

GIVING CIVIL SOCIETY THE RIGHT RESPONSE

National policy responses for supporting philanthropy, giving and civil society across the world in the context of COVID-19

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FOREWORD

The COVID-19 crisis has created hardship around the world that would have been beyond the imagination of many people, just a few months ago. It has led to scrambled, sometimes chaotic, attempts by countries to stop the virus spreading, shore up health systems and find ways to support struggling businesses. For organisations working within civil society, such as CAF, it has at times also exposed how the sector is undervalued by governments and why this attitude needs to change.

When the pandemic arrived, charities, NGOs and other civil-society groups mobilised millions of volunteers and raised billions of pounds to help counter its effects. They become the informal health and welfare systems in many countries. The only voice of some of the people hardest hit by the disease and its economic fallout.

But, as this report details, governments around the world have not given civil-society organisations (CSOs) enough support during the last few months – sometimes even deliberately impeding their work. They have also failed to realise how valuable CSOs can be in engaging the public and finding solutions to numerous problems, during the pandemic and beyond. This is nothing new – policymakers have long seen civil society as little more than an alternative provider of frontline services, underplaying its wider contribution to inclusive economic and social development. Yet COVID-19 has shown, more than ever, what a missed opportunity this is for hugely important, positive collaboration. We want governments to work with strong, independent CSOs to create real inclusive economic and social progress worldwide and to help countries meet the UN's Sustainable Development Goals.

This report is full of clear, accessible examples of good and bad government policy decisions across countries in reference to civil society during the pandemic. It also provides numerous lessons that can be applied now – whether or not new vaccines quickly improve the current situation – and long into the future. Though some come from countries in the global South, they are highly relevant for the global North too.

Funders and civil society can use this report as the basis for conversations with governments to try to reset their thinking. We cannot afford to squander this potential moment for change that COVID-19 has created.

I would like to thank all the experts and practitioners who have contributed their time and insights to this report. This has included our CAF Global Alliance partners, the Charles Stewart Mott Foundation, network members of WINGS and the Euclid Network, the European Foundation Centre, the Donors and Foundations Networks in Europe, and many more.

It is my sincere hope that the paper serves as a valuable resource for funders, civil society and governments in the vital work that we all do.

Neil Heslop,
Chief Executive Officer
Charities Aid Foundation



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ABOUT CHARITIES AID FOUNDATION

Charities Aid Foundation is a leading international charity registered in the United Kingdom. We exist to make giving go further, so together we can transform more lives and communities around the world. We are a champion for better giving, and for over 90 years we've been helping donors, companies, charities and social organisations make a bigger impact.

CAF is a founding partner of the CAF Global Alliance, a leading international network of independent and locally-led organisations working at the forefront of philanthropy and civil society. The CAF Global Alliance includes partners from Australia, Brazil, Bulgaria, Canada, India, Russia, South Africa, United Kingdom, and the United States.

We are CAF and we make giving count.



EXECUTIVE SUMMARY

Civil society is a vital part of the COVID-19 response across the world, stepping in where government capacity for providing basic necessities is lacking, or supporting and complementing rebuilding efforts. However, civil-society organisations (CSOs) face immense financial and operational pressures, as funding collapses and many are forced to suspend operations. As the pandemic crisis evolves and its impacts extend far beyond public-health challenges to wider social and economic ones, government support for civil society becomes ever more necessary. It is vital that governments act now if – new vaccines or not – we are to effectively respond to any new waves of the virus, and stand any chance of achieving the UN Sustainable Development Goals by the original target of 2030.

This report examines a range of government responses to civil society during the pandemic – from active, targeted support to ignoring or even competing against the sector – and what this means for rebuilding efforts. We place a particular focus on government responses aimed at unlocking individual giving and philanthropy. Using desk research, roundtable discussions and informal interviews, we have collected an evidence base of good and bad policy practices, with recommendations for how governments of varying capacities can improve their response.

The following trends in policy practice were observed:

- Some specific stimulus packages for civil society were seen in the global North. But the dominant trend is for measures aimed at the wider economy that either ignore or only incidentally apply to civil society.
- Positive steps have been taken on tax relief in countries such as Russia, Belgium and South Africa to encourage individual giving. But there are few flagship campaigns to leverage giving across sectors.
- Many countries have used the crisis to clamp down on civic space and civil society. This has included restrictions on cross-border giving and increased government competition with civil society through centralised government COVID-19 funds that often lack accountability or transparency.
- The crisis has shown the need for better civil-society infrastructure¹, particularly in the global South where there is chronic underfunding. Civil society's strength has often been in its self-organising ability and coordinated voice, but it requires more support to maintain this.

We provide two tiers of recommendations, to account for differing levels of government resources. The first tier is a core foundation, in which governments can support civil society by:

- Proactively engaging CSOs early and consulting on policy design during a crisis and beyond.
- Developing resourced multi-stakeholder, cross-sector forums and partnerships with a range of CSOs and funders.
- Developing a strategic view of civil society that sets a clear and appropriate boundary between government and civil society and work to coordinate efforts.
- Leveraging philanthropy by supporting flagship campaigns and giving that support civil society, rather than centralised funds. Governments with more resources should provide targeted support through match-funding.
- Recognising the value of infrastructure organisations and understanding the resourcing ecosystem CSOs need. Better-resourced governments should provide support whilst ensuring infrastructure organisations' independence.
- Taking proportionate and time-bound measures to tackle the crisis, whilst improving rather than restricting the operating environment for CSOs to encourage giving. This could include reducing administrative and tax burdens.

¹ Infrastructure is a catch-all term for the support function of civil society, enabling CSOs to do their work more effectively and efficiently, while helping them connect and grow their engagement with stakeholders.



INTRODUCTION

It is vital that governments recognise the crucial role of civil society and philanthropy² in the immediate response to the pandemic and their part in continuing to build the resilience of our communities. Governments should therefore consider how civil society and philanthropy can be harnessed to support and complement their own rebuilding efforts.

The case for change is clear and urgent. Civil society is doing [all it can](#) to support communities and respond to the devastating impacts on communities. At the same time, COVID-19 has put civil society across the world under immense pressure and many organisations need help just to survive. [CAF America's survey](#) of more than 800 charities across 122 countries found that 60% were eliminating or suspending some regular programmes and services, with almost 15% forced to suspend operations. Another survey in May by [ALNAP](#) of African CSOs showed that 78% believed COVID-19 would have a “devastating impact on the sustainability of many CSOs”. [CAF's polling](#) found in April 2020 that 54% of charities could only continue operating in their current form, assuming no extra help became available, for up to 12 months. Further [global polling](#) found small minorities (9-33%) could survive more than 12 months without support. Despite this, a global survey in June 2020 by [CIVICUS](#) found that only 4% of organisations benefitted from additional funding or improved support.

