

**Russian Donors Forum
Ural Federal University Center for Research
of Philanthropy and Social Programs**

Philanthropy and social investment in BRICS countries



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Russian Donors Forum

Ural Federal University Center for Research of Philanthropy
and Social Programs

Philanthropy and social investment in BRICS countries
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ON RUSSIAN DONORS FORUM

Russian Donors Forum is an association of Russian largest philanthropic and donor organizations. It is the only organization that, since 2002, has united more than 65 corporate and private foundations, as well as socially responsible companies that systemically implement social programs and projects.

FOREWORD



Benjamin Belleguy

Executive Director at WINGS

WINGS has always valued the work that takes a closer look at the philanthropy landscape, the trends, and the experiences from different regions. Philanthropy and social investment are developing rapidly across emerging economies bringing new actors, successes and lessons to learn.

Before the pandemic, the philanthropy and social investment sector in BRICS countries was consolidating; donations were surging, and private and corporate actors were gaining more relevance while overcoming government barriers and limitations. During the pandemic, the sector strengthened. Countries witnessed increased solidarity and mobilisation at local levels, funders rearranged their structures to be more digital and flexible, and corporate and private donors became the main funders of non-profits filling the gap left by retreating international donors. The sector grew and matured, but can BRICS philanthropy players become a centre of new thinking and practice in global philanthropy?

We are seeing a new approach, a new era of philanthropy. Actors from emerging economies are innovating and becoming thought leaders. BRICS countries are creating models that align with their cultural and political realities and do not replicate those in the USA and Europe. This change is essential for philanthropy to grow and thrive in different regions and can help older institutional philanthropic sectors to reinvent themselves and become more transformational.

This report gives insights into what philanthropy looks like in these countries and where it is going. We hope that it will shed light on new philanthropy trends and hopefully inspire readers to lift up philanthropy in their own countries.



Elena Chernyshkova

*Director, Center for Research on
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For several decades, against the backdrop of outpacing economic growth, philanthropy has also developed at an accelerated pace in the BRICS countries: the volume of institutional and individual donations was growing, international charitable practices were being actively applied, and new support formats were being developed. The pandemic has had a serious impact on the development of philanthropy: on the one hand, social problems have deteriorated and many foundations and NGOs have faced a shortage of resources; on the other hand, horizontal connections in professional and local communities have expanded, and the role of online tools and individual donations has grown significantly.

The focus of this study is to explore the most significant trends in the development of philanthropy and social investment during and after the pandemic, based on first-hand information from the most influential actors in the sector of each country. It is implemented by a coalition of Russian and international organizations, including the Russian Donors Forum, WINGS, CECP and the Center for Philanthropy Research of the Ural Federal University. I hope that the results of the study will be useful to the heads of charitable organizations and social investment programs for business, as well as government officials who determine policies to support and develop the sector during the difficult period of economic and social recovery after the pandemic.



Sasha Boldyreva

Russian Donors Forum Executive Director

Philanthropy development in the BRICS countries has been repeatedly discussed at the Russian Donors Forum Annual Conference and other discussion platforms. As the largest association of foundations and companies, systematically developing philanthropy in Russia, we know how important it is for leaders of the sector to exchange experience, understand the situation and trends in their countries and in the world. Speakers from Brazil, India, China and South Africa invariably aroused the interest of the Russian audience, and as a result, we came to the general opinion that this interest is mutual. This is justified, first of all, by a certain set of common features in the development of the socio-cultural sphere and the economy, while the BRICS countries do not usually know a lot about each other.

This study was initiated by Russian Donors Forum in partnership with the Ural Federal University to educate the professional audience on how the philanthropy sector operates in each country and how it has responded to the challenges of the COVID-19 pandemic.

We sincerely thank the team of authors for their help in implementing this research initiative, all the experts from Russia and other countries who agreed to give an interview, our colleagues from WINGS and CECP, who introduced us to the leading experts of the donor and charitable community in the BRICS countries, and, of course, our partners – the Center for Research on Philanthropy and Social Business Programs of the Ural Federal University.

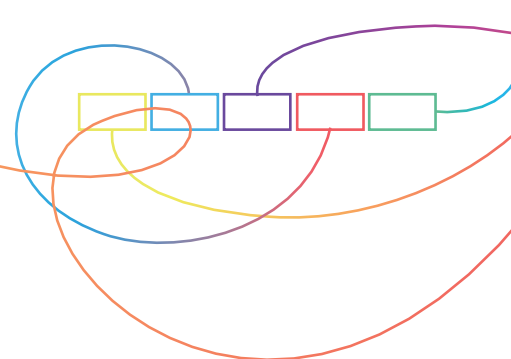


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METHODOLOGY

Philanthropy and social investment in BRICS countries is a study initiated by the Russian Donors Foundation and the Urals Federal University in partnership with the Worldwide Initiative for Grantmaker Support ([WINGS](#)) and Chief Executives for Corporate Purpose Global Exchange ([CECP Global Exchange](#)).

