



Local Resource Mobilization: Trends and Practices in East Africa - 2022

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Year of Publication: - 2022

Design & Typesetting: David Waswa

ACKNOWLEDGEMENT AND DISCLAIMER

The local resource mobilization study for which this report is concerned was organised as a collaborative process between the East Africa Philanthropy Network (EAPN) and the International Centre for Not-for-Profit Law (ICNL).

The East Africa Philanthropy Network (EAPN) sincerely appreciates members of the network and stakeholders who availed themselves to share information and reached out to their strategic partners to participate in the study on Local Resources Mobilization. The outcome of the study was made possible because of their dedication and support.

Special gratitude to Tom Olila of Strategic Connections Ltd, for supporting the data collection, analysis and report writing process. EAPN also appreciates Mike O'maera for coordinating the study respondents and valuable input in the finalisation of the research. We are also grateful to Ida Maritim for her editorial support.

We also acknowledge the CEO of EAPN, Mr. Evans Okinyi, for steering this study to completion and providing strategic leadership.

The findings, conclusions and recommendations contained in this report are based on the research, feedback and reviews by the consultant at the time within which the study was carried out. We are cognizant that such information is likely to change over time.

EXECUTIVE SUMMARY

The East Africa Philanthropy Network is a regional membership Association that brings together grantmaking and non-grantmaking organizations interested in promoting local philanthropy in East Africa. The Network exists 'To promote local resourcing and effective grantmaking', and envisions 'Sustainable Development in East Africa driven by vibrant philanthropy'.

Despite the vast differences between Civil Society Organizations (CSOs) and Non-governmental organizations (NGOs), most share a common dilemma: Lack of funds, which limits the quantity and/or quality of the important work that they do. CSOs increasingly find that grants and donations are inadequate to meet their program needs, let alone to expand program activities. This therefore calls for better local resource mobilization to enable them to meet their diverse needs.

In recognition of the emerging trends that inform the growth of philanthropy in Africa, EAPN organised this research to *strengthen an enabling environment for community philanthropy in East Africa through knowledge generation and engaging a community of experts who can establish a framework that informs the growth of community philanthropy*. The purpose of this research was to establish models that are working and identify opportunities to grow local resource mobilization in East Africa. Strategic Connections Ltd, a consultancy firm, was contracted by EAPN to facilitate this study, which was undertaken between October and December 2021.

The study design was participatory and entailed the active involvement of EAPN staff, Board of Directors, and members, other philanthropy organizations and key informants drawn from Kenya, Uganda, and Tanzania. The study methodologies included an online survey, Key Informant Interviews (KII), and secondary data review.

The primary and secondary data that was collected was further synthesized and the outcome was compiled into this report, which reveals many insightful observations. The key findings are summarized as follows:

49 out of 93 philanthropy actors took part in this research, representing a 53% response rate. Two-thirds of the organizations focus their efforts nationally, 15% focus on the district/ county level. The types of institutions represented were International NGOs (INGOs), local NGOs, and local foundations. From a country perspective, respondents from Kenya and Uganda had representation from all levels except for continental and international levels. Tanzania did not have any respondents who indicated that they operated at local/ grassroots, regional and continental levels.

The findings offered a glimpse at the extent of the institutionalized capacity of local RM within the organizations. A large proportion indicated that their staff had some practical experience of LRM. 52% of the respondents had no staff who are sufficiently trained and experienced in (local) resource mobilization. This calls for concerted efforts to enhance institutional capacity development amongst philanthropy organizations.

With reference to *approaches, platforms and benefits of local RM*, application for local grants was observed as the most utilized option for local fundraising. The giving platforms used for local RM include online campaigns, local community structures, and alumni giving.

The potential benefits of local resource mobilization were; increased scope of social impact, personal fulfillment, and increased media exposure. Only a few respondents indicated having benefited from tax exemption/rebates underscoring the need to invest in pushing for favourable regulatory regimes, particularly taxation as a basis for promoting local giving.

Several factors emerged from this study that have enabled local resource mobilization and include leadership commitment; community engagement; networking; marketing and visibility; and capacity development among others. Several challenges were also identified that constrain the achievement of these institutions' local resource mobilization goals. These include: delayed/declined issuance of tax exemptions; the perception that INGOs are well resourced; limited awareness of the rationale, potential and platforms for local giving; and, limited access to giving tools, platforms among others.

The *systems that support* local RM practices were identified as financial management/ administration, program management and staffing for resource mobilization. Strategic alliances were observed as the most engaged approach for local resource mobilization followed by grant matching, cost sharing, and fundraising alliances. Regarding the current status and preference for stakeholder engagement, local/international NGOs, the private sector and government emerged on the top. The same entities were regarded as the most strategic to collaborate with for deepening local resource mobilization in the future.

Information and knowledge management, and good practices were observed by about two-thirds of the respondents who reported producing reports that were shared with both internal and external stakeholders. Annual reports were the main knowledge reports produced by the organizations, followed by financial reports, newsletters, and human stories. The platforms used to share local RM knowledge were; social media, the organizations' websites', and stakeholders' meetings.

Regarding the future of local RM, the findings indicated that impact had been achieved. Increased partnerships and greater recognition of the organization by the target population were considered as having created impact. The opportunities which further enhanced local resource mobilization were; alliance building/networking and knowledge generation and sharing. Influencing policy on giving was considered a major opportunity which could suggest that not many philanthropy actors recognize the value of a conducive operating environment.

This study noted that while nearly all relevant existing laws provide for local resource mobilization, *legal frameworks* governing local philanthropy are fragmented and do not comprehensively address the conduct of fundraising activities, including fundraising principles, practices and oversight. The laws also place several huddles on local philanthropy including required approvals, information that needs to be shared with authorities, and reporting requirements.

Separately, there exists a very explicit set of laws that specify various *tax obligations*, applicable tax categories, and tax exemptions. However, while these terms - to a large extent - meet conditions for good laws, in practice, they are often not followed to the letter. A good example is the timelines that are rarely adhered to. Additionally, the availability of tax incentives tend to be unrealistic in

practice largely due to burdensome procedures and or flouting of the same by tax authorities or officials.

Concerning *emerging local resource mobilization practices*, several methods, tools, platforms, and practices were identified. These include: resource mobilization through consortia arrangement; social enterprises; increasing use of influencers; mainstream and social media; use of IEC materials; online platforms; giving platforms; alliances/joint ventures and consortia; use of volunteers; adoption of matching grants approach arrangement with funders amongst others.

The region has a myriad of laws and regulations which *govern the operating environment for CSOs and Philanthropy organizations*. The operations of these organizations in their respective jurisdictions vary due to the levels of restrictions. The study revealed an increasingly shrinking civil space in the 3 countries which does not augur well for the resource mobilization and the general health for the CSOs in these countries.

In light of the findings, this report makes the following recommendations¹:

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1 Conduct public awareness that entails public education and sensitization on the rationale (why), and ways of giving (how).
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2 Strengthen partnerships and networks among stakeholders in philanthropy for the purpose of learning and or joint resource mobilization.
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3 Invest in the capacity development of staff and board members with respect to philanthropy and local resource mobilization. The training should be institutionalized.
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4 Invest in further strengthening of the strategic communications capacities (skills, personnel, infrastructure, budget allocation etc) of actors' in philanthropy.

¹Several specific recommendations have been provided within the body of this report, directly addressing the noted points of attention. The below recommendations are thus but a summary of the general recommendations.



There is a need for greater transparency and accountability with regard to more regular and open reporting geared towards communities, authorities, givers and other stakeholders.



Strengthened praxis i.e. greater collaboration between philanthropy practitioners and related knowledge institutions/academia in order to generate and disseminate more knowledge.



Develop innovative contextualized ICT driven local resource mobilization infrastructure, particularly tools, platforms and systems that support local giving. Encourage effective administration and reporting of the resources mobilized.



Continued advocacy towards regulatory frameworks that are supportive of local resource mobilization. These include tax administration and consolidation of laws and policies that regulate the operations of CSOs.



Collaborate with funders to advocate for greater allocation of budgets towards knowledge management on resource mobilization. This includes greater funding for philanthropy focused research, analysis and evidence building.



Work with relevant CSO networks to lobby and push for an enabling environment for CSOs operating in the region. This should include amendments to registration requirements that demand for annual renewals that are cumbersome and time consuming. Tax rebates for all cadres of CSOs should be made accessible and less complicated. The oversight on the operations of CSOs should be centralized to competent statutory bodies that fully recognize the vital role played by the CSOs.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBOs	Community Based Organizations
COVID-19	Corona-Virus Disease 2019
CSOs	Civil Society Organization
CSR/I	Corporate Social Responsibility
EAPN	East Africa Philanthropy Network
FBOs	Faith Based Organisations
ICT	Information and Communications Technology
IEC	Information, Education and Communications
INGOs	International NGOs
KIIs	Key Informant Interviews
LNGOs	Local Non Governmental Organizations
LRM	Local Resource Mobilization
M&E	Monitoring and Evaluation
NGO	Non Governmental Organization
PBO	Public Benefit Organization
RM	Resource Mobilization
SCL	Strategic Connections Limited
ToR	Terms of Reference

1.0 BACKGROUND AND INTRODUCTION

1.1 About the East Africa Philanthropy Network

The East Africa Philanthropy Network, formerly the East Africa Association of Grantmakers, is a regional membership Association that brings together grantmaking and non-grantmaking organizations interested in promoting local philanthropy in East Africa. The EAPN membership draws from Family Trusts, Community Foundations, Corporate Foundations, and other organizations interested in promoting local philanthropy in East Africa.

The Network was established in 2003, to provide a platform for promoting indigenous philanthropy, strengthen and assert the credibility of philanthropy institutions, and be an intermediary between other Civil Society Organisations (CSOs), Government and private sector. Additionally, the Network promotes the adoption of best practices in local grant making.

EAPN envisions, 'Sustainable Development in East Africa driven by vibrant philanthropy' and exists to 'promote local resourcing and effective grantmaking.' The key goals of EAPN are to increase the volume and quality of local giving and resource mobilization in East Africa; establish a vibrant network of members; and nurture an informed grantmaking community.

1.2 Purpose, Process and Methodology

1.2.1 Purpose and Objectives

EAPN believes that increased information on the trends of local resource mobilization in East Africa will lead to an increased appreciation of the growing models of community philanthropy, influence the interest of non-state actors to engage in local resource mobilization, and grow the community of practice in community philanthropy. EAPN recognizes the important role of authentic data/evidence on illuminating emerging resource mobilization trends and practices. The evidence is also useful for ensuring that philanthropic support is better targeted, timely and appropriately delivered. Such information is equally invaluable for future decision making.

Considering the above, EAPN organized this study on local resource mobilization trends in East Africa. It sought to establish local resource mobilization models that are working, identify opportunities to grow local resource mobilization practice, and establish the gaps that challenge the development of local resource mobilization in East Africa. The study was carried out in Kenya, Uganda, and Tanzania between January and February 2022.

The outcomes of this study are expected to contribute to the body of knowledge, including best practices of local resource mobilization in East Africa. The findings will further strengthen the narrative of philanthropy in Africa. Furthermore, the knowledge/ evidence is expected to stimulate local giving and inspire others to share their best practices as a foundation for amplifying conversations on local giving infrastructure development.

1.2.2 Research Approach and Methodology

To meet the defined objectives of this study, both random and non-random sampling techniques were employed. The sampling considered the organizational typologies, forms of philanthropy, as well as country and sector of operation. Further, in view of the multi-layered objectives of the study, a combination of qualitative and quantitative research methodologies was applied.

The data collection process was done through SurveyMonkey and was augmented with document reviews, and a few follow up calls to supplement the survey data. This process is elaborated below:



SurveyMonkey was used to administer survey questionnaires. The survey targeted 93 philanthropy actors comprising, out of which 49 responded, a response rate of 53%. The respondents included both existing EAPN members and non-members.

This entailed a review of available reports and data on philanthropy as well as a study of online information and other relevant materials collected by the consultants. The secondary data/ materials have been appropriately referenced in this report.

The descriptive statistics used in this report are based on data generated from SurveyMonkey, further processed through SPSS, and Microsoft Excel. Data cleaning was conducted with a view of removing inconsistencies and outliers in the data sets. Afterwards, the study team ran crosstabs and frequencies, where applicable, with a view to generating various frequency tables, graphs and other relevant descriptive statistics.

This study provided for multiple responses to questions. These involved questions where respondents had the possibility to provide more than one answer. Often when summing up the percentages for these types of questions, respondents who selected two answers are counted twice (once for each response), and triple-counted for those who selected three responses. For this reason, summing up the percentages gives totals that do not necessarily add to 100 percent. Subsequently, for this report, all percentages for responses that do not add to 100% imply that these were multi-response questions.

On the other hand, answers from open questions were listed to enable clustering of emerging themes or issues. The frequency of the occurrence of concepts and phrases were interpreted to determine significance attached to the data by the respondents. Efforts were made to identify patterns, trends, associations, and causal relationships in the themes.

1.2.3 Structure and Content

The data and information generated from all the sources enumerated in the methodology were analyzed, synthesized and used to develop this report. The desired formats, content and size of the report was discussed and documented (adopted) in the inception report prior to the study.

The report is structured in four sections, besides the executive summary and the preliminary pages. Section one of the report presents the background of the study, as well as the research objects, methods and limitations. Section two, on the other hand presents the detailed findings and analysis. The findings are organized according to the study areas (questions) as outlined in the study Terms of Reference (ToRs). Section three highlights the study conclusions and recommendations, while section four contains the annexes and appendices.