Wider systemic issues mean that if governments are not well set up to respond to crisis events, the shift into ‘crisis mode’ can deprioritise civil society. Policymakers must instead step in to support CSOs and the wider social economy so that they can continue to support communities affected by COVID-19 whilst ensuring their longer-term resilience in the years to come. New surveys of the sector are already showing that faith in government planning for future crises has been [shaken](#). It is important, however, that measures to tackle the crisis cannot, in turn, result in constraints on civic space, rights and freedoms, and the wider operating environment for civil society.

We have failed to learn effectively from the lessons of the past in many areas. So it is unsurprising that we find ourselves reiterating recommendations for best practices that are already widely recognised (such as multi-stakeholder partnerships to inform policymaking). But we are now presented with the unique opportunity to think in a considered way about the policy elements we must have in place to respond to crises in a timely, effective and inclusive manner. It is also a chance to review our understanding of the role and value of philanthropy, giving and civil society to the communities they represent and serve, and the government's relationship to the sector. This is crucial because ongoing issues, such as climate change, migration, conflict and technological change, mean that there is a high probability of future crises.

This paper looks at policy responses that sit at the intersection of giving, philanthropy and government support for civil society. We highlight examples of good and bad practice in an attempt to distil and implement lessons regarding the use of giving for crisis response and sector resilience. Our desk research was accompanied by roundtable discussions on the draft findings with European experts³, [CAF's Global Alliance](#) partners, [WINGS](#) and [Euclid Network](#) members, partners across Africa, global informal interviews and a joint report – “[Rebuilding for Good](#)” – with [CIVICUS](#) and AGNA network. We see this as work in progress due to the evolving nature of COVID-19 and policy responses. Our findings are a snapshot of the wider context.

2 With the term ‘philanthropy’ we refer more to the work of institutionalised organisations and larger individual donors, as well as different types of public, private and corporate funders. We use the term “giving” to refer to all types of giving behaviours (financial, in-kind, volunteering), but in particular engagement with mass giving by individuals.

3 Association of Charitable Foundations (ACF), Ariadne Network, European Center for Not-for-Profit Law (ECNL) European Foundation Centre (EFC), Donors and Foundations Networks in Europe (Dafne), Euclid Network, Global Dialogue, King Baudouin Foundation



Prior context is significant. While the relationship is by no means homogenous, the balance between the role of state, civil society and philanthropy has long been unclear. Civil society is often seen as “on top of” a government’s crisis response, rather than as an integral strategic partner. Philanthropy can also sit in a slightly separate space to wider civil society. Policymakers’ interest in philanthropy as a source of additional funding can be inferred from references to it in bailout packages, support for public-private partnerships and match-funding, and some movement around tax incentives. However, we believe that it is important to resist the narrative that philanthropy can be an alternative to adequate public funding and be asked to “fill the gaps”. The scale of philanthropy (and giving in a wider sense), the distribution of resources and the methods for holding it accountable, all make it unsuited to this task. Therefore, it is important that those seeking to promote a positive narrative about government support for philanthropy are clear about its role. As a result, our primary interest is in looking at policy responses designed to incentivise philanthropy and giving *as a means of resourcing civil society*.

GENERAL OBSERVATIONS – UNEASY RELATIONSHIPS BETWEEN GOVERNMENTS AND CIVIL SOCIETY?

Looking across countries, a picture emerges of rather unsatisfactory links between civil society and government, with the latter misunderstanding the wider funding and giving environments that underpins the former. There is a renewed interest in philanthropy (for example, the Coronavirus Global Response, led by the European Commission, includes large philanthropic commitments). But it remains to be seen whether this goes beyond seeing philanthropy mainly as an additional financial resource. Considering the practices and lessons summarised in the policy responses and lessons learnt section, there are a range of emerging themes or similar attitudes towards civil society that colour government responses:

Civil society as an afterthought. While not exactly obstructing civil society's ability to operate, many governments provided minimal support relative to resources available. We see few to no examples of proactive tailored responses or sector-specific stimulus packages. Where present, they fall short of addressing the level of financial need and are less sizeable than the support for other (sometimes smaller) sectors. Policymakers have prioritised the economic or business sector response. Many support schemes for businesses have been opened up to civil society, but in such a way as to be *retrofitted* to CSOs. A general assumption is that services can just “stop now and resume later”. This ties in with the observation that CSOs are not seen as central to a strategic response to the crisis.

Civil society as an occasional partner. Some governments are beginning to understand the value of civil society, providing more tailored fiscal support (often after much lobbying on the part of civil society). However, there is no strategic view of how to effectively leverage philanthropy and individual giving. The realisation that civil society can play an important role often only comes late, and even then falls short of putting civil society at the heart of the response. Despite many mobilising initiatives, there is a lack of strategic deployment of volunteering resource. The view persists that civil society comes “on top of” and is not an integral part of a successful response. Finally, there are also very few cases of flagship campaigns supported by governments on a national level to leverage corporate and other philanthropy and individual giving (looking at a positive example the UK used match-funding in various ways).

Civil society as an obstacle and competitor. Other governments see civil society as a barrier to wider political goals. They will create regulation and legislation which impedes the ability of CSOs to fundraise, receive donations, access support or even operate. Some act as if in competition with civil society by tailoring tax incentives or setting up centralised government funds to collect donations, funnelling funding away from CSOs with little accountability and transparency. The Turkish and Ugandan government, for example, have made themselves the collector and distributor of all COVID-19 aid, demanding central approval for local efforts. In the context of the pandemic, there is also concern about the acceleration of closing civic space. Some states which generally view civil society as an obstacle are using COVID-19 regulations with the intended secondary effect of inhibiting civil liberties. Countries such as [Algeria](#) and [Uganda](#) have been accused of using the crisis to clamp down on civic action that is critical of the government.

POLICY RESPONSES AND LESSONS LEARNED

CAF has created a public [global policy framework](#) that forms a repository of examples of good and bad policy practice directed at civil society in response to Covid-19. This is a live document and your input of further examples by readers of this report which is invaluable.

Our analysis has identified lessons learned across four areas:

- government support for civil society and working in partnership
- government support to unlock giving
- the wider operating environment for civil society and civic space
- the role of infrastructure in affecting policy change

We aim to present insights that hold across different national contexts and showcase best-practice examples for policymakers to leverage philanthropy and individual giving for enabling civil society. This applies across the crisis response, the rebuilding phase ahead of us, and in our preparation for future crises.

Government support for civil society and working in partnership

In responding to meet increased demand as a result of the crisis, civil society is continuing to demonstrate its vital role. This needs to be recognised, in particular in countries where, battle-worn by a long process of austerity and denigration, civil society has been pushed down the political agenda. Limited government resources and the impact of other pre-existing challenges and crises (such as climate change) mean civil society is a vital lifeline for millions.

