventions.

5. EXPERTS HUB AND COMMITTEE OF PHILANTHROPY SPECIALISTS

The technical working committee was formed as part of the process to bring to fruition the study. This team comprises local giving practitioners and experts who will support the creation of a framework to demonstrate the unique elements of local giving and inform the development of local giving in East Africa. The team is responsible for:



The work of the committee of experts while emanating from the current initiative and study continues beyond the life of the project and the team as established continues to engage community philanthropy stakeholders with the view to stimulate local giving and inspire others to share their best practices – in turn, raise the conversation on infrastructure development for local giving.

The proposed framework will support expertise and knowledge on an enabling environment for philanthropy in East Africa. This is an ongoing process which was begun at the inception of the project and will continue to be developed. As it takes shape, the document will benefit from the ongoing discourse on community philanthropy in the region. In addition, the Committee of experts will continue to act as a point of reference for the review and development of the infrastructure of giving in each of the countries within the region. They will also engage at the regional level with the necessary bodies that support the growth and development of the legal and policy framework to enhance local resource mobilization. These will include the East Africa Legislative Assembly, and the secretariat of the East Africa Community.

6. LESSONS LEARNED

The study on Local Resources Mobilization has offered an opportunity to interrogate the state of the infrastructure that is ideal for the support of local giving in the individual countries as well as in the region. Some of the lessons that have come through from this study, the country round tables and the thematic consultations with the private sector and government include the following:

01

There is an urgent need to work together with other stakeholders to enhance a favourable operating legal and policy environment for local philanthropy. We must support the African philanthropy infrastructure to champion and advocate for a broader enabling environment that strengthens the impact of individual and institutional giving practices within various jurisdictions and across the region by working with the regional bodies.

02

The process to attain a strengthened philanthropy through partnerships and collaborations, including multi sectoral collaborations is a continuous one, and will require more investment in time and resources.

03

In order to establish efficient mechanisms for shared learning through relevant communities of practice, we need to organise power in ways that benefits the local mobilization of resources to grow community philanthropy movements, communities and activists who have a burden for inequality, discrimination and stifling of voices that lead the agendas of transformation.

04

To increase the knowledge base of philanthropy by strengthening the capacity of organizations to manage information, we need to set up structures that will sustain and grow good practice and knowledge. These structures should explore useful resources, build solidarity and enhance learning from one another on the topic of local resource mobilization and growth in community philanthropy. Knowledge should be shared to collectively enhance and apply the relevant data to strengthen philanthropy.

05

In order to enhance awareness on the value of local philanthropy we have to leverage the community philanthropic narratives and agendas as a means to influence the national, regional, and global discourse. This can be done by taking ownership of shaping our own agendas and narratives on power using creative tools, data and the power of social media.

06

We must strengthen intellectual and practical knowledge bases, by grounding them within narratives that value and legitimise community philanthropy.

7. RECOMMENDATIONS AND WAY FORWARD.

The Future of philanthropy is in the community model that gives power to the individual (to express themselves in their unique giving), the local communities (who are both the drivers of change and the home to all the activities), and processes as diverse expressions of philanthropy.

First of all, the structural recommendations from the study require more than just a few rounds of consultations and suggestions to the different stakeholders across the region.

Evidence from other sectors which have made great strides in influencing policy and legislation that supports practice indicate that there has to be **comprehensive plans in place**. These should be rolled out through sustained **advocacy** and the creation of multiple **partnerships** which will deliver the desired results.

Advocacy is imperative for the review of existing legal frameworks relating to philanthropy and the development sector especially in Uganda and Tanzania. The stringent measures put in place by the governments in these countries significantly impact organizations' operations and processes, thus infringing on the overall growth and strengthening of the philanthropy movement.

Second, engaging the private sector is an intricate affair that requires a drawn-out process.

This initiative took **steps** in this direction and has started the necessary **action** towards **engaging** the private sector through the appropriate bodies that bring the members of the private sector together. In Kenya we approached the Kenya Private Sector Alliance (KEPSA), in Tanzania, the Tanzania Private Sector Foundation (TPSF). and in Uganda, the Private Sector Foundation of Uganda (PSFU). These organizations were contacted and engagements have been initiated.

Third, the Community philanthropy framework envisioned in this project could only be started at this phase of implementation.

The Committee of **experts** was formed and is currently working in their specific countries to **initiate** the necessary deepening of community philanthropy. They will need a continuous **forum** within which they can gather and bring their learnings for consolidation and later dissemination. It is through these fora that the committee of experts will enrich the draft framework which they have started working on. This will be a culmination of a set of activities which will have to be carried out in each of the jurisdictions. Common forums should be organized, where evidence gathered from practice can be supported by robust consultations from the sector.

Fourth, the development of the capacities of community philanthropy actors, particularly in local resource mobilization will be a continuous process and not a one-time undertaking.

From the study and the consultations that have been carried out throughout the region and with various stakeholders, the **growth of community philanthropy** will need to be at the centre of the 'shift the power' and 'delocalization' discourses at various fora.

In order to implement the above recommendations, there is a need to seek an extended partnership with ICNL in order to ensure the continuity of the great work that has begun during this phase of the initiative. The way forward includes;

1

An opportunity to fully **operationalise** the **experts** committee and the **hub** on community philanthropy in the region.

2

Developing the **Framework** on community philanthropy into a fully functional document that will inform policy and legislative processes within the countries. This will also support an all-encompassing process of establishing a favourable environment to boost the growth of local giving.

3

Engagement of philanthropy with both the government and private sector which has started in this first phase of the initiative will need to be deepened and well established in order to create and facilitate multi sectoral **partnerships** and **collaborations**.

4

There are **opportunities** to grow some of the **models of local giving** that were cited in the report. There is a need to enhance the **awareness** of the potential and platforms for local giving. It is also important to improve **access** to giving tools and platforms such as Alumni giving and others that emerged in the course of the discussions at the country levels.

5

The adoption and use of **technology** in harnessing the local resources for the growth of philanthropy in the region will need to be supported through the enactment of facilitative laws and policies. This will include the collection, collation and use of reliable **data** by local philanthropy actors.



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