1.3 Limitations of the Study

The initial study began at the end of 2021 but work slowed down due to the end of year break. Further, the time allocated for the exercise was compressed, due to pressing priorities of our target respondents during the year-end period. In addition, the prevailing COVID-19 situation, and the resultant health protocols meant that it was not possible to have physical interviews with stakeholders.

The above challenges notwithstanding, the information received was sufficient to draw reasonable conclusions and recommendations. These limitations did not negatively affect the findings of this report.

2.0 DETAILED STUDY FINDINGS AND ANALYSIS

2.1 Background of Respondent Organisations

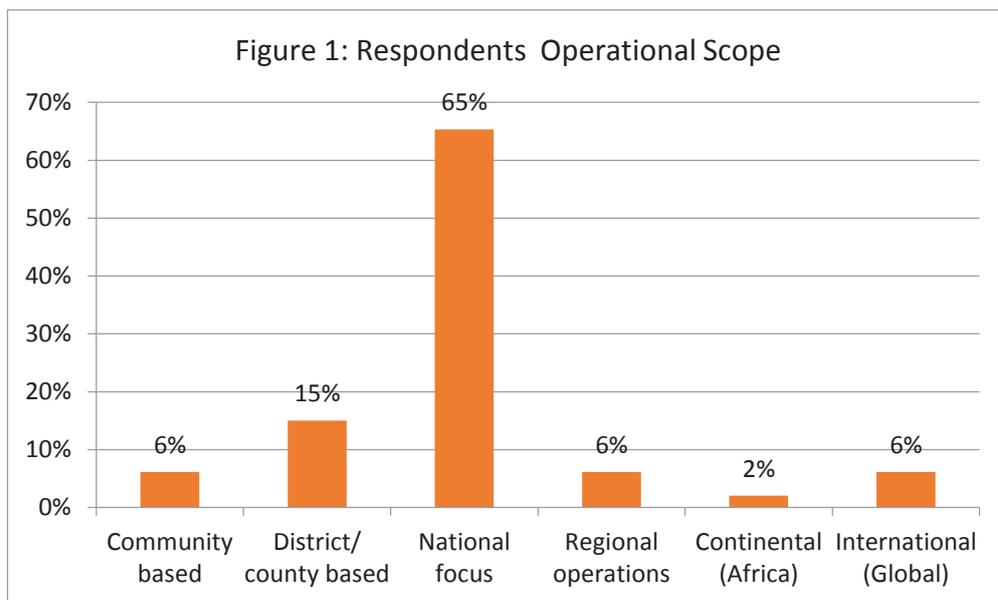
This section presents the key findings of the study. It is organized in line with the study objectives and questions. It also presents an analysis of issues identified, and where applicable, specific recommendations are made for each area.

2.1.1 Respondent Organisational Types, Locations and Operational Scopes

Registration and scope of operations:

49 out of the 93 philanthropy actors provided feedback for this study. This represented a 53% response rate. 49% of the respondents were from Kenya, 37% from Tanzania, and 14% from Uganda.

Regarding the respondents' scope of operations (see figure 1), 65% of them had a national focus, followed by 15% with a district or county focus. On the other hand, those with grassroots, regional or international levels of focus each stood at 6%. Only a paltry 2% of the respondents had a continental (Africa wide) focus.



Distribution of the diverse operational scopes across the three countries is provided in table 1 below. As shown in the table, Kenya had a broad representation of actors operating across all levels, while those from Uganda mainly concentrated their work at national and district levels. Tanzania mainly comprised national level actors.

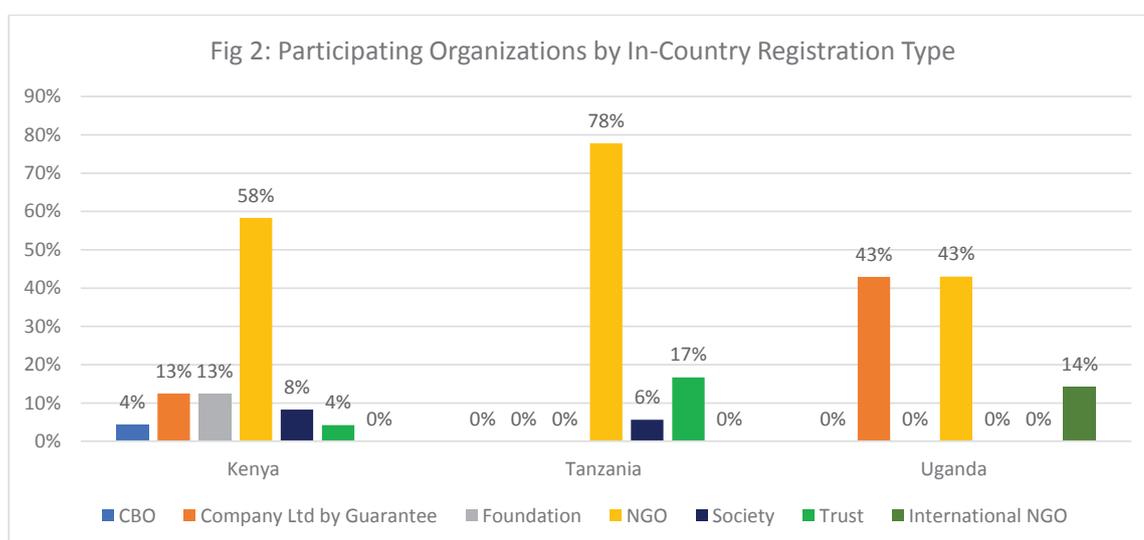
Table 1: Respondent's scope of operation by country

Scope	Kenya	Tanzania	Uganda
Local /Community based	13%	0%	0%
District/ county based	17%	0%	29%
National / Country based	46%	88%	71%
Regional-based (Kenya, Tanzania, Uganda)	13%	7%	0%
Continental (Africa)	4%	0%	0%
International (Global)	7%	5%	0%

Organizational typologies and registration:

With respect to the types of respondent institutions, 75% were NGOs, (55% local, 20% international). 8% indicated that they were local foundations. It was therefore not surprising that 60% of the respondents were registered as NGOs. 28% recorded that they were registered as companies limited by guarantee. The rest were registered as Trusts (11%), Societies (7%) and Foundations (13%), and CBOs (4%).

From a country perspective, the philanthropy actors from Kenya were registered under diverse forms. The NGO registration was the most dominant (58%) followed by Companies limited by guarantee and Foundations at 13% each. Tanzania on its part had NGOs as the most dominant form of registration (78%) followed by Trusts at 17%, while Uganda had NGOs and Companies Limited by Guarantee both leading at 43%, with the remaining 14% being registered as International NGOs.

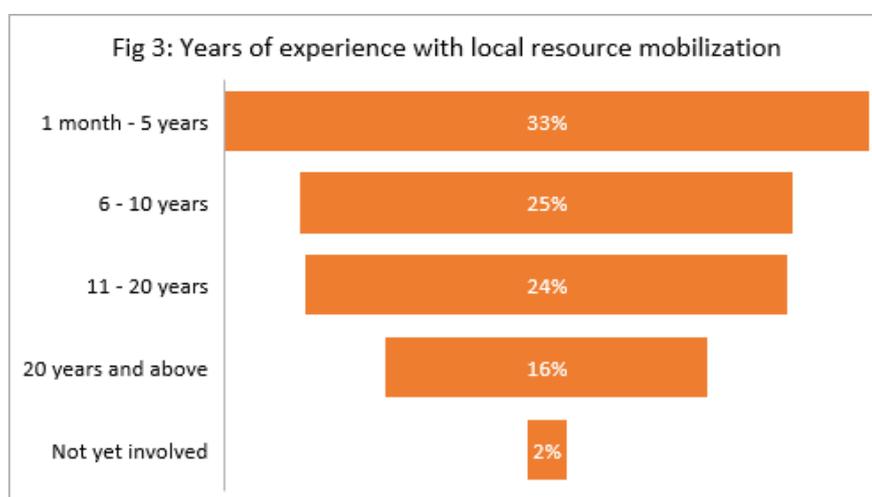


2.1.2 Resource Mobilization Track Record

Under this subsection, this study sought to establish the respondents' internal institutional experiences, practices, and capabilities on resource mobilization. The results are provided below:

Years of experience in local resource mobilization:

As shown in figure 3 below, the largest cohort of respondents (33%) were those who had been engaged in local resource mobilization for 5 years or less. At least 2% had never been involved in local resource mobilization. 16% of the respondents had over 20 years' experience in mobilizing resources.



These findings clearly showed the engagement of philanthropy actors' in local resource mobilization. At least 98% of them have some experience in this area. However, for the majority (58%), local resource mobilization is something that has only received prominence over the last decade (1 to 10 years). This is applicable where the actors have been in existence for over 10 years.

From a country perspective, Kenya had the highest percentage of respondents with less than 10 years experience in local resource mobilization at 63%, followed by Uganda at 57% and Tanzania at 50%. The high percentage for Kenya could be as a result of having diverse organizational types. Other organizations like Trusts, Societies and Foundations do not especially engage in local resource mobilization.

(Local) resource mobilization staffing:

This study also sought to find out the number of staff that are involved in local resource mobilization within their organizations. The results show that the majority (57%) of organizations had 1-3 staff whose job descriptions included responsibilities for (local) resource mobilization. This was followed by organizations with 4-7 staff with similar responsibilities at 27%. The resource mobilization

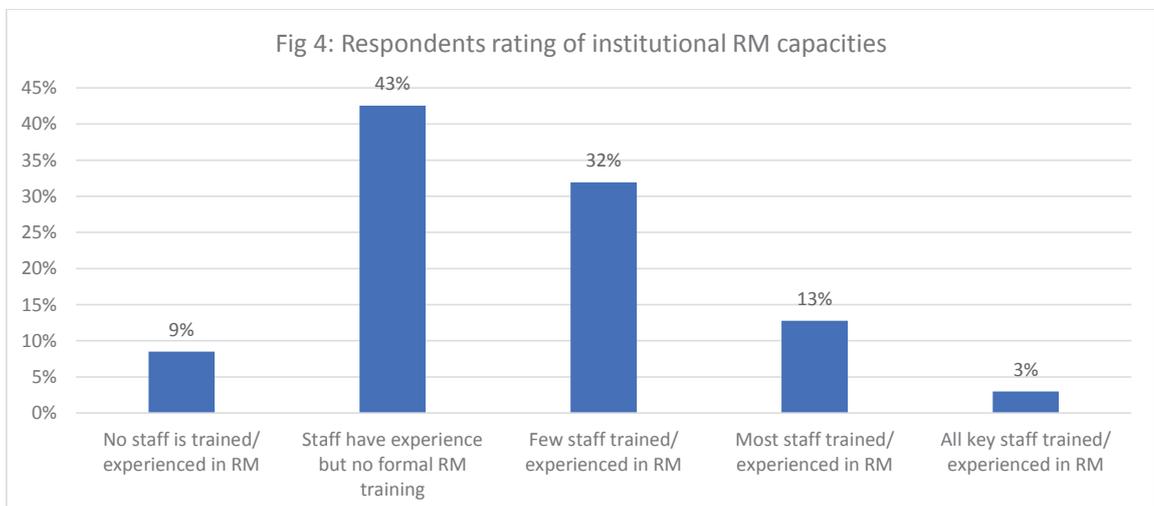
staffing levels for the other respondents were above 10 staff (8%)², and those with no capable staff in RM (8%). None of the organizations selected the category of 8-10 staff.

The above information also indicates the commitment of the respondents' institutions towards (local) resource mobilization. 92% of the respondents had dedicated staff or assigned responsibilities towards the same.

Most respondents from Kenya and Tanzania indicated having between one and three staff dedicated to local resource mobilization. Those from Kenya were at (71%) and Tanzania (50%). Respondents from Uganda had the highest number of staff dedicated to local resource mobilization, with 14% of having more than 10 dedicated staff. The latter could be attributed to the high number of organizations registered as INGOs in Uganda therefore they can afford these staff (the same percentage of respondents from Uganda were registered as INGOs). It is however worth noting that 22% of the respondents from Tanzania had no staff that are dedicated to local resource mobilization. Subsequently, Tanzania is the most disadvantaged with respect to having staff dedicated to local resource mobilization.

Institutionalization of resource mobilization capacities:

This study further examined the extent to which resource mobilization capabilities (expertise, skills, experience etc.) were institutionalized within the respective organizations. The results are presented in figure 4 below.



As shown in figure 4, only 16% of the organizations have sufficiently trained and experienced resource mobilization staff (3% - all key staff trained, 13% - most key staff trained). More notable is the fact that up to 52% (9% + 43%) of the respondents had no staff who are sufficiently trained and experienced in (local) resource mobilization.

²These were mainly the international/ continental organizations with offices/ operations in multiple countries.

This means that while 92% of respondents (see preceding subsection) had staff dedicated to resource mobilization, only 16% of them had sufficiently trained and experienced resource mobilization staff. This calls for concerted efforts/ investments in further institutionalizing capacity development in (local) resource mobilization amongst philanthropy organizations.

From a country perspective, respondents from Tanzanian had the highest percentage of staff with no formal training on (local) resource mobilization at 60% (see last two rows in table 2 below). This was followed by Kenya at 50% and Uganda at 43%. This aligns with the finding/ conclusion under the preceding subsection on (local) resource mobilization staffing level in which Tanzania also emerged as having respondents with the least number of staff dedicated to local resource mobilization. More investment is thus needed in Tanzania as they are comparatively most disadvantaged when it comes to institutional resource mobilization capacities.