MAIN TAKEAWAY

Governments should consider how CSOs can be leveraged as strategic partners in the COVID-19 response. Rather than seeing civil society as an afterthought, governments should be designing response packages specific to the sector, tailored to CSO needs and operations, and coordinating closely with the sector from the outset.

Most support, if present, comes from retrofitting wider economic measures to CSOs. Governments should instead be designing civil society sector-specific stimulus packages. We are seeing eligibility criteria based on the “old reality”, and unrealistic timelines for dispersal. Taking note of CSO needs, fundraising channels, legal forms and operating models is important when designing support. So is understanding the funding ecosystem and mixed-income models that CSOs use when deciding on scheme thresholds and application criteria.

These packages and measures should not solely focus on “frontline” organisations, as this does a disservice to those CSOs that provide invaluable work for society but do not have an obvious direct role in a pandemic response. The latter falling through the cracks will have long-term negative consequences for the communities they serve. It will also undermine the sustainability of a pluralistic and independent civil society, which is crucial for healthy democracy and civic participation.



These [fiscal] measures are not to help or save civil society, it is about big corporations and the result of economic pressures.

Source from Turkey

Sector-specific stimulus packages

The **UK** has introduced a [£750m support package](#) for frontline services and small charities. Whilst this represents a notable sector-specific response, it falls short of anticipated need. Questions were raised around effective and equitable distribution as calls for earmarking resources for marginalised groups have recently started to be addressed.

Job retention and loan schemes opened up to CSOs

UK charities were able to make use of the [furlough scheme](#), with the government paying 80% of staff salaries for hours not worked. They also benefited from the Business Interruption Loan Scheme, though initially requirements on trading ruled out many CSOs.

Germany introduced a wage subsidy that CSOs can use for staff who have had to reduce their working hours (although job retention and other [measures that can apply to CSOs do not seemed to have covered all cause areas](#)). **Italy** has [extended](#) job retention measures to CSOs.

Job-retention measures that keep charities meeting demand

Australia introduced a less generous [wage-subsidy scheme](#) than the UK (A\$1,500 a fortnight), but staff were able to keep on working. This helped CSOs to reduce their financial burden whilst still delivering much needed services. CSOs only need to show a 15% reduction in turnover to be eligible, as opposed to 30% or 50% for for-profits organisations, depending on size.

Lack of sector-specific stimulus packages and guidance on how they apply to CSOs

Stimulus packages specific to CSOs were often not created, or only created because of significant lobbying efforts by CSOs (as was the case across Europe). In many countries, such as **Switzerland**, **Portugal** and **Spain** there was initially little or no specific information on how stimulus schemes applied to CSOs. In **Turkey**, stimulus packages, credit and relief schemes [overwhelmingly prioritise](#) the private sector and only incidentally apply to CSOs. **South Africa** similarly designed schemes for the [wider economy](#) only.



Insights from Kenya – Local giving and civil society provide a lifeline

Kenya's “informal welfare system” is an essential part of the social fabric and has acted as a safety net, especially during COVID-19. It is underpinned by a philanthropic ecosystem, including individual giving and mutual aid. For example:

Community networks have identified vulnerable households. These have been linked with families and individuals able to offer financial support. Volunteers and activists are also going door-to-door with food donations.

Grassroots groups and faith-based organisations in informal settlements and other low-income areas are donating money, food and hand sanitisers, and carrying out information campaigns.

Local online fundraising platforms, such as [M-Changa](#), and social media are publicising the experiences of those most affected by the mitigation measures, and mobilising resources to support them.

Fiscal stimuli, however, relies on resources which are not available in many countries and most examples come from wealthier nations. Less well-off governments need to collaborate with civil society even more, as CSOs, their underpinning infrastructure and philanthropic support have an even greater role in the pandemic response where national resources are sparse. Unfortunately, a global survey in April by [WINGS](#) of both their Philanthropy Support Organisations and funder members found that almost half were not currently working with governments. A survey run in Africa by [ALNAP](#) found that 71% of respondents believed that government had failed to utilise local CSO skills. Discussions with participants in the region highlighted also that government have struggled to capitalise on new forms of giving.

There are also positive signs that governments are starting to engage with civil society in more innovative ways. For such engagement to be effective in the crucial early stages of a crisis, better coordination and policy design, collaboration forums and resourcing or building up new cross-sectoral partnerships and networks are required. These need to be active between crises, so that they are in a strong position to respond and coordinate effectively when the time comes.



Cross-sectoral partnerships and collaboration platforms

European networks have developed the platform [Unitus Europe](#), the European Philanthropy and Social Investing Impact Hub. It aims to support suppliers of funding, such as foundations, social investors and public funders, throughout and beyond the COVID-19 crisis, with a focus on trans-national activities in Europe and globally.

In **Europe**, the Transnational Giving Europe platform has [partnered with the WHO](#) under the COVID-19 Solidarity Response Fund, which allows donors to benefit from tax-efficient giving and incentivises international solidarity alongside cross-border giving.

In **Italy**, for the first time a philanthropic institution has received public accreditation to run the civil youth service. The scheme is funded by the government and enables young people aged between 18 and 28 to do 12 months of service at a CSO.

In **Portugal**, the national volunteering program will help vulnerable groups and is open to people who have been laid off and want to begin volunteering.

In **Tunisia**, a national group of around 600 CSOs have [coordinated with the government](#) at local national level to help with food distribution.

Indonesia has created the website Indonesia Bergerak to track COVID-19 cases [in partnership with CSO expertise](#).

Governments have a range of options when it comes to supporting CSOs during a crisis. In this paper we can only account for a few important measures and there are more policy changes happening at the national level. However, there are a range of overarching principles that we can identify when looking across different measures applied. The below provides some examples based on the country examples and practices that we collected as a part of our crowdsourcing effort.

Area	Measures and initiatives	Overarching principles
Financial stimulus and other support measures	<ul style="list-style-type: none"> ■ Targeted stimulus packages including direct funding, state aid and other subsidies ■ Targeted furlough or wage subsidy schemes ■ Expansion of existing measures for businesses to CSOs ■ Tax holidays or referrals for CSOs ■ Changes to procurement system and contracts, as well as government grant-making 	<ul style="list-style-type: none"> ■ Consult with umbrella and sub-sector bodies on design of measures ■ Account for different legal forms and funding environments and mixed income models of CSOs, and overall ability to “stop now and reopen”. Review the changing civil society landscape regularly to support new forms of organisations ■ Review eligibility criteria and timelines for application and implementation of programmes so they are based in the new reality rather than the old (for instance, are they realistic for CSOs and do they take account of their governance and funding models? Are emerging CSOs that have a limited track record covered?) ■ Review options for funding and covering core costs, and keep spending and repayment conditions flexible ■ Apply below-market rates that are affordable for CSOs and help them manage risks ■ Look for options to relax contract and bidding conditions (eg relaxing requirements, timelines, deliverables) ■ Account for impacts by other sectors on CSOs due to a crisis (eg financial services industry restricting overall access to bank accounts across the board, providers increasing prices etc) ■ CBOs/FBOs/CSOs need to be grant ready even when barriers to entry are lowered ■ Ensure transparency and accountability measures are in place when partnering or providing support. ■ Invest in digital and analytical services and capacity for CSOs to strengthen use of data and evidence
Loan, guarantee and investment schemes	<ul style="list-style-type: none"> ■ Targeted loan schemes underwritten by government (eg bridging loans) ■ Repurposing funds and investment vehicles (eg opening up vehicles intended for business to CSOs) ■ Lowering regulatory barriers for funders to become direct investors, engage with venture philanthropy and social impact investment ■ Changes to insurance schemes (eg underwriting additional risks, introducing options to lower or defer payments) that help CSO clients of providers 	
Partnerships and platforms	<ul style="list-style-type: none"> ■ Setting up specific funds (eg to increase sector resilience, digital etc) ■ Support for new platforms that match supply and demand (eg around volunteering, funding, resourcing across sectors, social investments) 	

