



ევროკავშირი  
საქართველოსთვის  
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# Philanthropy and Volunteering Activities

## International Practice and Georgia

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Civil Society STAR Initiative  
სამოქალაქო საზოგადოების ინიციატივა



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### Civil Society STAR Initiative

### სამოქალაქო საზოგადოების ინიციატივა

This study has been produced with the assistance of the European Union and Konrad-Adenauer-Stiftung within the framework of the project **“Civil Society STAR Initiative: CSOs as Sustainable, Transparent, Accountable and Resilient Development Actors in Georgia”**. Its contents are the sole responsibility of Civil Society Institute and do not necessarily reflect the views of the European Union and the Konrad-Adenauer-Stiftung.



## Main Findings

This paper reviews the key findings of the study Philanthropy and Volunteering Activities: International Practice and Georgia. Albeit, the original version is more extensive and in Georgian.

## Introduction

The aim of the study is to determine the specifics of the ecosystem of philanthropic and volunteering activities, to identify current challenges and opportunities existing in the Georgian context and to explore the best international practices of the field. Respectively, the document covers the following key issues:

- The essence and definition of philanthropy;
- The impact of philanthropic donations on UN Sustainable Development Goals and relevant quantitative data;
- The main source of income for philanthropic organizations;
- The key elements of the philanthropic ecosystem;
- The types of philanthropic activities;
- Individual and corporate volunteering;
- Measuring, managing, and reporting of the impact of philanthropic and volunteer activities.

To be more precise, the study describes current challenges and findings (of the field) on the legislative, institutional and practical basis. It is worth mentioning that the broader understanding of the philanthropic activities is used for the particular purpose of the study. The latter implies to non-remunerative activities carried out for the public good on the basis of individual or corporate initiative. Thus, in accordance with this definition, the following chapters of the document discuss the types of philanthropic activities, such as charity, strategic, corporate as well as individual philanthropy and volunteering, along with the specific role of philanthropy in regard to achieving the UN sustainable development goals. The existing actors or potential ones of the field and their activities are also components of the study content. This approach allows us to focus not only on charity organizations and civil society actors, but also on individuals and the private sector regarding the development of philanthropic activities and to study the following key aspects:

- philanthropic culture;
- legislative and regulatory framework;
- policy framework.

In order to further examine field actors and their enabling environment, the document introduces general approaches and specific cases based on the international practices in terms of philanthropy. Herein, the international approaches and practices were chosen to be included in this document, based on the following criteria:

- Efficiency of promoting the development of philanthropic activities - in particular, indicated examples discuss the tools that are maximally focused on removing barriers to activities and strengthening the field;

- Feasibility of implementing the mentioned approaches and tools in practice and their adaptability in the Georgian context.

The study includes a desk review of Georgian and international law, practice and interviews with representatives of the philanthropy support system (public, non-governmental sector), which were conducted during the preparation of the document to identify attitudes, challenges and ways of development. Hence, those paramount issues revealed during the interviews and international practices are reflected in the document.

## Key Findings and Recommendations

The study of Georgian Practice, the interviews with the actors in the field, as well as the findings of the desk research demonstrated that despite the recent steps towards the development of civil society, philanthropy and volunteerism, challenges remain in all three elements of the ecosystem - the regulatory framework, and the policy framework, as well as in relation to the culture. Consequently, due to the relative weakness of civic activism, the lack of philanthropic and volunteer culture, the development of the field is relatively slow. Adding to this, the differing attitudes towards the essence and need of philanthropy - philanthropy is equated with charity, the volunteer network is slowly evolving, with less attention being paid to the potential of social or economic impact and social sustainability of philanthropic activities. Steps taken in certain areas of the philanthropic and voluntary spheres are not based on any shared vision and policies exchanged between the state and other actors in the sector. Capacities in the public and private sectors are less adapted to the development of this area. Programs supporting this field are episodic and they are not driven by common, shared vision of existing needs. Support programs planned by the private sector (grant projects, credit mechanisms) are largely sporadic. Characteristically, a holistic approach is not used, which if implemented, could pave the way for a new direction of cooperation between the public, private sector and CSOs, especially in regard to those issues related to the promotion of innovation. However, in order to establish such a partnership, it is necessary to create an ecosystem relevant to the philanthropic community and to substantially enhance their capabilities. Challenges also exist in terms of philanthropic and volunteering actors' positioning, public relations, organizational sustainability, finding sources of income and joint advocacy. In particular, overviews from various sources have shown that the communication activities of philanthropic and volunteer organizations are less tailored to the purpose of informing the public and arising interest among the population regarding their activities. Furthermore, they are more sporadic in this sense and mostly incapable of introducing themselves to the wider public. The sources of income of the organizations are homogeneous - most of them depend on the grant instrument of international donors.

Given the lack of monetary support opportunities at the municipal and state levels, and the lack of the culture of individual and corporate donations, this factor poses a significant threat to the organizational sustainability of actors. Challenges also exist in terms of corporate philanthropy or volunteer culture. Although entrepreneurs' interest in the social (sustainable) responsibility component has been growing recently, interviews have shown that a significant portion of them do not consider philanthropy and volunteering as a component of corporate social responsibility. Those corporations that are involved in corporate philanthropy do so on their own, without organizations with relevant expertise or with their minimal involvement. Interviews have also shown that due to the lack of the interest in corporate philanthropy or volunteering, existing tax incentives are unknown or unattractive to corporations.