Table 2: Rating of Local Resource Mobilization by Country

	Kenya	Tanzania	Uganda
All applicable staff are trained/ experienced in local RM	4%	6%	0%
Most, but not all applicable staff are trained/ experienced in RM	8%	17%	14%
One to two staff are trained and experienced in local RM	38%	17%	43%
Staff have some practical experience but no formal training	42%	39%	43%
No staff is trained/ experienced in local RM	8%	21%	0%

2.2 Approaches, Platforms and Benefits from Local Resource Mobilization

One of the aims of this research was to establish the approaches to local resource mobilization and the benefits thereof. The subsections below highlight these result.

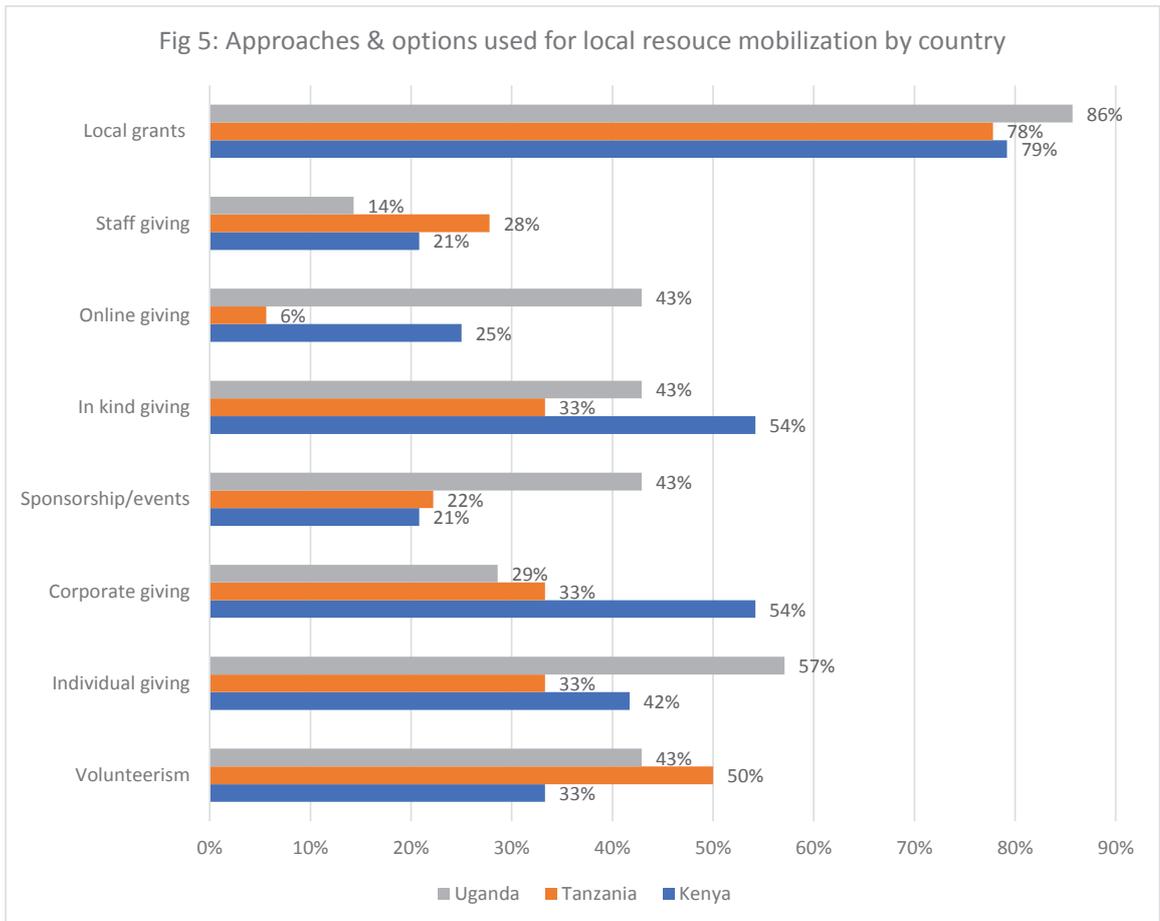
2.2.1 Approaches and Platforms for Local Resource Mobilization

Approaches/options for raising local funds:

Under this subsection, the study sought to establish the main approaches employed by the respondents to raise funds locally. In this regard, it emerged that application for local grants was the most adopted option for local fundraising by the respondents at 81% . This was followed by in kind giving (43%), corporate giving (39%), individual giving (44%), and volunteerism (42%). On the other hand, faith giving (8%), diaspora giving (4%) and giving circles (2%), were the least applied approaches for raising funds locally.

The findings demonstrate the existence of platforms/ approaches with potential to accelerate local giving which are insufficiently utilized. These include online giving (possibly due to technological challenges), community giving, staff giving, and staff giving. Interestingly, while diaspora giving is one of the largest income sources for all three countries, it seems that very limited amounts of these go towards philanthropy work. There is thus a need to further develop these areas.

The study reviewed the platforms for resource mobilization by country and the results are provided in figure 5 below.



NB: Data in this figure was generated from multiple response question hence totals go beyond 100%

Tanzania had the highest levels of volunteerism, faith driven giving and staff giving but not much in terms of online giving and corporate giving. This implies that while the spirit of giving remains strong at the individual level, adoption of emerging options like corporate or online giving remains low and could be further encouraged. Uganda is more vibrant in its adoption of local grants, online giving, sponsorships, and individual giving, but slow in embracing corporate giving and staff giving. Finally, Kenya exhibited the highest levels of corporate giving and in-kind giving, with reasonably good indications of adopting the use of local grants and individual giving. However, volunteerism and diaspora giving were the least utilized approaches in Kenya.

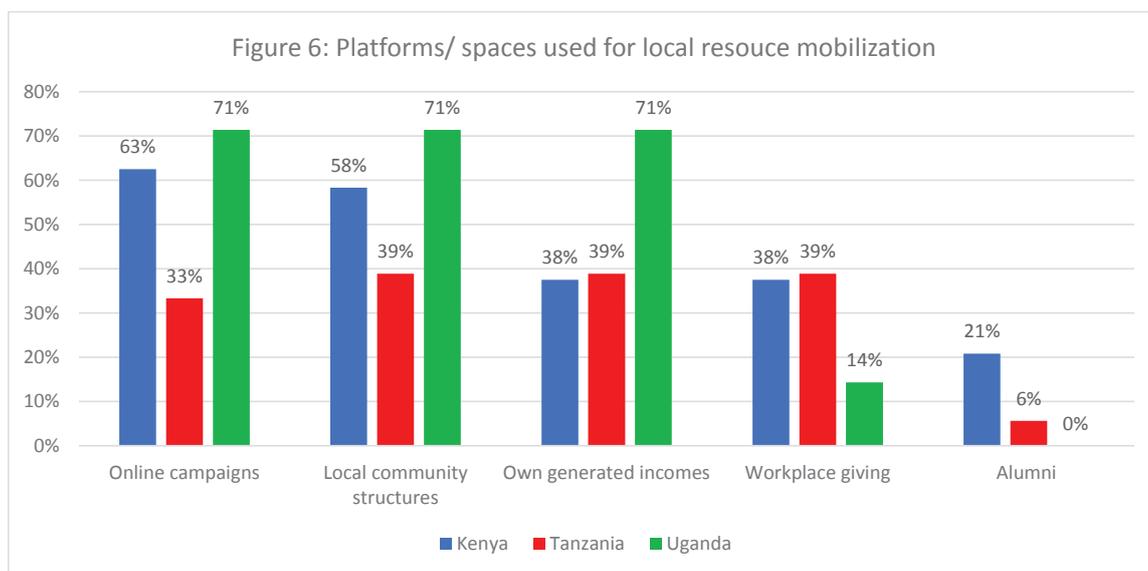
Platforms for local RM:

The study asked respondents to name the top three platforms/spaces that they use for local resource mobilization, and the findings are presented in figure 6 below.

The results showed that the platforms most engaged for local resource mobilization were the organizations’ own online campaigns and local community structures which were both selected by 56% of the respondents. These were followed closely by own generated incomes at 49% and workplace giving at 30%. 21% of the respondents also referred to ‘other’ platforms which included corporate giving, events, direct appeals, membership fees, and founder giving. The least used platform emerged as alumni giving at 9%.

Though online campaigns are indicated as the most utilized approach, online giving is still very low (see preceding subsection). This could be because, while various actors use online media to fundraise, the actual funds are received via other means such as the use of cash, bank, and in-kind giving. This underscores the need to further develop online/ ICT based giving tools.

From a country standpoint (see figure 6), Uganda ranked highly in the use of online campaigns, own generated resources, and the use of community-based structures, while Tanzania was leading in workplace giving and Kenya in alumni giving. As mentioned earlier, owing to the fact that the respondents from Uganda were mainly working in Foundations, local and international NGOs, could explain why they ranked highly in the areas highlighted.



NB: These data are generated from multiple response questions hence percentages go above 100%

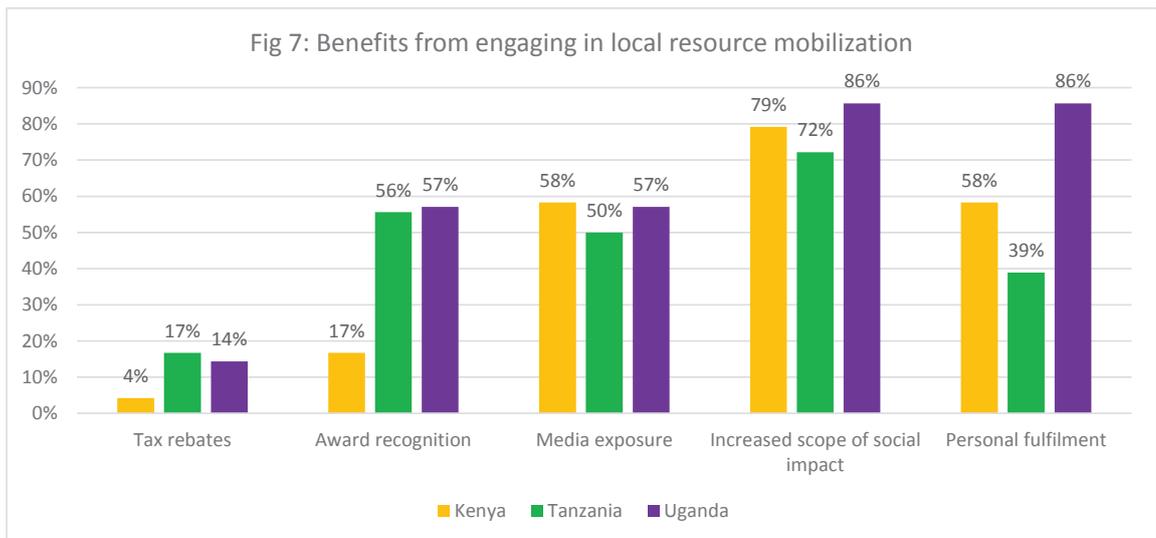
2.2.2 Benefits and Challenges

Benefits of local resource mobilization:

This study proposed several options of the potential benefits of local resource mobilization from which the respondents could choose. From the findings, 79% of the respondents had benefited from an increase in their scope of social impact. This was followed by personal fulfillment (61%) and increased media exposure (55%). 15% of the respondents also mentioned 'others', which included increased credibility/legitimacy of the organizations, increased sustainability, increased alumni/beneficiary engagement and ability to meet operational costs.

A notable finding was that only 12% had benefited from tax exemption/rebates. This underscores the need to invest in pushing for favorable regulatory regimes particularly taxation as a basis for promoting local giving.

From a Country perspective (see figure 7), respondents from Kenya had benefited the least from tax rebates and award recognition. The implication is that the tax regulations in Kenya are perhaps the least conducive, hence the need for more investment. On the other hand, Tanzania slightly lags behind Kenya and Uganda in media exposure, expanded scope for social impact and personal fulfillment.



Note: Data generated from multiple response question allowing the frequency to vary beyond 100%

Enabling factors:

Several aspects were identified as having enabled local resource mobilization from the data collected. These included:

1. Leadership Commitment

These included commitment of founder members including providing visionary guidance as well as technical and financial support. The reputation of board members was also noted to have contributed to institutional credibility and confidence building from amongst potential and exiting givers.

2. Community/ Alumni Engagement

This entailed actual community willingness to give both financial and in-kind giving and volunteerism. The existence of community-based structures supported such giving. It was also noted that alumni (former beneficiaries) also tended to contribute to projects within the areas of their interest.

3. Networking

Almost all respondents referred to existence of strong local networks, partnerships and collaborations that contributed to local resource mobilization. This included linkages with private sector and government. There was also mention of joint resource mobilization amongst/ within such partnerships.

4. Marketing and Visibility

The respondents alluded to their being well recognized locally having contributed to local resource mobilization. The increased visibility was amongst other was due to their development footprint, brand recognition and marketing.

5. Capacity Development

Institutional capacity development in resource mobilization was also noted to have contributed to enhance fundraising efforts. This included fundraising trainings, experience sharing and learning from other organizations.

6. Relevance and legitimacy

The fact that challenges addressed by philanthropy actors were deemed to be aligned to priority community needs ensured that such communities were willing to contribute to the same. The actors indicated that they actively raised awareness of the communities towards the challenges they were addressing and the social impacts thereof.

7. Accountability and Compliance

This entailed being accountable and transparent on use of mobilized resources, as well as reporting on the impact of the work to communities, donors, and authorities. The fact that the philanthropy organization were registered with relevant authorities and complied with relevant statutory requirements also contributed to a sense of trust, legitimacy, and credibility of the organizations.