Government support for unlocking giving

Policymakers often take a narrow view of philanthropy and giving or act from the perspective of specific cause areas, with a view on how CSOs fit into traditional industry silos instead of viewing the sector as a whole. A wider narrative on the role and value of philanthropy and giving in its broader sense – i.e. exercising basic civic rights when engaging in giving (small and large, financial and non-financial) – seems to be lacking across most countries.

MAIN TAKEAWAY

Governments should take a strategic view of philanthropy and individual giving, using incentives, flagship campaigns, partnerships and platforms as well as informal welfare economies and volunteering to unlock further philanthropic resources. These incentives should build upon existing local cultures of giving. This strategic view must recognise and publicly celebrate the contributions and value of philanthropy and individual giving.

CAF's research into giving environments globally highlights the importance of all forms of giving in nurturing inclusive, long term, sustainable development that speaks to local needs. As a first step to unlocking giving, governments should avoid creating or sustaining barriers to giving (local and cross-border), centralising funding or acting as a competitor to civil society. Without this amenable environment, governments cannot begin to use incentives or leverage giving more effectively to help mitigate this and future crisis situations.



If I am a philanthropist there are no incentives to give [in Brazil], even worse I have to pay to donate

Source from Brazil

Tax incentives are powerful tools for governments to help unlock giving. However, many governments risk crowding out ordinary givers due to incentive structures that are inaccessible, onerous or limiting in the causes that can be supported. CAF's "Donation States" report provides a comparison of practices as well OECD's recent report on taxation and philanthropy across 40 countries.

Awareness and accessibility of these incentives can be improved. For example, by simplifying eligibility criteria, ensuring tax deductions apply to different transaction methods (such as phone-based donations, prevalent in particular contexts) or providing options to claim tax relief. These should apply in cross-border contexts as well. Governments have closed borders, but as the pandemic is global in nature and requires coordinated global action, it remains crucial to facilitate the cross-border flow of philanthropic resources from organisations and diaspora communities who want to maintain strong ties with their home countries (while maintaining transparency, accountability and compliance).

Positive steps must be scrutinised. The development of specific tax incentives, as opposed to a generalised subsidy to civil society as a whole, may have intended or unintended negative consequences. These might include the prioritising of certain causes more palatable to the government, or diverting greater amounts of private finance to the COVID-19 response, perhaps in place of inadequate public funding and to the detriment of other causes. CAF's reports, "Rules to Give By" and "Donation States" explore the relationship between tax incentives and donations across countries, also providing policy recommendations.

Use of tax incentives for giving to support the crisis response

The **Russian** government [provided tax breaks](#) for business to donate to CSOs providing social services. All donations were made tax deductible. It also wrote off all taxes except VAT for CSOs in the second quarter of 2020.

The **Belgian** authorities doubled [tax deductibility for donations](#) from 10% to 20%. Tax deductions to approved institutions (including many CSOs) have also increased from 45% to 60%. In [September](#), the Flemish region reduced tax rates for gifts and legacies to charities to 0% to encourage giving.

South Africa [extended](#) tax relief measures up to 20% (from 10%) when donating to the Solidarity Fund, a government-initiated but independent fund.

There are also negative examples. Reform plans in **Brazil** will increase tax on donations. These could come without an exception for philanthropic donations, potentially adding financial pressure to the sector.

We have seen few flagship campaigns to leverage giving that cut across sectors (civil society, business and public). Nevertheless, the pandemic has also furthered democratising developments in philanthropy. There is a wide diversity in who is giving and, in some countries, an increased understanding of the value of variation in giving methods (both financial and non-financial). These include in-kind donations, volunteering and communities sharing resources. CivSource Africa, for example, chronicled the generous response to the crisis from organisations and individuals [in Uganda](#). The National Response Fund to Covid-19 stood at over 17bn Shilling (sh) (around 4.5m USD) in cash donations and pledges (as well as over sh33 bn in in-kind donations) [in late June of 2020](#). Donations came from a range of sources, such as private companies including staff contributions, but also individuals and larger private donors.

Big philanthropy and engagement with mass giving by individuals require different incentives but should be leveraged in complementary ways by policymakers. The wider question remains: have governments really recognised and understood the value of informal giving, mutual aid and community response? From roundtable discussions, many participants noted how governments struggle to understand and capitalise on this form of giving and support it through match-giving or other support measures.

Campaigns that build on a cross-sectoral philanthropic response

Pledges made since May 2020 under the [Coronavirus Global Response](#) initiative led by the European Commission are totalling almost €16 billion. These were made by the EU, national governments, corporates and foundations.

In the UK the government provided match-funding for a large TV fundraising appeal called the [“The Big Night In”](#) led by BBC Children in Need and Comic Relief that raised over £70m including £20 million for the [National Emergencies Trust](#). Another £85m (coming from a £750m charity stimulus package) was used as match-funding for the Community Match Challenge. A range of philanthropists and foundations brought the total amount of funding to £170m.

The [WHO COVID-19 Solidarity Response](#) fund for a global response has raised \$1.55bn, including large contributions from national governments such as Germany, the UK and Kuwait. Individuals can also donate to the fund, which leveraged platforms such as [Transnational Giving Europe](#) to facilitate further donations.

In all government approaches to unlocking giving at this time, a balance must be struck between celebrating charitable giving, and using philanthropic resources to compensate for insufficient public spending.

The table below provides some examples of possible measures based on the case studies and practices that we collected as a part of our crowdsourcing effort. It also lists the overarching principles that should be considered when implementing or applying them.