## Recommendations:

1. The findings of the desk research have shown the need for a broad understanding of the philanthropic activities on the legislation level, the recognition of its individual directions, the definition of concepts and the improvement of the relevant regulatory framework. The existence of relevant legislation will enable philanthropic actors and the private sector representatives supporting them to be properly regulated for their own purposes in the areas of taxation, grants and public procurement, as well as to use tailored public policy instruments;
2. It is advisable to further refine the Law of Georgia on Volunteering, taking into account the shortcomings identified in practice after its adoption. Surveys of actors in the field and discussion on international practice have shown that it is appropriate for the legislative framework to define the rights and responsibilities of volunteers and host organizations in more detail;
3. It is important to pay special attention to the introduction and strengthening of monetary and non-monetary incentive mechanisms in the field of philanthropy and volunteering, as their lack hinders the development of a culture of philanthropy and volunteering and the establishment of an appropriate ecosystem in the country. It is advisable to define tax incentive mechanisms in case of individual donations or individual and corporate volunteering activities. In the case of volunteering, it is important to focus on mechanisms such as offering an insurance package to the volunteer, as well as the possibility of granting training credits by educational institutions;
4. It is important to define in the legislation the maximum delegation of authority to the local philanthropic and volunteering organizations to offer services to beneficiaries in certain areas (social services, the rights of people with disabilities and children, healthcare, psychosocial services, environmental protection).
5. In order to support philanthropic and voluntary organizations, it is advisable to take steps to introduce European countries' practices - a percentage philanthropy model / in the direction of interest in tax mechanism implementation.
6. It is important to develop relevant policy instruments, in particular strategic documents at the municipal and national levels (including possible key areas of philanthropy and volunteering) that set out a strategic vision. Relevant documents should be developed for both philanthropy and volunteering. Strategies and relevant action plans should be based on a holistic approach and reflect specific, time-bound steps towards philanthropic and volunteer development. Particular attention should be paid to the need to inform the private sector about philanthropy and volunteering as an important component of corporate social responsibility in these strategic documents;
7. It is recommended to identify the responsible structures at the central and municipal level, which will take steps towards the development of philanthropy and volunteering activities and will coordinate the activities of various actors in these areas. These structures, with the right of deliberative vote, should include representatives of philanthropic and voluntary organizations, citizen groups and the private sector. It is with their participation and involvement that policy documents and support programs should be developed;

8. It is as well important to implement non-monetary instruments, promoting philanthropic and volunteer activities, which can be described in the relevant strategic documents. In addition, it is recommended to consider the following components:
  - Raising awareness of decision-makers (at central and municipal levels) and the general public about the importance of philanthropic and volunteer activities;
  - Facilitate dialogue between the private sector and philanthropic or volunteer organizations by launching an appropriate platform (especially at the municipal level) and focusing on corporate philanthropy and volunteering as characteristics of a socially responsible business;
  - Develop and deliver training courses by municipalities, targeting initiative groups or individuals involved in philanthropic and volunteer activities. This can be done through contracting with local philanthropic and volunteer organizations. This will not only stimulate interest in philanthropy, volunteering and increased awareness, but also create an additional source of income for organizations;
  - Take steps to establish municipal volunteer registries using international practice to facilitate volunteer mobilization, advocacy and development-oriented activities.
9. While developing policy instruments related to the support system, special attention should be paid to the private sector component. It is important to encourage the possibility of cooperation in the process of product and service delivery between traditional enterprises and units involved in philanthropic activities, as well as the development of mentoring and training programs in which entrepreneurs will help individuals and organizations involved in philanthropy to develop relevant skills. This can be achieved by raising the awareness of traditional business about the component of social sustainability and the importance of philanthropy and volunteering;
10. It is important that the government, philanthropic organizations and actors involved in corporate philanthropy work closely with a variety of actors, including academia, the private sector, international partners and other stakeholders, to plan and implement innovative activities that can benefit the wider public;
11. It is advisable to increase the motivation of actors involved in corporate philanthropy (philanthropic and volunteer organizations) to prepare their own social, environmental or other impact reports. It is important that actors involved in philanthropic and volunteering activities have the ability and motivation to use the impact assessment methodology of their activities as well as to share its results with the general public. For this, it is vital to support donor organizations, including through financial support;
12. In order to increase public trust in the philanthropic field, special attention should be paid by the actors involved in philanthropic and volunteer activities to the development of communication strategies, focused on the involvement of the wider public in their activities. Attention should be paid to those communication channels and messages, used by philanthropic and volunteer actors and public officials to address this issue. In order to increase accountability to the public regarding issues related to financial and philanthropic impact, acceptable and understandable formats for citizens should be introduced. Thus, it is important for philanthropic organizations to improve communication channels and proactively inform the wider public about their work and outcomes;
13. In order to establish close contacts with the public, the private sector and municipalities, it is important that the activities of philanthropic and volunteer organizations be tailored to address the challenges in the respective community / geographical area. To this end, it is advisable to

introduce the practice of polling citizens' opinions and attitudes, which will be reflected in the strategic goals of the organizations;

14. Philanthropic and volunteer entities should elaborate ways of alternative funding sources and this should happen through the participation of the private sector and the state, to ensure the continuity of their activities and the sustainability of the results achieved. To attain this, it is important to inform companies about the strengths of strategic philanthropy and cooperation with non-profit organizations, including the benefits of such partnerships;
15. The joint efforts of the state, the private sector and philanthropic actors should create ways and means of involving individuals in philanthropic activities, including those citizens, employed in the private sector. This can be done as follows:
  - creating and strengthening corporate volunteer networks;
  - establishing regular channels of direct communication with beneficiaries, citizens and the general public.
16. It is important to create and strengthen umbrella associations of philanthropic and volunteer actors. The organizations operating at the various levels from this group, will share their knowledge and experience, jointly advocate on important issues and plan and implement cooperative projects.