8. Communication

The use of online communication tools/media were also noted to have increased interest of key stakeholders in the work of philanthropy actors. These were noted to have for instance contributed to greater acceptance of the concept of local philanthropy, and a growing base of online supporters.

Challenges of local resource mobilization:

Several challenges that constrain the achievement of these institutions' local resource mobilization goals were identified. They cut across all three Countries, and include:

1. Regulatory Frameworks

Delayed/declined issuance of tax exemptions certificates emerged as a major constraint for local resource mobilization. This is worsened by bureaucratic tax regulations. Further, the fact that philanthropy actors are registered under diverse legal regimes or with different regulatory requirements also complicates local fundraising.

2. Knowledge and attitude of key actors

The perception of (international) NGOs as being well resourced was noted to significantly reduce community's commitment to giving. Additionally, limited awareness of the rationale, potential, and platforms for local giving also emerged as a hindrance. Finally, it appeared that communities tended to give to emotional (short-term) needs as opposed to longer structural development causes.

3. Institutional capacity

All respondents highlighted inadequate resource mobilization capabilities (skills, knowledge, experience, drive) amongst board and staff as a key challenge. This includes absence of dedicated well-trained staff, limited investment in resource mobilization (staffing, budgets, time allocation) and absence of applicable fundraising and strategic communications, strategies, policies, and plans.

4. Giving infrastructure

The key challenges in this regard emerged as limited access to giving tools, platforms, and structures that are suited to local contexts. These include bottlenecks around costs, availability, and innovativeness e.g., being ICT driven.

5. Political considerations

A key concern here was the apparent limited political will to establish and implement CSO regulatory frameworks that are supportive of local giving, particularly tax regimes. Further, social norms also affect givers willingness to support issues that are considered politically or socially sensitive leading to further exclusion. Finally, perceived absence of political neutrality towards some actors also tends to limit resourcing from some quarters.

6. Economic considerations

Perception of communities as being poor significantly stifles their willingness to give and some development actors motivation to seek their contributions it is also acknowledged that limited economic growth have reduced amounts available towards development work from donors, government, private sector, and individual givers. Covid-19 emerged as having exacerbated these economic situations

Proposed Strategies for stimulating further growth local resource mobilization:

The following strategies emerged from the respondents as those that could be or have been applied in dealing with the challenges noted above.

1. Capacity Building

Institutionalized staff training and development on resource mobilization emerged as a major strategy for inspiring growth in the same. This includes skills/knowledge building, awareness building on applicable strategies and approaches as well as local resource mobilization/communications related research, analysis and evidence building.

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2. Public Conscientization**3. Donor Education**

This includes sensitization of potential givers (local donors, philanthropists, corporate givers, individual givers) on priority community needs, best practices in community development and avenues of giving.

Engage with the corresponding revenue authorities and policy makers to institute tax and other regulatory frameworks that are supportive of local resource mobilization. This includes responsiveness of administration of tax exemptions and efficacy of CSOs compliance requirements.

4. Advocacy for Conducive Regulatory Environment**5. Transparency and Accountability**

This relates to the need for more regular and open reporting by concerned philanthropy actors towards communities, authorities, givers and other stakeholders. This is seen as an important basis of building trust and further confidence. Self-regulation mechanism within the philanthropy sector could also play a critical role in such accountability.

The study findings point to a need for strengthened partnerships and networks amongst philanthropy actors for purposes of learning and or joint resource mobilization. This is especially in light of increasing pressure to align development (system orientation, integrated) approaches to programming. There are also in this regard more funders pushing for consortia funding.

6. Collaborative Arrangements**7. Philanthropy Infrastructure Development**

This primarily includes establishment of systems and structures for local giving for both givers (supply side) and philanthropy actors (demand side). For givers, these include systems and platforms to support giving while for philanthropy actors, these are for example, systems for grant administration and reporting/accountability.

2.3 Local Resource Mobilization Support Systems

One of the objectives of this study was to establish the systems that support local resource mobilization practices. The subsections below highlight some of the findings.

2.3.1 Systems that Support Local Resource Mobilization Practices

Ratings on various Resource Mobilization Support Systems:

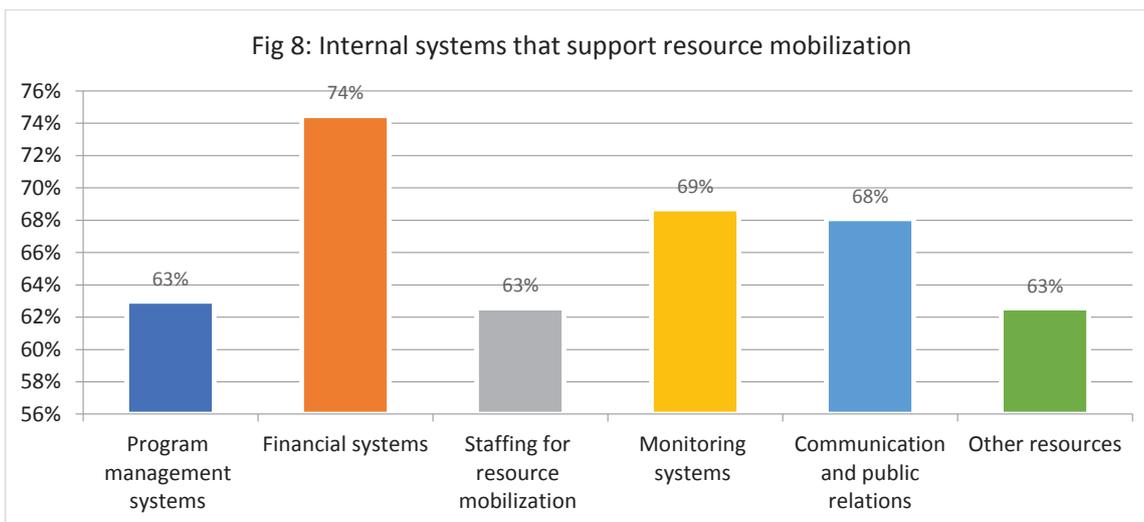
Under this subsection the research study sought to establish the quality of various internal systems that support resource mobilization within the participating philanthropy organizations. Participants were asked to rate the different systems on a 5-point Likert scale ranging between very strong and very weak. The ratings for each of these individual systems are provided in table 3 below.

As shown in the table, the areas that received the highest ratings (strong, very strong) were financial systems (62%), followed by monitoring systems (41%) and communication and public relations (39%).

Table 3: Respondent's ratings of institutional systems that support local resource mobilization

Assessed Elements	Very weak	Weak	Average	Strong	Very strong
Program Management Systems (e.g., donor data bases and grant application systems)	4%	15%	43%	28%	9%
Financial systems (e.g., accounting and grant management systems)	2%	4%	30%	36%	26%
Staffing for Resource Mobilization (e.g., access to qualified fundraising staff or experts)	4%	17%	45%	30%	4%
Monitoring Systems (e.g., PME and information management systems)	2%	7%	50%	28%	13%
Communication and Public Relations (e.g., Digital presence, marketing/communications tools)	0%	6%	55%	30%	9%
Other resources (e.g., Budgets, fundraising strategies/policies)	4%	13%	53%	26%	4%

Similar results emerged when the individual Likert scale ratings were weighted, and average percentages generated to arrive at aggregate figures for each of the components. As shown in figure 8 below, financial management/administration systems emerged as the most prominent aspect with a weighted score of 74% while program management, staffing for resource mobilization, and other resources emerged as the weakest with a rating of 63% each.

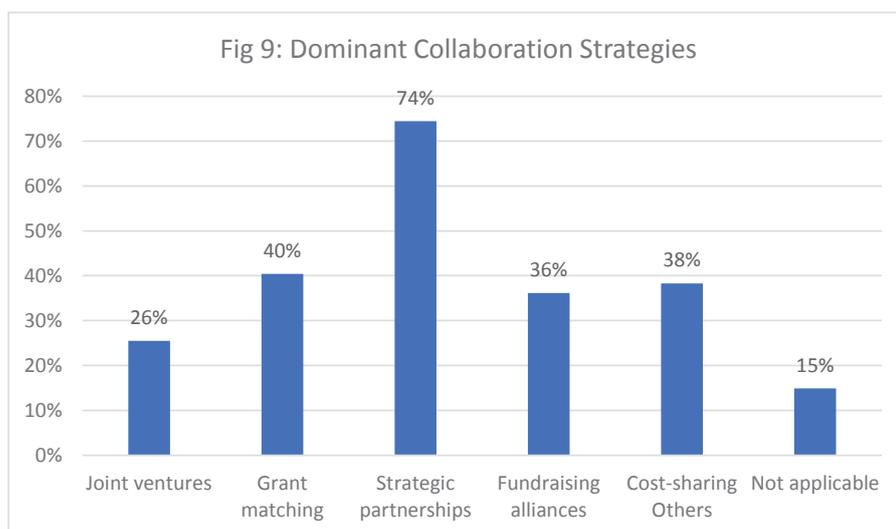


The above data showed that most institutional systems tend to focus on financial accountability. This could be attributed to the fact that many of these institutions are also funded by donors who emphasize financial accountability. On the other hand, the aspects that received the least favourable ratings (weak, very weak) were resource mobilization staffing (21%), program management systems (19%) and other resources (17%). These three components require further attention.

The findings align with earlier observations on the limited number of well-trained resource mobilization staff while pointing to a new phenomenon of inadequately developed program management systems. The latter includes poorly developed planning, monitoring, evaluation and learning systems.

Dominant Collaboration Strategies for Local RM:

Separately, the survey asked respondents to identify the top three dominant collaboration strategies used for local resource mobilization. The findings regarding the major strategies are presented in figure 9.



Note: Data generated from multiple response question allowing the frequency to vary beyond 100%

It is evident from figure 9 that the approach that is most adopted for local resource mobilization is strategic partnerships as indicated by 74% of the respondents. This was followed by grant matching at 40%, cost sharing at 38%, and fundraising alliances at 36%. At 26%, joint ventures were the least pursued approaches for local resource mobilization.

From a Country perspective (see table 4 below), respondents in Kenya showed a strong propensity towards the use of grant matching and fundraising alliances, while Uganda topped in the use of strategic partnerships, joint ventures, and cost sharing.

Table 4: Dominant collaboration strategies used for local resource mobilization by country

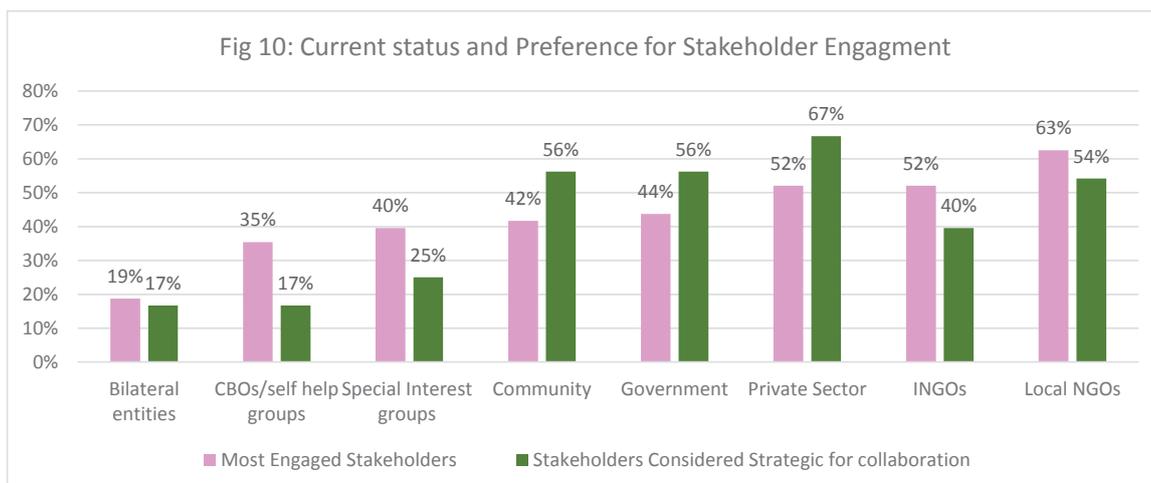
Collaboration strategy	Kenya	Tanzania	Uganda
Joint Ventures	17%	28%	43%
Grant matching	50%	28%	29%
Strategic partnership	67%	67%	100%
Fundraising alliances/ consortia	38%	33%	29%
Cost sharing	33%	28%	71%
Others	17%	17%	14%

Note: Data contained in the table refer to those that responded 'yes' when asked if they use the different strategies

Overall, as indicated earlier, most funders are pushing for consortia-based funding. This is seen as an emerging development sector phenomenon whose growth is driven by a need for greater systems orientation and scaling of impact. There is therefore a need for philanthropy actors to invest in establishing or strengthening such consortia for purposes of joint resource mobilization or programming. Such alliances are often better established by actors with shared interests, philosophies, and vision. Alliances are also useful in mobilizing resources as opposed to collaborating only as a response to calls for proposals.

Engaging Stakeholders Vs the Most Strategic to collaborate with for Greater Impact on RM:

Under this subsection, the study sought to establish the stakeholders who were most often engaged in resource mobilization. It also explored actors who were considered as strategic collaborators for greater impact in the future. The results are presented in Figure 10 below. In this regard, it was observed that the most engaged stakeholders for resource mobilization were local NGOs (63%), INGOs (52%), private sector (52%), and government (44%) - (see figure 10). It is also notable that the same entities were regarded by the respondents as the most strategic to collaborate with for deepening local resource mobilization in the future.