Area	Measures and initiatives	Overarching principles
Tax and regulatory changes	<ul style="list-style-type: none"> ■ Top up or expand existing tax incentives for charitable giving ■ Introduce new tax incentives for giving, volunteering and in-kind donations ■ Credits for individuals to spend on CSOs ■ Introduce or make (temporary) changes to spend-down rules for funding vehicles which are time-limited to the crisis ■ Tax incentives should support a diversity of causes 	<ul style="list-style-type: none"> ■ Co-create with umbrella and sub-sector bodies on design of measures as well as identifying needs of communities and groups on the ground ■ Review eligibility criteria and timelines for application to make them inclusive for different types of CSOs ■ Review timelines for implementation, extending them beyond financial years as this can limit the type of programme and intervention that could be developed
Promoting giving and existing solutions	<ul style="list-style-type: none"> ■ Introduce new giving campaigns or amplify existing ones ■ Support for big philanthropy and CEO pledges ■ Support to further roll-out existing giving mechanisms (such as pay-roll giving) ■ Support for scaling up existing (digital) solutions for giving ■ Match-funding programmes ■ Invest in awareness raising campaigns of the positive impact of CSOs giving ■ New government-led funds or funding vehicles 	<ul style="list-style-type: none"> ■ Look for options to fund and cover core costs ■ Make measures time-bound and introduce review and sunset clauses where needed (eg to avoid governments picking winners over time) ■ Account for crowding out or redirecting giving away from other causes ■ Do not use government vehicles for overreach and overt control of the response ■ Work in partnership and apply a lens of philanthropy and giving beyond being a financial resource (eg looking for expertise, the value of informal giving and mutual aid) ■ Maximise and account for existing systems and channels for giving ■ Ensure the additionality of giving (eg it cannot plug gaps in public spending on services or replace other government measures) ■ Map the existing giving landscape, especially motivations and drivers, to build upon existing cultures of giving without cannibalising them

The operating environment for civil society and civic space

The “operating environment” for civil society includes laws and regulation that affect CSOs, as well as wider societal norms and government attitudes and approaches towards civil society. This includes CSOs’ ability to advocate for change and to challenge government, the ability to operate and fundraise (also across borders) without barriers, and the legal recognition of CSOs. More broadly, civic space is the varying status in a given context of citizens and CSOs being free and “able to organise, participate and communicate without hindrance”.⁴

MAIN TAKEAWAY

Governments should create an operating environment that is not just tolerant, but supportive of civil society. This means protecting civic space and the ability of civil society to advocate for change, safeguarding and developing a legal and regulatory space that clearly defines civil society and its composition. Organisations should be allowed to flourish, rather than being restrained or in competition with the government.

In the context of the COVID-19 crisis, many CSOs are having to make trade-offs between public health and civil liberties, with little guidance on how to protect rights and freedoms. In some cases, governments are using measures designed to counter COVID-19 to target CSOs and accelerate the closure of civic space.



The PM CARES fund [in India] is in competition for organisations like us. Funds which could have gone to us now go to the government. No one knows how, why or when it is going to be spent.

Source in India

COVID-19 a pretext to crackdown on civic space

Tanzania has seen laws limiting free media, electronic communication and public use of statistics. [Broadcasters have been suspended and fined](#) for allegedly “transmitting false and misleading information” while the government claims the country COVID-free.

In **Albania**, the use of armoured vehicles with machine guns to patrol the streets was seen as [government overreach](#) in controlling public life in the early stages of the crisis.

Slovakia, Russia and Hungary saw proposals for government institutions to be allowed to access data from telecommunications operators that raised privacy issues.

India has frozen Amnesty International bank accounts forcing the organisation to suspend all campaign and research operations as part of a [wider crackdown](#) during the crisis.

South Africa is considering an extension of laws to control movement of the population after the current phase of lockdown. These laws do not require any parliamentary approval.

CSOs often operate on the ground and have a first-hand view of how policies actually impact communities. Their ability to monitor responses, provide feedback and advocate for improvements can bring tangible benefits to the crisis response. From this perspective, the issue of civic space is also linked to the effectiveness of government responses.

⁴ <https://monitor.civicus.org/whatis-civicspace/>

Civil society advocacy helping to improve COVID-19 policy measures

In **Singapore**, migrant workers were revealed to be living in poor living conditions, which were exacerbating transmission of COVID-19. CSOs quickly pushed the report onto the national agenda and [successfully lobbied](#) for new temporary living conditions, free masks, sanitiser and food services for those under quarantine. A task force has now been set up to provide support for foreign workers.

In **Malaysia**, CSOs have [successfully lobbied the government](#) to allow them to distribute food aid, where during the early stages of the crisis only the army could provide relief. CSOs have also noted a [general improvement](#) in communication from the government.

ICNL is monitoring global responses to the pandemic, with a focus on the effect of emergency laws on civic freedom and human rights, to inform and improve advocacy efforts. CIVICUS Monitor [launched a report](#) in December 2020 highlighting fundamental freedoms backsliding across the world.

Complex regulatory environments for civil society (or lack of proper implementation thereof) exist in many countries. CAF's research into the charitable giving landscape in [East Africa](#) found inadequate registration systems and inconsistent enforcement, increasing administrative burdens and costs for CSOs. The lack of clear legal definitions for different types of CSOs can severely impact their ability to make use of government support schemes, undermining their ability to do vital work in the pandemic responses.

Issues around legal definitions and eligibility criteria

Turkey has no separate legal definition for social enterprises. As a result, government support has only reached the organisations that fit existing categories, such as larger social enterprises which can be classified as Small and Medium Enterprises (SMEs). Around 10% fit no legal definition and therefore struggle to receive and provide support.

German subsidy schemes for businesses, which are open to some CSOs, require organisations to prove they are profitable. Many social enterprises that do not operate on this basis have found they are ineligible, despite having been financially sustainable before the crisis. However, Germany has [taken steps](#) to further define social enterprises and remove barriers to funding.

Regulatory changes can also be used to stem or exert control over flows of philanthropic funding and create added financial strain on CSOs that are already struggling to fundraise as a result of COVID-19. Changes to the wider regulatory environment, such as those that impede cross-border giving, are especially detrimental at a time when international solidarity and reaching the most vulnerable is important. However, there are some cases of increased cross-border flexibility, with platforms created outside of the government, such as the [TGE's Transnational Giving Platform](#) providing exemplars which governments can follow. TGE is an example of both creating mechanisms to support tax-effective cross border giving, and national infrastructure building cross-border coalitions and partnerships to facilitate and grow giving at a regional level.



New regulatory barriers to cross-border giving

In **India**, the 2020 [Foreign Contribution Regulation Act \(FCRA\)](#) includes concerning amendments such as a ban on re-granting FCRA funds to other FCRA-registered organisations, a 20% cap on “overhead” spending, and the mandate to route all FCRA funds through the State Bank of India, New Delhi. [It is feared](#) that local CSOs’ accounts that receive foreign contributions (FCRA accounts) may be suspended with only suspicion rather than evidence of misuse, and to surrender an FCRA account also implies a surrender of any assets to the government which used FCRA funds. This could lead to a critical shortfall of funds for CSOs. Smaller organisations without the infrastructure to navigate this new bureaucracy or that receive sub-grants could lose assets and vital amounts of finance. A recent CAF India survey found that 60% will have their access to funding affected and 40% will need to reduce their scale of operations.

Flexibility on cross-border giving

Nepal has [altered its cross-border regulations](#) to stimulate foreign funding and create an enabling environment. This has been done by launching an accelerated and more flexible approval process for this form of income when related to COVID-19.

The **USA** has had an existing enabling environment for cross-border giving pre-crisis. As a result, CAF America has been able to facilitate 1,088 cross-border COVID-19 grants to 70 countries.

In some instances, governments have sought to control all philanthropic funding during the crisis, not just cross-border giving. This leaves fewer options for donors who want to give directly to local organisations, either because they want to see impact more directly or because trust in the government is low. Centralisation of funding streams diverts resources away from CSOs under financial strain and increases the government’s ability to pick preferred partners that align with their agenda. It also reduces the sector’s ability to be a voice for those communities falling through the cracks of the government response. A caveat remains that some centralisation of foreign giving is in order to fast-track government funding for COVID-19 projects and quickly meet demand, which may be beneficial – if only in the short-term. Transparency and accountability around the use and impact of funds should, however, apply to all. In others, transparency mechanisms alleviated some of the pitfalls of centralisation.

Government fundraising introducing barriers to giving

The **Indian** Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (**PM CARES**), announced in March 2020, aims to raise funds for COVID relief efforts. However, research from **Ashoka University** shows there has been pressure on donors to divert funds from grassroots CSOs to PM CARES. This has resulted in some organisations losing up to 50% of their usual funding and job-loss estimates reaching two million.

In **Turkey**, the government positions itself as the **collector and distributor of all aid**, with the president's office creating a new **COVID-19 fund** without any transparency around where these funds go nor a formal decree. The government **shuns** any relief efforts conducted without its consent by local governments or non-profits. This has damaged these organisations' fundraising efforts and even intimidated them away from undertaking such activities altogether.

Nepal has created a centralised relief fund through the prime minister (Coronavirus Prevention, Control and Treatment Fund), bypassing existing crisis management mechanisms and diverting funds away from charities. This has prompted concern from the sector due to allegations of corruption and **led to protests** over misuse of philanthropic funds.

Governments fast tracking funds

Bangladesh reviews funds through the NGO Affairs Bureau, but is **fast tracking reviews** to release foreign funds for COVID-19 related activity.

Uganda insisted that all giving should be directed through the government, but it provided CivSource Africa an opportunity to track all high-net worth and community giving that the government declared during the crisis. Donations totalled to USD \$13.7m within 4 months of the funding set up.

On the flipside, we also see many governments adjusting regulatory systems and providing more flexibility for CSOs, reducing reporting and administrative burdens – this has the advantage of freeing up resources for CSOs already under financial strain and setting a positive precedent for strengthening the enabling environment for civil society.

New flexibility on reporting requirements and tax deferrals

Turkey has postponed the annual declarations by associations. The general assemblies of associations and foundations were also postponed based on a circular issued by the ministry of interior. As of yet, there is no regulation that allows associations and foundations to conduct virtual/online general assemblies.

The **UK** Charity Commission **will be more flexible** with reporting deadlines. The winding down of exceptions for church charities to register has also been extended to 31 March 2021. The UK Chancellor's Winter Economy Plan includes a VAT deferral "new payment scheme" that will give those businesses, including charities that deferred VAT the further option to spread their payments over the financial year 2021-2022.

To ensure giving is effective and accessible, CSOs themselves also have the task of communicating their added value to society. Articulating the nuances of how CSOs link with national and community response efforts requires strong coordinated sector leadership and cooperation to create a collective voice.

Area	Measures and initiatives	Overarching principles
Regulatory changes	<ul style="list-style-type: none"> Changes to governance and legal frameworks (eg CSOs allowed to change mission for crisis response) Adjusting reporting deadlines and other requirements (eg for annual reports, holding digital AGMs) In-built review mechanisms for government programmes to account for diverse CSO landscape when it comes to access 	<ul style="list-style-type: none"> Consult with umbrella and sub-sector bodies on design of measures and needs of frontline communities Review legal frameworks and governance models for CSOs to see if they need to be adjusted to account for diversity of CSOs and access to government programmes Help fast tracking or provide flexibility for CSOs to comply with regulatory requirements
Administrative barriers to giving	<ul style="list-style-type: none"> Fast tracking the release of national or international funds Reducing regulatory barriers to cross-border giving 	<ul style="list-style-type: none"> Resist impulses to centralise policy and delivery where alternative mechanisms and civil society infrastructure is available as implementation partner Retain parliamentary oversight of measures and new vehicles set up
Foresight and oversight initiatives	<ul style="list-style-type: none"> Investing in government foresight capability that involves CSOs, with early multi-stakeholder engagement and forums Involving CSOs in transparency initiatives, tracking COVID-19 spending and protection of civil liberties and privacy 	<ul style="list-style-type: none"> Open up government programmes for CSOs to help with distribution and implementation Expand access to response programmes, services and rights for marginalised groups Look for policy measures to enhance cross-border solidarity

The role of infrastructure in achieving policy change and the case for supporting it

In many countries, the pandemic has revealed a lack of collective voice in the philanthropic sector (and civil society as a whole). It has also shown that governments underestimate and have a lack of understanding of the role of philanthropy and civil society more broadly. This crisis and the recovery phase offer an opportunity for long-term collaboration and action from a global perspective. Within this, national/local and cross-border civil society infrastructure plays a significant role in achieving policy change, facilitating giving and building up civil society resilience.

MAIN TAKEAWAY

Governments should be aware of the range of roles infrastructure plays in coordinating and supporting civil society. But infrastructure is under-resourced in many contexts. Further efforts must be made to bridge the gap in investment between the global North and South. Regional and national infrastructure bodies should coordinate their efforts and ensure that regional interest and solutions that require cross-country support are translated into national action.

Infrastructure is a catch-all term for the support function of civil society, enabling CSOs to do their work more effectively and efficiently, while helping them connect and grow their engagement with stakeholders. In practice, it is a network of institutions and platforms from network umbrella bodies to fundraising portals, validation services, philanthropy advice and sector representation bodies. They provide a myriad of services to facilitate engagement with giving, build trust and champion the value of civil society to external audiences, such as the media and government.