Note: Data is generated from multiple responses to questions, allowing the frequency to vary beyond 100%

The private sector and government engagements were ranked relatively high with respect to their current interactions and perceived future strategic collaborations. This is a major milestone for the philanthropy sector who previously tended to depend on donor funding.

In general, the stakeholders presently engaged appeared to also be considered as relatively strategic for (future) collaborations. Further investments are needed as far as engagement with the private sector, government and community since the current levels of engagement are still below the extent to which they can be regarded as strategic.

From a Country point of view, the extent to which philanthropy actors in Kenya engage with and consider the private sector as strategic was far better compared to Uganda and Tanzania who rated these relatively low. Similarly, the degree to which respondents from Uganda and Tanzania considered the government as a strategic actor to engage with was relatively lower than Kenya. There is thus a need for greater promotion of engagements between philanthropy actors with the private sector and State in both Uganda and Tanzania. On the other hand, engagements with communities and CBOs need to be promoted, mainly in Kenya and Tanzania where they were ranked relatively low.

Table 5: Stakeholders that respondents engage with in local resource mobilization

Stakeholder Categories	Kenya		Tanzania		Uganda	
	Already Engaged	Deemed Strategic	Already Engaged	Deemed Strategic	Already Engaged	Deemed Strategic
Private sector	54%	63%	28%	56%	29%	29%
Government	46%	75%	44%	61%	71%	57%
Community	33%	17%	28%	17%	71%	14%
International NGOs	13%	38%	33%	33%	100%	29%
Local NGOs	63%	54%	56%	33%	71%	57%

Overall, it is notable that only 35% (see fig 10) presently engage with local CBOs, with the latter being regarded by only 17% of the respondents as being strategic to collaborate with for greater impact on local resource mobilization. This could be explained by the perceived limited capacities of CBOs’.

2.4 Information and Knowledge Management Practices

This section focuses on the study findings regarding how the participating philanthropy organizations go about managing, accessing, and sharing information on local resource mobilization practices. The subsections below highlight the results.

Information Generation and Sharing:

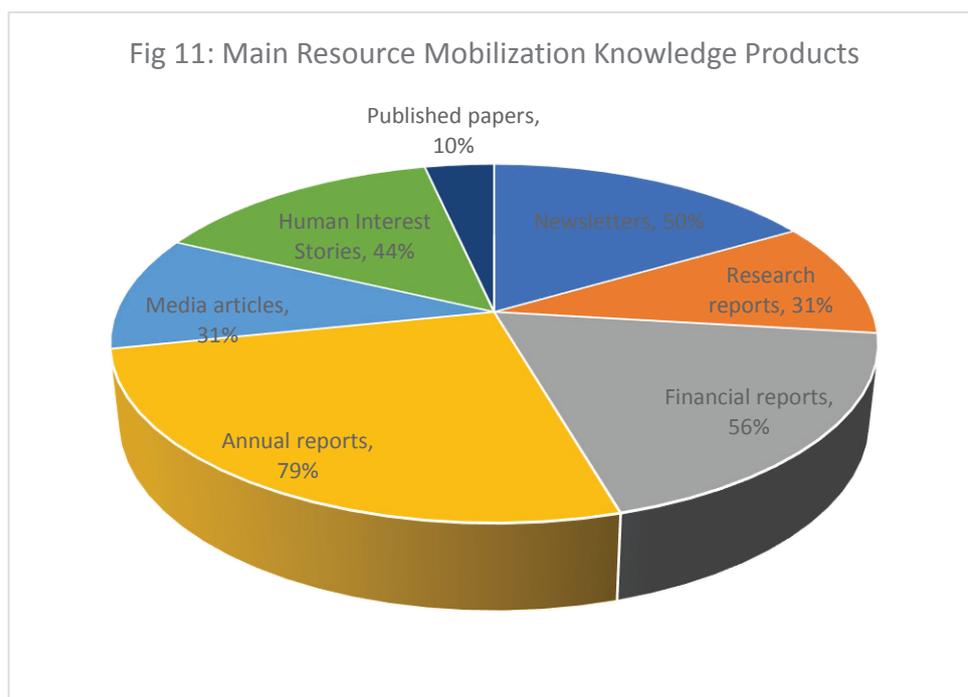
Respondents were asked whether they produced reports on local resource mobilization initiatives, such as strategic plans, results, accountability, and practices, for which 67% of the respondents (75% Kenya, 39% Tanzania, 86% Uganda) responded that they did. In this respect, it is worth noting that sharing reports on resource mobilization in Tanzania was quite low compared to Kenya and Uganda. Reporting on local resource mobilization efforts, practices, results, and accountability thus needs more attention in Tanzania. These have the potential to enhance awareness, trust, and confidence in givers with the potential to increase giving.

It was noted that when they were prepared, reports were shared with both internal and external stakeholders. The most cited stakeholders with whom reports were shared were donors with 19 mentions, followed closely by the government with 16 mentions. The others were public/community with 13 mentions, as well as board members and peers with 9 and 8 mentions respectively.

Overall, the trend of sharing reports shows that upward accountability (to donors and government) still far exceeds downward (community and public) and lateral (peers) accountability. Subsequently, it is important to note that growing local resource mobilization will require downward accountability to be further enhanced.

Knowledge Products:

Survey responses concerning the main resource mobilization knowledge products generated by the philanthropy actors are presented in Figure 11 below. At 79%, annual reports were the main knowledge products generated by the organizations. The others include financial reports at 56%, newsletters at 50% and human-interest stories at 44%.



Note: Data generated from multiple response question allowing the frequency to vary beyond 100%

Figure 11 demonstrates that the most common products (annual and finance reports are somewhat related to accountability and compliance). However, on a positive note, there appears to be a reasonable level of online and print publications in the form of newsletters (50%) and media articles besides human-interest stories at 44%.

From a Country perspective, actors in Uganda actively generate more resource mobilization financial reports and research products, in comparison to Kenya and Uganda. The findings from Kenya indicated that the participants perform much better in generating media articles on resource mobilization. Results from the respondents in Tanzania showed that they performed comparatively better when it comes to generating newsletters.

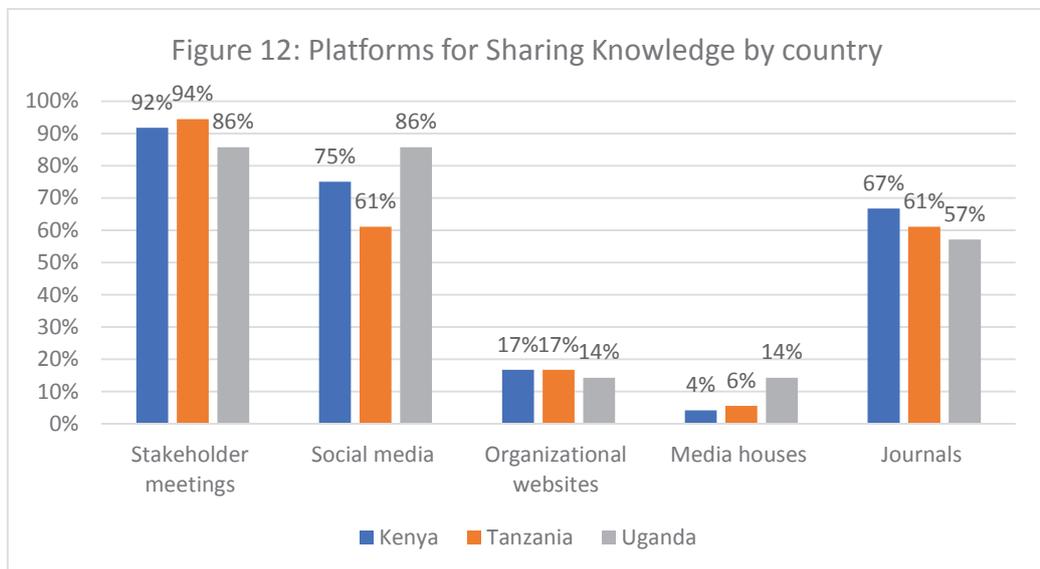
Types of knowledge products	Kenya	Tanzania	Uganda
Research reports	54%	50%	71%
Newsletters	25%	39%	29%
Financial reports	29%	11%	57%
Annual reports	33%	28%	29%
Media articles	58%	28%	29%
Human interest stories	13%	0%	29%

These findings thus indicate that each country has a strength in one or more knowledge products. However, more is needed to strengthen research, analysis and evidence building as well as published papers which received low ratings of 31% and 10% respectively.

Platforms for sharing knowledge products:

Stakeholder meetings emerged as the leading platforms for sharing knowledge products at 91%. Online spaces were reported to have been used by 74% of the respondents using social media and publishing in journals (62%). 16% indicated having organizational websites. The use of online means is laudable. It is however apparent that the use of media houses (8%) remains neglected. This aligns with earlier findings of limited research, analysis and evidence building.

There were no marked differences in the extent of use of stakeholder meetings, websites, and journals between the three countries as shown in figure 12 below. However, Tanzania lags a bit in the use of social media compared to Kenya and Uganda.



Overall, as indicated earlier, more investment is needed towards knowledge generation and sharing on local resource mobilization. This would increase availability of authentic data/ evidence on emerging resource mobilization trends and practices to ensure philanthropic support is timely, better targeted, and appropriately delivered. Such information is also invaluable for future decision making.

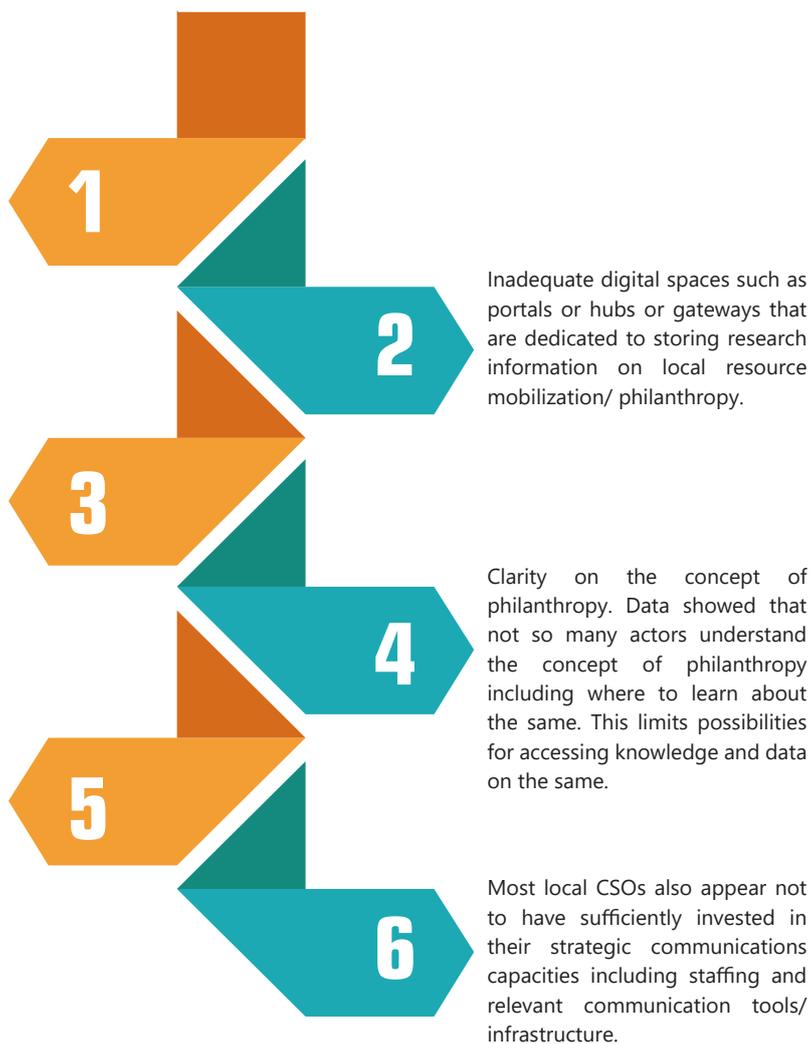
Challenges in accessing information/knowledge about local RM:

Several issues were identified by the respondents regarding the challenges they face in accessing information/knowledge about local resource mobilization. The list below outlines some of the main challenges pointed out:

Inadequate documentation on local resource mobilization, i.e. processes, strategies, experiences, best practices, and lessons. In addition, there also appears to be very limited research or publications on resource mobilization in online spaces. This could be due to limited investments in conducting research, analysis, or documentation.

Cost limitations that affect the prospects to undertake and share regular research for most philanthropy actors; limited budget availability for subscription to knowledge gates that charge for such services; as well as for CBOs - the cost of accessing the internet.

Hoarding of information due to competition amongst different actors. This is mainly because some actors shy away from sharing information touching on their funders and resource mobilization strategies or practices. This is due to the fear that competing CSOs could use this information to shortchange them.



The following were suggested as some of the solutions in addressing the challenges of accessing information/knowledge about local RM. Specifically:

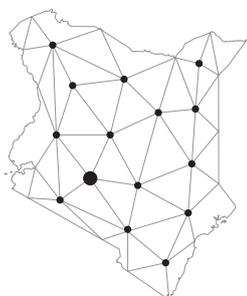
1. Advocate for greater allocation of budgets towards knowledge management on resource mobilization, from funders. This includes greater funding for philanthropy focused research, analysis and evidence building.
2. Strengthened praxis i.e. greater collaboration between philanthropy practitioners and related knowledge institutions/academia towards greater knowledge generation and dissemination.
3. Investing in dedicated up to date/innovative ICT driven infrastructure (e.g. portal, research gates/ hubs) that aid storage and sharing of information on local philanthropy.
4. Invest in further strengthening of philanthropy actors' strategic communications capacities (skills, personnel, infrastructure, budget allocation etc).
5. Conduct education and conscientization of relevant actors e.g. funders, communities, and policy makers on the concept of philanthropy (e.g. the why, what, and how of philanthropy).