The list below outlines just a few of the roles of civil society and philanthropy infrastructure that have been highlighted during this crisis:

- **Advocate.** Infrastructure organisations were instrumental in advocating for the policy change required to address the crisis quickly and to unlock support for CSOs. An observation coming through is that governments think of civil society in an instrumental way (as service providers, money distributors) and less in terms of advocacy, wider civic engagement and being a strategic partner – roles that civil society infrastructure can take on and champion. In the UK, for instance, national umbrella bodies used data and information on how the situation changed for CSOs on the ground to advocate for government support for the sector.
- **Representation.** Infrastructure organisations, functioning as representative bodies, can also help provide a voice for smaller and more marginalised charities and communities. This role is especially important where government responses include centralised funds, resulting in disparity and inequity in how money is distributed (with certain geographic areas, causes and communities favoured).
- **Amplifier.** Infrastructure can amplify the voices of CSOs, funders and grantees and even individuals. In Kenya, local online fundraising platforms, such as M-Changa, and organisations like [CivSource Africa](#) are playing a critical role in publicising the experiences of those most affected by COVID regulations or are ambassadors of stories of change.
- **Resourcing.** Where there is little (national) government support for civil society, local infrastructure can help build partnerships and unlock resources for emergency funds to address local needs. For example, the Institute for the Development of Social Investment in Brazil has [raised](#) some \$8m from approximately 10,000 donors for hospitals. The CAF India COVID-19 appeal has [raised](#) around \$1.5m.
- **Research.** Many infrastructure bodies are conducting national and international surveys and sector barometers to capture the voice of civil society on responses, challenges, opportunities and needs of civil society. This information is often then used to advocate for sector support. These bodies are also collating information on emergency funds, and help to access government and decision-makers. Examples include CAF Global Alliance research on [world giving trends and civil-society polling capturing the voice of CSOs over time as the COVID-19 crisis evolves](#).
- **Convenor and connector.** Infrastructure can play a connecting function, linking up institutionalised philanthropy and other parts of civil society, and strengthening relationships with governments and other sectors. It has mobilised networks and provided platforms to channel private-sector resources to CSOs. For example, Giving Tuesday in the USA generated an [estimated \\$2.47bn](#) from donors for 2020, a record for the campaign.

- **Innovator.** New platforms are being established to map societal needs and resources available to address them. This includes giving from individuals and private investment matching supply and demand across different markets. Many of them were set up in response to the crisis or existing platforms pivoted towards it. Some examples include: [Italia Non Profit](#), the [Ukrainian Forum of Philanthropists](#) and the [French COVID-19 Foundations Action page](#).

The crisis has shown that the self-organising ability of civil society has been extremely important for having a coordinated voice and being heard by governments. Yet, civil society as an afterthought, in the response and in bailouts, demonstrates that the case for its value has not been successfully made. The after-the-fact advocacy that has been required to stimulate tailored support highlights a preceding lack of coordinated efforts, across different parts of the sector and others such as business, to communicate the value of civil society. Infrastructure organisations have been treated more like “money conduits”, receiving siloed rather than holistic investment that allows them to self-determine the sector support role they need to carry out. The voice of civil society and philanthropy can also be disconnected, pointing to the important bridge-building role of infrastructure for both parts of the sector. A [recent report](#) by WINGS demonstrates the potential value of this networking role in the context of challenges to civil society that have been exacerbated by this crisis. We have seen positive examples of this in Europe in particular.

Sector colleagues have shared how the chronic underfunding of civil- society infrastructure, and especially that which supports minoritized communities, has seriously hampered their abilities to lobby for good policy responses now and during the crisis and the recovery phase. Infrastructure requires investment, the levels of which vary across different contexts. There is a significant gap between global North and global South. More co-ordination of efforts is needed in order to maximise support and resourcing for the sector.



RECOMMENDATIONS

COVID-19 has impacted countries across the globe. But their ability to cope with the crisis depends on factors such as the availability of national resources, the health and social infrastructure in place, the quality of decision making and levels of corruption. The following recommendations are set out in two tiers to try to take into account the different resources available to governments and other stakeholders to support and engage with civil society, and to leverage giving and philanthropy. Tier 1 recommendations can be regarded as a baseline from which all actors should build.

Civil society and philanthropy as strategic partners

Governments should consider more carefully how they can work with CSOs as part of their COVID-19 response. Rather than seeing civil society as an afterthought, governments should co-create closely with the sector and design tailored response packages to help it thrive now and into the future.

Tier 1: Engage early and consult on policy design

- Start or increase dialogue with civil society to understand the role it can play in strengthening national well-being, during the crisis and beyond. Learn more about the complex nature of the sector, such as civil society's many legal forms, fundraising and financial models, and the different types of support they need.
- Engage with infrastructure organisations to facilitate dialogue and collect information that informs collaborative decision-making.

Tier 2: Create multi-stakeholder and cross sector forums, new partnerships and platforms

- Involve CSOs in policymaking. Utilise digital infrastructure that accounts for resource mobilisation across sectors (civil society, government and business), societal needs and how they can be matched.
- Use a wide spectrum of funders across the philanthropy sector (major donors, trusts and foundations, business or companies and infrastructure) as strategic partners to improve crisis-response efforts.
- Make sure this collaboration continues after COVID-19 relents, putting in place robust mechanisms for scenario planning and preparedness for other crises, based on evidence and insights civil society can provide.



Unlocking giving and philanthropy

Governments must take a strategic view of philanthropy and individual giving. They should use incentives, partnerships and platforms to encourage it, taking into account different local giving cultures. The positive contribution of philanthropy and giving in a country should be publicly celebrated. More volunteering opportunities should be created.

Tier 1: Be an enabler of civil society and giving

- Develop and document a shared strategic view of the relationship and boundaries between the government, philanthropy and civil society. These might shift during a crisis but certainly require government to be a reliable partner with a realistic view of what it can deliver.
- Work with civil society and funders to coordinate appeals, campaigns and funds. Governments can have a positive role in driving national appeals but these should not constrain the wider giving environment (ie by competing with civil society and/or exerting excessive control over giving flows). Philanthropic resources should not be seen as a quick way to plug funding gaps in public services.
- Conduct awareness campaigns on existing tax incentives for giving and make sure they are accessible for individuals and charitable organisations. This might include providing easy ways to claim tax relief, for instance.

Tier 2: Provide targeted and tailored sector support

- Introduce stimulus packages for CSOs that will really help them overcome the specific funding challenges facing them.
- Consider providing CSOs with unrestricted grants and underwriting loans.
- Make use of a wide range of financial and tax incentives that can stimulate giving. Ensure that measures are time-bound with review or sunset-clauses. Assess any unintended consequences that may occur and avoid certain causes getting an unjustified advantage.
- Leverage philanthropy in innovative ways. For example, by supporting flagship campaigns, giving pledges and providing match-funding, with a view to strategically incorporate individual giving and the corporate philanthropic response.



A protected and enhanced operating environment

Governments should create legal and regulatory frameworks that enable civil society to flourish. They should protect civil society's ability to advocate for change and make sure their activities are not in competition with or restrained by the government.

Tier 1: Ensure that interventions are proportional and protect civic space

- Measures required to tackle the impact of a crisis should be time-bound, not amount to government overreach, be used as justification for limiting civil liberties or create a frustrating operating environment for CSOs.
- Respect the right of all forms of civil society to speak out on important issues, including challenging the government. These voices may be particularly important during a crisis.
- Do not create regulation that hinders the activities and funding of CSOs, such as inhibiting cross-border giving, inconsistent enforcement or inadequate registration systems.
- Where possible, reduce administrative burdens. Adjust reporting deadlines and relax legal requirements by allowing virtual AGMS, for example. Offer tax payment referrals and more digital support services for CSOs.

Tier 2: Adjust regulatory and administrative systems, whilst ensuring transparency and accountability

- Take account of CSOs' complex needs, legal forms and operating models when designing measures. Work with the sector to understand the funding ecosystem and mixed-income models of CSOs when deciding on schemes' eligibility criteria and thresholds, to avoid organisations falling through the cracks.
- Exchange best practice on how to ensure that tax regimes on phone-based financial transactions are beneficial to giving (eg by excluding transactions that are donations).
- Reduce limitations of tax regimes. These can include CSOs not being granted tax-exempt status automatically after registering, issues around irrevocable VAT and allowable deductions, and eligibility criteria for tax reliefs.



Recognise and support civil society infrastructure

Governments should be more aware of the range of roles infrastructure organisations play in coordinating and supporting civil society. They must help make sure they are well resourced. Regional and national infrastructure bodies should coordinate their efforts to find solutions to problems.

Tier 1: Recognise and understand the role of infrastructure

- Engage with infrastructure organisations to get a clear view of what assistance civil society and the communities it serves need.

Tier 2: Support and invest in infrastructure organisations

- Provide more support where they are under-resourced. Sources of funding could include national government money, national and international private funders, INGOs and big business. If government funding is provided, infrastructure should be allowed to retain its independence from the government.
- Governments can help maintain this independence by enabling diverse funding models for infrastructure organisations, such as allowing them to charge for some services.

NEXT STEPS

We are focusing on how philanthropy and giving can be leveraged and incentivised to unlock support and resourcing for the sector, during the crisis and beyond. What needs to be different the next time a crisis like this occurs? How must we be better prepared? And, importantly, what are the root causes to address so we are not left fighting symptoms?

At CAF, we are keen to find answers to these questions, recognising the importance of the work being done in parallel by other experts and organisations.

- We see this paper as part of a continuing and evolving exchange with interested stakeholders.
- It provides some early lessons from the crisis response, and a growing repository of practices. It provides some initial answers but also raises key questions on how governments can best leverage giving and philanthropy to enable civil society to be a more effective part of the ongoing crisis response.
- Your input is hugely important. We will continue to crowdsource information about good and bad practices that can inform lessons for decision-makers how to respond to the crisis now, in the recovery phase and in the future. Interested parties can email us on dferrell@cafonline.org or **simply add your insights into the framework [here](#).**

Other forums and networks on the national, European and global level are having these crucial conversations at the moment and we hope that our ideas and insights can feed into these different discussions and help enhance them. For example, CAF is a co-owner of the CIVICUS report “[Rebuilding for Good: Actions Needed From Governments to Support & Sustain Civil Society](#)”.



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ANNEX

Toolkit for government measures to support civil society and leverage giving

Fiscal measures and financial support	<p>Stimulus packages</p> <ul style="list-style-type: none">▪ Direct stimulus package for CSOs▪ Expansion of existing measures for businesses to CSOs▪ Guarantee schemes (eg for loans or overdrafts) that CSOs can use▪ Wage subsidies or furlough schemes that are specific to CSOs <p>Subsidies and sectoral funding</p> <ul style="list-style-type: none">▪ State aid specific to CSOs or sub-sectors▪ Special funding programmes that benefit CSOs to a large extent▪ Credits for individuals to spend on CSOs▪ Financial incentives for volunteering and in-kind donations <p>Special incentives for the corporate response</p> <ul style="list-style-type: none">▪ Incentivising payment deferral discounts, fee/price waivers etc to CSO clients▪ Incentivising use of dormant physical company assets (eg empty warehouses for use by CSOs, unused car/truck fleets for CSO transport etc)
Taxation	<p>Improving and adjusting existing systems</p> <ul style="list-style-type: none">▪ Removing irrecoverable VAT burden for CSOs▪ Support for making better use of tax incentives (eg by making it easier to declare and claim for CSOs and individuals or promoting them more)▪ Tax deferrals for CSOs <p>Using tax for more direct support for CSOs</p> <ul style="list-style-type: none">▪ Topping up existing tax incentives for charitable giving▪ Tax holidays for CSOs▪ Introducing new tax incentives for individual and corporate giving, wider philanthropy, volunteering and in-kind donations (eg time-limited if specific)

<p>Legislation and regulation</p>	<p>Regulatory changes and responses</p> <ul style="list-style-type: none"> ■ Changes to regulatory system (eg CSOs being allowed to change mission) ■ Introduce or make (temporary) changes to spend-down rules for funding vehicles which are time-limited to the crisis ■ Lowering regulatory barriers for funders to become direct investors, engage with venture philanthropy and social impact investment (in particular for social enterprises) ■ Government-mandated changes to insurance schemes (eg to cover more risks for CSOs or ensure pay-outs for covered losses) ■ Adjusting reporting deadlines and other requirements (eg for submitting annual reports, holding digital AGMs) <p>Repurposing public and private charitable assets</p> <ul style="list-style-type: none"> ■ Use of dormant assets or trusts (eg support to identifying and releasing them) ■ Repurposing industry fines or levies to support CSOs (or quicker release) ■ Repurposing funds and investment vehicles (eg opening up vehicles intended for business to CSOs, increasing share of grant-making, adjusting eligibility criteria etc) <p>Procurement and commissioning</p> <ul style="list-style-type: none"> ■ Changes to procurement system and contracts (eg relaxing Payment by Results requirements, rolling over contracts, relaxing bidding and contract requirements, allowing for CSO consortia, dividing up contracts so that smaller CSOs can bid and deliver etc) ■ Changes to government grant-making, such as converting contracts into grants, increasing share of government grants)
<p>New partnerships and platforms</p>	<p>Promoting giving and existing solutions</p> <ul style="list-style-type: none"> ■ New giving campaigns or amplifying existing ones ■ Support for philanthropy pledges ■ Support to roll-out existing giving mechanisms (such as pay-roll giving) ■ Scaling up of existing (digital) solutions for giving <p>New programmes and funds</p> <ul style="list-style-type: none"> ■ Match-funding programmes ■ Setting up specific funds (eg to increase sector resilience, digital etc) ■ Support for new platforms that match supply and demand (eg around volunteering, funding, resourcing across sectors, social investments)
<p>Other</p>	<p>Government support for scenario planning</p> <ul style="list-style-type: none"> ■ Foresight/engagement on recovery phase (either civil society involvement in wider societal recovery or specific planning for how to rebuild civil society)

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