2.5 Laws and Policies Governing Local Resource Mobilization

2.5.1 Laws Governing Community Philanthropy in Kenya

Resource mobilization initiatives by CSOs in Kenya are governed mainly by the Public Collections Act, Chapter 106, the Public Officers Ethics Act, Chapter 186, and the Elections Act, 2011. Other laws that have a bearing on resource mobilization and giving include Societies Act and Chiefs' Authority Act. All CSO laws, except the Society's Act contain the principle of non-distribution, which prohibits CSOs from transferring their assets, resources or earnings meant for public good into private hands, or to provide special personal benefits, directly or indirectly, for any person connected with the CSO.

The laws do not however sufficiently cover the conduct of fundraising activities⁷, including relevant principles⁸. In this regard, there is for instance, limited reference to fundraising in the PBO Act - Article 65 (1) allows PBOs to engage in lawful economic activities if the income is used solely to support the public benefit purposes, while Article 65 (2) lists possible income streams for PBOs, which include; donations, bequests, gifts, and grants.



Lastly, Article 66 (3) prohibits PBOs from engaging in fundraising to support or oppose any political party or candidate for appointive or elective public office.

It is however worth noting that although the PBO Act was accented into law in 2013, the same has never been operationalized. With respect to this, there appears to be limited political goodwill on the part of the state towards operationalization of the Act, despite the fact that it is much more comprehensive and tries to cure various gaps in the NGO Coordination Act of 1990 which it sought to replace.

A Statute Law Miscellaneous Amendment Bill 2013, was introduced in parliament in 2018 seeking to limit the amount of funding CSOs could receive from foreign sources to 15% of their total income. Besides prohibiting PBOs from receiving their funding directly from donors, they are required to channel these through a new PBO Federation⁹. The proposal, if passed, would lead to the closure of many PBOs, since the majority depend substantially, if not wholly, on foreign funding. This is because most PBOs in Kenya have not developed to the point where they can rely on local or own generated resources.¹⁰

The Trustees (Perpetual Succession) Act Section 12 allows people to lawfully give donations, gifts or bequeath property to incorporated Trusts or PBOs, through a deed, will, or testamentary act. On the other hand, however, all other CSO laws are silent on the possibility for individuals to create a CSO by testamentary act (e.g. through a will). This, if linked to the Succession Act Cap 160, could form an important way in which the law can encourage private property to be handed down for public purposes.

Further, although many testamentary gifts are made to existing NGOs, experience indicates that many individuals prefer to make testamentary gifts to organizations they create themselves by testamentary act. Thus, there is a need to advocate for insertion of a clause that allows for creation of CSOs by the testamentary act in various CSO laws. On the other hand however, all other CSO laws - other than the Trustees (Perpetual Succession) Act 2012 - are silent on the possibility for individuals to create a CSO by testamentary act. This limits possibilities for people to make testamentary gifts to or bequeath organizations that they create through e.g. a will.

⁷KCDF, 2017. Report on Policy and Context Analysis of Laws and Regulations that Support Local Giving in Kenya

⁸ <https://ecnl.org/sites/default/files/2020-08/Fundraising-Principles-Briefer.pdf>

⁹ <https://www.fidh.org/en/region/Africa/kenya/14469-kenya-parliament-decides-to-withdraw-controversial-amendments-targeting>

¹⁰Gitau Joseph J. Mwangi (2012) Charities and Kenya's tax system: A proposal for tax Law reforms, A thesis in partial fulfillment of the requirement of the degree of Master of Laws (LL.M) at School of Law, University of Nairobi October 2012, Nairobi

On its part, the Public Collections Act seeks to regulate collection of money and property from the public. Article 4 (2) of the Act states that a person intending to promote a collection shall give notice of such intent to the regulating officer at least three days before commencing such promotion. The notification and authorization requirements for fundraising activities per the act are simple, inexpensive, and not burdensome. On the other hand, however, the Public Collections Act does not vary the requirements to enable these to be proportionate to say the CSO's size and scope of activities, besides requiring CSOs to provide intrusive information such as planned use of the funds, bank accounts, and expected amounts to be collected¹¹.

The responsibility for administration of the Public Collections Act lies with the national government coordination administration (formerly provincial administration), hence is not aligned with the new devolved structures. The requirements of the Public Collections Act are likely to be technical for grassroots actors thus discouraging local fundraising. The Act also criminalizes collections outside the provisions of the Act and subjects collectors and promoters directly to the authority of public administrators and the police. Finally, the Public Collections Act excludes from its purview, religious purposes yet this forms a large component of Harambees in Kenya.

On its part, the Public Officers Ethics Act prohibits public officers from presiding over or playing a central role in fundraising activities, including being the guest of honour for the same (Article 15 (1)). It also prohibits public officers from using their offices to receive contributions for Harambees or influencing, inducing or in any manner exerting pressure on a person to contribute to Harambee.

Finally, the Chief's Authority Act Chapter 128, Laws of Kenya subjects any collections of funds to the regulation of the Chief. The provisions are not clear on how the chief is to regulate these collections. These provisions have been abused by the chiefs and led to the undermining of the 'harambee' spirit at the local community level.

There also exists explicit laws on tax obligations, applicable tax categories, and tax exemptions. In the first place, the different tax acts provide clear conditions for application and processing exemptions and justifiable grounds for rejection of any such requests. Further, according to the PBO Act 2013, Second Schedule Para 1(a), PBOs are exempt from taxation on income¹² that is wholly used to support the public benefit purposes for which the entity was formed.

On the other hand, however, existing tax incentives available to CSOs in Kenya, tend to be illusory in practice largely due to burdensome procedures and or flouting of the same by tax authorities or officials. As an example, although the law stipulates that tax exemptions should be granted within 60 days, in practice, these often run into months or years. There are also often no feedback mechanisms on the progress of one's application or reasons for refusal to grant exemptions. Furthermore, CSOs are required to separately apply for exemptions for the different taxes such as income tax, VAT, and Import Duty, as opposed to one blanket application. Finally, trusts and foundations cannot qualify for exemptions under the VAT Act and the Customs and Excise Act which do not include them in the definition of charitable organizations.

Additionally, most CSOs are often not sufficiently knowledgeable on the available tax exemption incentives and or the processes of securing the same. Structured awareness raising for CSO, pertaining to available tax incentives is thus imperative, and advocacy for the concerned authorities to make access to available tax incentives more accessible is necessary.

¹¹https://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session20/A-HRC-20-27_en.pdf

¹²Such incomes may include donations of cash and in-kind contributions; bequests; membership fees; gifts; grants; real or personal property; and income generated from any lawful activities undertaken by the PBO with its property and resources (PBO Act Section 65(2)(a)-(g))

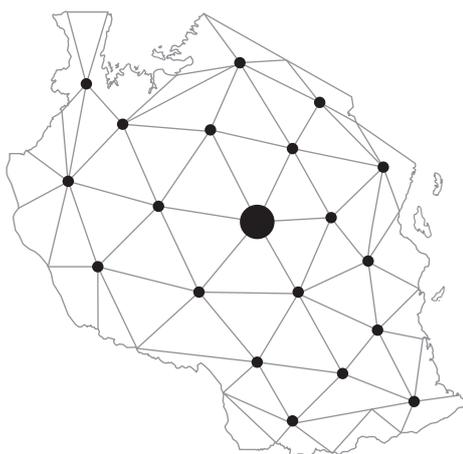
Overall, the existing CSO regulatory frameworks appear to disadvantage grassroots formations such as Community Based Organization (CBOs). As an example, CBOs are required to renew their registrations on an annual basis¹³. Article 14 (1) of the proposed Community Groups Registration Bill 2021 however proposes that renewal of registration of CBOs be done biennially. While the establishment of the Community Groups Registration Bill is a step in the right direction, biennial renewal of registration still leads to unnecessary paperwork and bureaucratic review and control. It will be a missed opportunity if the bill becomes law without attending to the noted concerns.

The Community Groups Registration Bill also confines the concept of community to geographical proximity which may be prejudicial to persons who are not part of the same geographical locality but share other characteristics that make them part of an identifiable community. Further, the Bill proposes the position of Director of Social Development (DSG), whose many roles include 'investigation of community group activities'. The latter implies that the DSG has supervisory and investigatory powers, which could raise questions regarding the Bill's objective as far as civic space is concerned¹⁴.

Further, CBOs do not fit within the definition of Public Benefit Organizations (PBOs) as per the PBO Act of 2013, hence will not benefit from the Act once it is enacted. Finally, CBOs are also not amongst the organizations listed as having the possibilities to benefit from tax exemption. These gaps do contribute to limiting the potential of such community based formations towards local resource mobilization aimed at local community development¹⁵.

Generally, while both the NGO Coordination Act and the PBO Act make provisions for self-regulation, none of the provisions focus on fundraising. This notwithstanding, fundraising is a very fruitful area for self-regulation, to protect the image/standing of CSOs, protect the public, and enhance public assurance that (locally) mobilised resources will be well used. Additionally, the use of digital technologies for resource mobilization, while on the rise, is barely regulated by the current CSOs laws.

2.5.2 Laws Governing Community Philanthropy in Tanzania



There are about 10 laws that govern CSOs in Tanzania. These are: Non-Governmental Organizations Act of 2002; the Trustees Incorporation Act, Cap. 318; the Societies Act, Cap. 337; the Companies Act, Cap. 212; the Legal Aid Act of 2017; the National Sports Council Act, Cap. 49; the Tanganyika Law Society Act, Cap. 307; and, the Co-operative Societies Act, Cap. 211¹⁶. In addition, CSOs are required to adhere to applicable laws on taxation, social security, skills enhancement, and corporate tax. Article 24 (1) of the Tanzanian Constitution guarantees the right to own property and its

¹³Article 14 (1) of the proposed Community Groups Registration Bill 2021 however proposes that renewal of registration of CBOs be done biennially.

¹⁴<https://www.standardmedia.co.ke/opinion/article/2001418364/community-groups-registration-bill-violates-freedom-of-association>

¹⁵Karuti Kanyinga W.Mitullah and S.Njagi, (2007), The Non-Profit sector in Kenya, the Size scope and Financing, The Institute for Development Studies, University of Nairobi, Aga Khan Development Network, P 17.

¹⁶Tanzanian Human Rights Defenders (2018). Legal & Policy Issues Affecting Civil Society Organizations in Tanzania.

protection. Similarly, Section 32 of the Non-Governmental Act states that NGO “registered under this Act shall be entitled to engage in legally acceptable fundraising activities.” Fundraising is one of the means to acquire property and resources necessary to implement one’s activities. All the laws that govern CSOs in Tanzania do not prevent CSOs from fundraising but place some obligation on spending the money wisely or on the furtherance of the objectives of the CSOs.

It is notable however that CSOs operate under a very restrictive legal environment. To start with, Regulation 13(b) of the Non-Governmental Organizations (Amendments) Regulations No 609 of 2018 requires that any NGOs that received Tshs 20 million and above must submit the grant agreements to the Registrar of NGOs in the form of contracts and agreements not later than ten days from the date of signing the agreement. These are in addition to requirements of obtaining permission of district and regional authorities for project implementation. Such approvals ordinarily take a long time to obtain, besides impinging on crucial NGO data protection.

Further, Regulation 12 of the amendments require NGOs to disclose to the public, the Council, the Board and other stakeholders within fourteen days from the date of the completion of the fundraising activities (a) the source of funds or resources obtained; (b) expenditure of funds or resources obtained; (c) purposes of funds or resources obtained; and (d) activities to be carried out from the funds or resources obtained.

This means even though the NGO has already entered into a contract with the donor, the said grant contract cannot be executed until the NGO receives the approval of the Registrar of NGOs. A legal challenge by the Legal and Human Rights Centre against this requirement, for being ultra vires (beyond one’s legal power or authority), was dismissed by the court at a preliminary stage.

Concerning societies, Section 67(1) of the Cooperative Societies Act, 2013 exempts cooperative societies from tax or duty. The societies are however not allowed to have any linkage with trusts as their respective laws prohibit their linkage through trusts or societies. Further, Rule 3(1) of The Societies Rules require that every society that receives money from any source, whether by way of subscription, donation or otherwise, shall keep one or more books of accounts in which shall be entered details of all monies received and payments made by it.

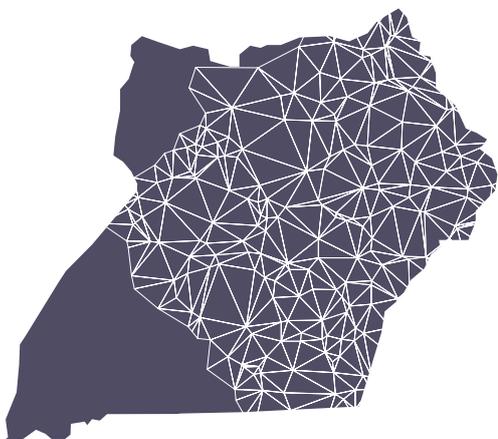
With regard to trusts, Section 10 of the Trustees Incorporation Act allows the trust to receive donation, gift or disposition of land in favor of the trust or through a trustee or trustees. Moreover, the trust is allowed to own movable and immovable property, stocks, funds and securities

The main law that deals with the taxation of income in Tanzania is the Income Tax Act Cap 332 R.E. 2019. Section 64(2)(a)-(b) exempts income of a charitable organization from its charitable business. However, CSOs must acquire charitable status from the Commissioner General of Tanzania Revenue Authority (TRA), in order to be exempt from taxation. The legal regime only allows for the deduction of contributions of an income derived from a business to a charitable organization with a charitable status certificate. Moreover, deductions are allowed from a business income as a gift to the Education Fund Act¹⁷.

The deduction of such donation to a charitable organization cannot however exceed 2% of the person’s income (s.16(2)). Moreover, an individual employee who out of his or her philanthropic endeavors decides to make a donation is allowed but s/he can only claim a deduction for the donations made only under section 12 of the Education Fund Act.

¹⁷ See section 16(1) of the Income Tax Act Cap 332 R.E. 2019.

2.5.3 Laws Governing Community Philanthropy in Uganda



Ugandan law provides for the establishment of a variety of NPOs. Such NPOs are mostly constituted as NGOs, Trusts, and Foundations. The NGOs are governed by the Non-Governmental Organisations Act (2016); Trusts by the Trustees Act Chapter 164 (1954) and the Trustees Incorporation Act Chapter 165 (1939); while foundations fall under either the Trustees Incorporation Act or as Companies Limited by Guarantee under the Companies Act Chapter 110.

There is no separate legal regime which specifically regulates philanthropy organisations in Uganda. The regulation of philanthropy falls under the same legal regime that governs NGOs. Philanthropy organisations have to operate within the legal environment that CSOs and CBOs face.

There are no express restrictions on domestic or foreign fundraising by CSOs in Uganda. However, the Uganda National NGO Policy (2010) lists foreign funding as a key risk for the state due to the notion that donor dependency by NGOs could lead to undue foreign influence. This is largely due to the fact that over 90% of funding received by CSOs in Uganda is from foreign philanthropic organisations¹⁸. The result has been a restrictive regulation which shrinks civic space.

In this regard there have been increased reporting requirements for funding from foreign sources in compliance with the Uganda Financial Intelligence Authority (FIA) regulations. On April 19, 2018, the FIA announced that CSOs would be required to declare their sources of funding to the Authority to ensure transparency and avoid money laundering in the sector. To exemplify, CSOs focusing on good governance have reported heightened challenges in accessing funding for their work, and even had their bank accounts frozen and their organizations investigated citing money laundering allegations.

The second schedule of the Anti-Money Laundering Act lists charitable organisations as "accountable persons". The latter are required to report transactions above US\$5,500, and maintain records of these for a period of ten years from the date of the transaction. Section 11 of the Act further states that accountable persons must avail their financial records if required by the State. While the provision stipulates confidentiality of such information, there are no clear mechanisms of how this is to be enforced or guaranteed. This violates the right to financial data protection/privacy and would discourage donations from actors that prefer to keep their information private or away from scrutiny.

¹⁸UNNGOF, State of Civil Society Report 2018

Concerning taxation, Section 2(b)(i) of Income Tax Act lists philanthropic/charitable organisations as being tax exempt. However, Section 2(bb)(ii) requires a written ruling by the commissioner stating that an organisation is exempt. This implies that the tax-exempt status is not automatic and must be applied for. In practice, acquiring a tax-exempt status involves applying in writing to a commissioner and the waiting period can take a minimum of one year and financial costs to expedite the process. such conditions are pretty hard for smaller philanthropy organisations to fulfill.

Similarly, there is very little tax incentive for individuals and corporations to donate. Section 34 of the Income Tax Act allows for a 5% deduction on donations. This applies to both individuals and corporations. This is minimal compared to jurisdictions such as the USA which allows tax deductions of up to 25% on donations¹⁹.

Additionally, Uganda has in recent years adopted various repressive tax laws that negatively impact local philanthropy. To start with, the social media tax introduced in 2018 generally affects the ability of NPOs to mobilise people to support their causes. The tax for instance contributed to a reduction of internet subscribers by over 2.5 million people²⁰.

The NGO Act also places the regulation of CSOs under the mandate of the Ministry of Internal Affairs, which in practice means that security interests often override positive regulation of the sector. NPOs are further required to seek the authorization of police prior to holding public assemblies under the Public Order Management Act. Police have often used the Public Order Management Act to prevent, obstruct or break up private and public meetings, protests and marches, particularly if hosted by NPOs focusing on good governance issues.

¹⁹Internal Revenue Service, Charitable Contribution Deductions, <https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contribution-deductions>.

²⁰The Guardian, Millions of Ugandans quit internet services as social media tax takes effect, 2019, <https://www.theguardian.com/global-development/2019/feb/27/millions-of-ugandans-quit-internet-after-introduction-of-social-media-tax-free-speech>

2.6 Future of Local Resource Mobilization Practices

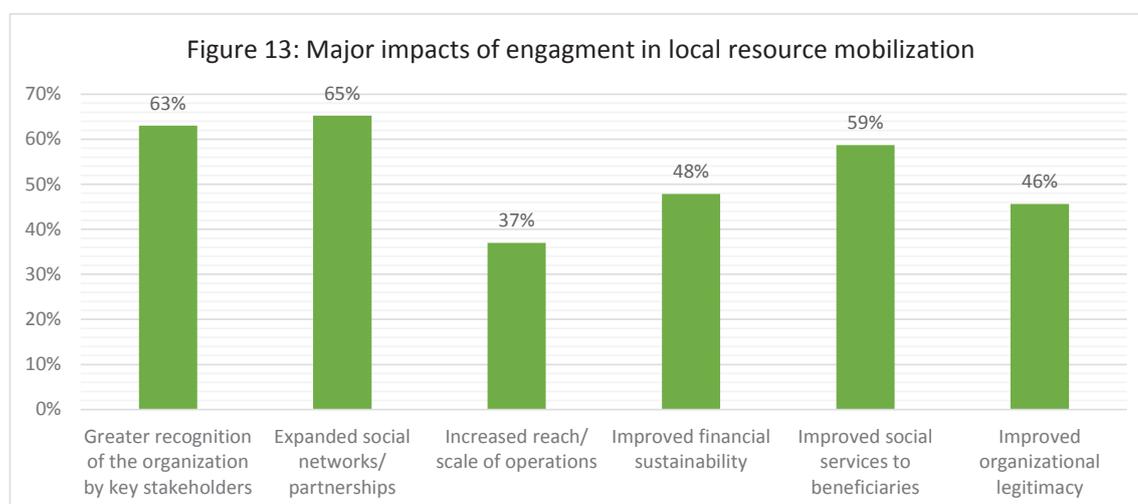
This subsection provides a discussion on the findings on the future of local resource mobilization practices. Below are some of the highlights of the results.

2.6.1 Impacts and Opportunities Emerging Local Resource Mobilization Practices

Major Impact in engagement of Local RM practices:

The study sought to examine what was considered as the major impact of the specific institution's engagement in local resource mobilization practices. The results presented in figure 13 reveals impact has been achieved across the board on various aspects. Increased partnerships for the institution (65%) and greater recognition of the organization by the target population/key stakeholders (63%) were particularly highly regarded. 59% felt that engagement in local resource mobilization practices brought about impact by improving the beneficiaries' access to social services.

Further, about 50% of the institutions felt that engagement in Local resource mobilization has led to Improved financial stability at 48% and improved legitimacy at 46%. It was, however noticeable from the findings that only a small percentage at 37% felt that local resource mobilization had led to an increased reach/scale of operations.



From a country perspective, there were no marked differences in the levels of impact accrued by the respondents across the areas assessed, except for the fact that participants from Uganda appeared to have resulted in higher recognition by stakeholders compared to the rest. The details of the comparative analysis of impact by country is provided in table 6 below.

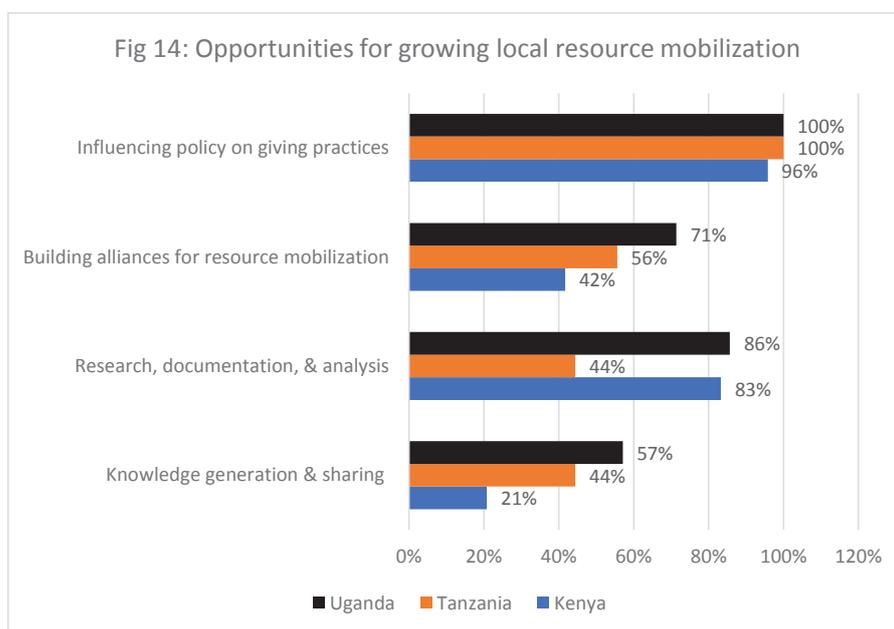
Table 6: Impacts experienced by respondents from local resource mobilization

	Kenya	Tanzania	Uganda
Expanded social networks/ partnerships	33%	39%	29%
Greater recognition by key stakeholders	58%	56%	76%
Increased reach/ scale of operations	42%	44%	57%
Improved financial sustainability	42%	67%	57%
Improved beneficiaries' access to social services	38%	50%	43%

Opportunities for deepening local RM:

In response to what they regard as the major opportunities for growing local resource mobilization, 56% of the participants referred to alliance building and networking, followed closely by knowledge generation and sharing at 41%. The other highlighted opportunities by the respondents were influencing policy on giving practices at 99% and research, analysis, and documentation at 71%.

The above findings highlight the desire by stakeholders' for a more conducive operating environment. This (policy influencing) is thus an area that will require further investment.

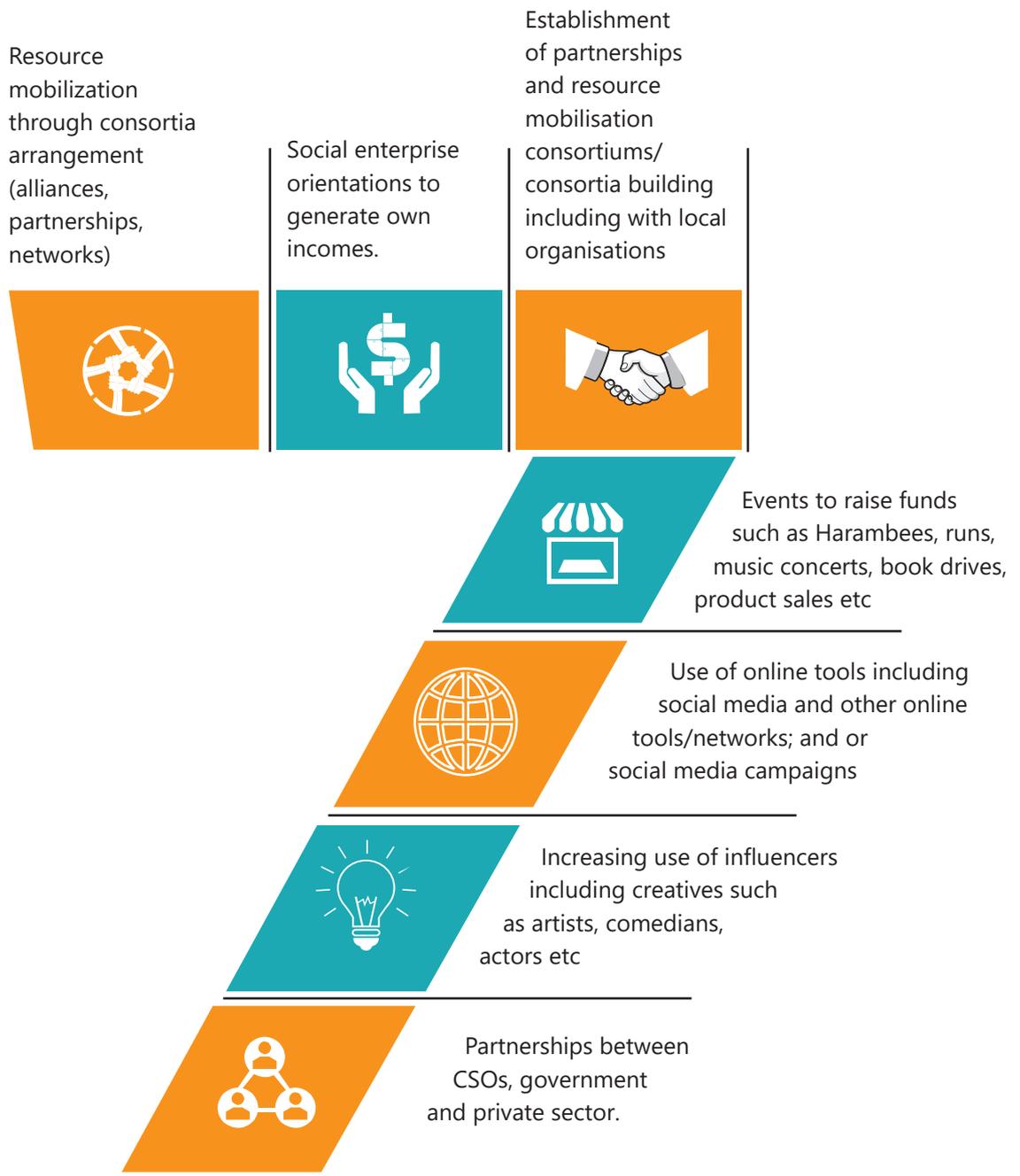


2.6.2 Emerging Local Resource Mobilization Practices

The research also sought to establish some of the emerging local resource mobilization practices or models based on the institution’s experiences. The following were identified:

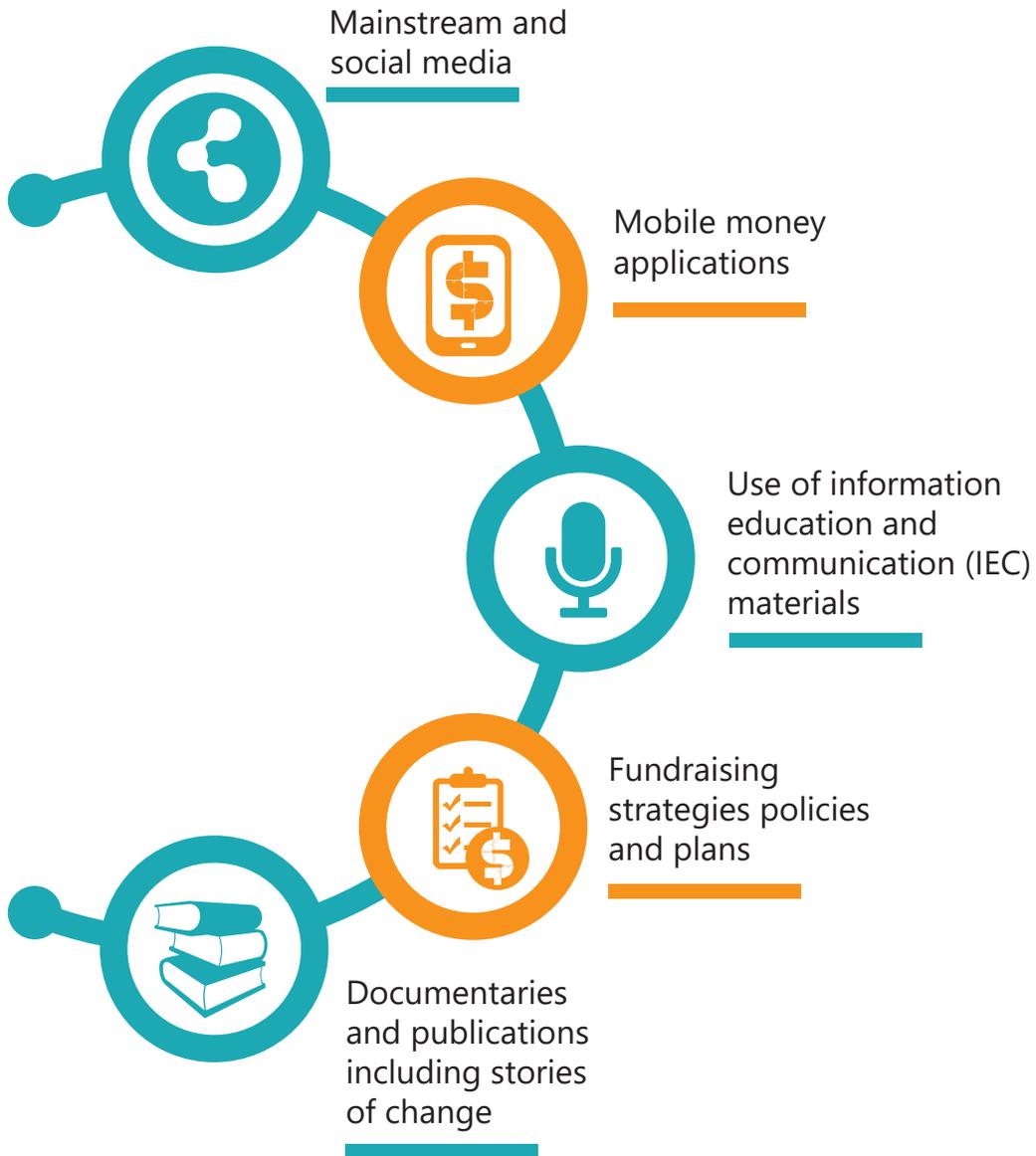
Local resource Mobilization Methods:

The methods identified by respondents were as follows:



Local Resource Mobilization Tools:

The prioritised local resource mobilization tools included:



Local Resource Mobilization Platforms:

The identified local resource mobilization platforms included:



Other Best Local Resource Mobilization Practices:

These include:



Note:

Respondents were also asked if they would be interested in being kept informed about the outcomes and follow up of this study. 98% responded in the affirmative (with no material variations in the individual country responses). Separately, 80% of the respondents (83% Kenya, 72% Tanzania, and 85% Uganda) responded affirmatively when asked if they would like to join EAPN.

3.0 CONCLUSIONS, LESSONS AND RECOMMENDATIONS

3.1 Major Conclusions

The following conclusions may be drawn from the study.



There is a diverse ecosystem of philanthropy actors in terms of typology, registration types with different scopes of operation and experience in resource mobilization. The actors also apply a broad range of strategies towards local resource mobilization, all with the potential for further development.



Almost all philanthropy actors have made reasonable investments in building their local resource mobilization capacity including resource mobilization staff. However, while a majority have staff whose responsibilities include resource mobilization, few of those staff are trained and duly experienced in this area. This calls for greater efforts towards institutionalized capacity development in local resource mobilization among philanthropy actors.



There are a myriad of platforms and spaces for local giving with varying adoption rates. It is notable however that while online campaigns appear to be very popular, online giving remains low, possibly due to limited access to supporting technology.



The regulatory frameworks for local resource mobilization continue to be a key hindrance to local giving. An example is the current framework of CSO tax incentives which do not apply favourably to all legal CSO formations. Furthermore, the administration of tax exemptions is often bureaucratic, cumbersome, not transparent, and not implemented in strict adherence to the stipulated regulations. There are cases of flagrant flouting of set regulations paving the way for corrupt practices. These challenges, together with the limited awareness by many CSOs on applicable legal frameworks, means that many CSOs currently do not benefit from the existing tax incentives.



Most philanthropy actors have well developed internal systems and structures that support local resource mobilization; however, a majority of the systems are geared towards compliance and accountability (towards traditional donors).



There exists a relatively good measure of collaboration among philanthropy actors with regards to advancing local resource mobilization. The most dominant are strategic partnerships and fundraising alliances. There are also growing engagements between the private sector and government. However, there is a need to strengthen collaboration with grassroots organizations besides investing in their resource mobilization systems and structures.





There is a growing amount of documentation on resource mobilization including newsletters and social media posts. However, most of the documentation on resource mobilization focuses on accountability, this being mainly through financial and annual reports. In general, knowledge generation and sharing – research, analysis and documentation – on resource mobilization remains limited.

3.2 Key Lessons Learnt

The following conclusions may be drawn from the study.

Sufficient investments are required to advance the institutional capacity and infrastructure of philanthropy organizations in order to increase their resilience. This would require that funders provide core and unrestricted funding other than just project funding.

01

Providing an enabling environment will pay dividends in the philanthropy context since it will effectively contribute to durable development. There must therefore be structured investments towards addressing structural barriers to local giving. This is often in the areas of formal regulations, institutions, social norms, perceptions and individual or collective capacity constraints.

02

Capability in the effective use of ICT for philanthropy actors remains a critical success factor in local resource mobilization. The philanthropy actors must leverage technology as a tool for local resource mobilization as well as effective administration and reporting of mobilized resources.

03

Public education and sensitization on the rationale (why), and ways (how) of giving is critical for local resource mobilization. Further, donor education involving sensitization of potential givers (local donors, philanthropists, corporate givers, individual givers) on priority community needs, best practices in community development and avenues of giving will play a huge role in enhancing local resource mobilization.

04

Additional investments will be required to significantly increase the levels of local giving by ensuring adequate investment in the capacity development of actor's in philanthropy, and establishment of local giving support structures. This includes further strengthening of the strategic communications capacities (skills, personnel, infrastructure, budget allocation etc) of philanthropy actors'.

05

Sustainable growth in local giving across the East African region especially in the context of growing disruptions - requires effective collaborations by concerned actors across all sectors. This includes collaborations in the areas of research, learning, due diligence, information sharing, joint resource mobilization and advocacy.

06

In order to grow local resources, adequate attention to all types of local benefactors will be required. There is a need in this regard to deliberately engage, inform, and involve local communities and the public in philanthropy work. These are in addition to genuine relations with communities, and adequate downward accountability to build trust.

07

3.3 Overall Recommendations

Several specific recommendations have been provided within the body of this report, directly addressing the noted points of attention in each subsection of the report. This section therefore only presents a summary of the general recommendations; these should therefore be read together with the other recommendations under each subsection. The recommendations therefore are.



01

Invest in the capacity development of staff and board members around philanthropy and local resource mobilization (the why, the what and the how). The trainings should be institutionalized as far as possible.



02

Further develop innovative contextualized ICT driven local resource mobilization infrastructure, particularly tools, platforms and systems that support local giving, as well as effective administration and reporting of mobilized resources.



03

Continued advocacy towards regulatory frameworks that are supportive of local resource mobilization. This includes tax administration and consolidation of laws and policies that regulate the operations of CSOs.



04

Conduct public conscientization that would entail public education and sensitization on the rationale (why), and ways (how) of giving. Additionally, investments in donor education would go a long way in the sensitization of potential givers (local donors, philanthropists, corporate givers, individual givers) on priority community needs, best practices in community development and avenues of giving.

05

There is need for strengthened partnerships and networks amongst philanthropy actors for purposes of learning and or joint resource mobilization. This is especially considering increasing pressure to align development (system orientation, integrated) approaches to programming. In this regard, there are also more funders pushing for consortia funding.

06

Advocate with funders for greater allocation of budgets towards knowledge management on resource mobilization. This includes greater funding for philanthropy focused research, analysis and evidence building.

07

More investments are needed to further strengthen strategic communications capacities (skills, personnel, infrastructure, budget allocation etc) of philanthropy actors'.

08

There is need for greater transparency and accountability regarding more regular and open reporting by concerned philanthropy actors towards communities, authorities, givers and other stakeholders. This is seen as an important basis of building trust and further confidence. Self-regulation mechanism within the philanthropy sector could also play a critical role in such accountability.

09

Strengthened praxis i.e., greater collaboration between philanthropy practitioners and related knowledge institutions/ academia towards greater knowledge generation and dissemination.

4.0 ANNEXES AND APPENDICES

4.1 Annex 1–List of Persons Consulted³

Organization	Country
Nabageraka Development Foundation	Uganda
Grassroots Development Initiatives Foundation – Kenya	Kenya
Tabora Women Lawyers Association	Tanzania
Visionary Community Care Program	Tanzania
Gaplink	Kenya
Women Fund Tanzania Trust (WFT-T)	Tanzania
Zanzibar Youth Forum	Tanzania
Kim Jakes	Uganda
BRAC Maendeleo Tanzania	Tanzania
East African Playgrounds	Uganda
Twala	Tanzania
Africa Inland Child & Community Agency for Development	Kenya
Legal and Human Rights Centre	Tanzania
Safal Group	Kenya
Tanzania Network of Legal Aid Providers (TANLAP)	Tanzania
Tanzania Breast Cancer Foundation	Tanzania
Nyakitonto Youth for Development Tanzania (NYDT)	Tanzania
Children of the World Foundation (COWF)	Uganda
Tanzania Community Foundation Network	Tanzania
Women Fund Tanzania Trust (WFT-T)	Tanzania
Anonymous	Uganda
PACSET	Kenya
Busia Parish Family Life Education program	Kenya
Kijani Group	Kenya
Peer-to-Peer Uganda	Uganda
WASH Alliance Kenya	Kenya
Tanzania Empowerment for Persons with Disability and Gender Org (TEPDGHO)	Tanzania
Cheshire Disability Services Kenya (CDSK)	Kenya
Civil Society Urban Development Platform	Kenya
CBM Tanzania	Tanzania
Hilde Back Education Fund	Kenya
Art for Children Foundation (A4C)	Kenya
Transformative and Integrative Build out for all	Tanzania
KickStart International	Kenya
The Turning Point Trust	Kenya
Photo Start	Kenya
Levis Ochieng	Uganda
Terre des Hommes Netherlands	Kenya
Daraja Academy	Kenya
Sense International Tanzania	Tanzania
Future First	Kenya
Kuon Kuey	Uganda
Tanzania Community Foundation Network	Tanzania
Enjuba	Uganda
Centre for Health, Human Rights and Development (CEHURD)	Uganda
Nguzo Africa Community Foundation	Tanzania
Backup Uganda	Uganda
Akili Dada	Kenya
Community Development Trust Fund of Tanzania (CDFT)	Tanzania

³ This list contains only the names of interviewed key informants. It is not possible to get the names or contacts of respondents to participated in the study research since the same anonymous.

4.2 Annex 2 - List of References

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