The purpose of the study was to compare the donor communities of BRICS countries and assess the impact of COVID-19 on the philanthropy and social investment sector.

The study paints the portrait of the donor communities in BRICS countries: the environment they operate in, including the regulatory framework, the problems that donors currently face, etc. In addition, the authors have identified the challenges that the donor community of BRICS countries faces today due to the global crisis caused by the COVID-19 pandemic, and reviewed the activities and methods used by the donor community to confront the pandemic and its social effects.

The report also includes an appendix dealing with the role of philanthropy in implementing the Sustainable Development Goals before and after the COVID-19 crisis.

The methodology included desk research and in-depth interviews with 28 experts from BRICS countries, representing socially responsible business, grant-making foundations and infrastructure organizations in the philanthropy and social investment sector. Interviews were conducted from October 2020 through June 2021. Desk research was performed based on sources and publications available before September 2021.

We are grateful to the experts from infrastructure organizations in the philanthropy and social investment sectors of Brazil, India, China and South Africa who provided assistance with their consultations. We also appreciate the support provided by the United Nations Development Programme, UN Global Compact Russia and CAF Global Alliance.

EXECUTIVE SUMMARY

1. The philanthropy and social investment sector in the BRICS countries is still very **young** and is **developing rapidly**, which is due both to the low base effect and to the sharp growth of economy and wealth in developing countries.

The COVID-19 pandemic has given an additional impetus to the development of the sector. The first stage of the pandemic is characterized by an increase in solidarity and mobilization of the whole society, prompt attraction of unprecedentedly large amounts of donations; expansion of the circle of major donors along with individual giving; rapid development of various philanthropic practices – online donation mechanisms, crowdfunding, social marketing campaigns, volunteer initiatives. However, over time, there has not been any significant expansion of the resource potential of the sector, although there are hopes it is going to happen.

The philanthropic sector in **South Africa** differs from the other BRICS countries on a number of criteria, which is due to their particular background and evolution of the sector.

2. International donors

- Major international donors and development agencies played a significant role at the emergence of the philanthropy and social investment sector in the BRICS countries, actively financing the sector and its infrastructure, transferring best practices and technologies, and providing social innovations (social entrepreneurship, impact investing, etc.). This trend is less typical for **China and South Africa**, and more for **India**.

At the same time, in each of the BRICS countries, the philanthropy sector has deep roots with local cultural and religious traditions of donations and public service.

- For various reasons, international donors are reducing or minimizing their presence in the BRICS countries. The authorities purposefully limit their influence and funding; they are suspicious of the introduction of foreign values and practices, especially those that pose political risks (**South Africa** is an exception).
- During the pandemic, major international donors and diasporas have made a significant contribution to overcoming the consequences of the pandemic in **India**, which became an additional reason for the donor community to negatively react to the authorities tightening the regulation of donations from foreign sources (FCRA - The Fair Credit Reporting Act).

In other BRICS countries, the contribution of international donors to overcoming the consequences of the pandemic was less noticeable (**Brazil, South Africa**) or practically absent (**Russia, China**).

3. Corporate donors

- Unlike Western philanthropy, the BRICS countries are characterized by a pronounced corporate feature – it is big corporations and its owners that are the main donors. On the one hand, business provides its resources (financial, material, volunteering, IT, etc.), and also promotes the dissemination of effective management technologies. On the other hand, the predominant position of business creates an imbalance of power and limits the development of the sector: the interests of the business itself and the authorities determine the priorities and localization of charitable programmes (the territories of presence); funding depends on the economic situation, making it unstable; there is a lack of the focus on systemic solutions of social problems, which require long-term collective effort and large-scale investments.
- A typical feature of BRICS philanthropy is blurry boundaries between direct corporate social investments, corporate charity and CSR, corporate foundations and B-BBEE trusts¹, as well as private philanthropy of business owners. Private and family charitable foundations often identify themselves and their reputation with the business of their founders and are managed through boards, which include the top officials of the companies they own. Conversely, corporate foundations are often managed by and depend on private donations from the owner of the company.
- The state encourages business participation in philanthropy, both through mandatory contributions to CSR (**India, South Africa**), and through various incentives, including tax incentives for businesses supporting government-approved philanthropic initiatives (**Brazil, China, Russia**). In **China**, business has traditionally been active in support of social initiatives and priorities of the state (this is also pronounced, though to a lesser extent, in Russia).
- During the pandemic (especially in its early days), the corporate sector has remained the main donor of the non-profit sector, making unprecedented donations – both through previous mechanisms and through donations to emergency response funds created by the authorities. Experts' forecasts for the next few years are cautious – a reduction in donations from companies affected by the pandemic (including mandatory CSR contributions in **India** and **South Africa**) is expected.

¹ Broad-Based Black Economic Empowerment trusts (B-BBEE trusts) – trust funds aimed at expanding the economic rights of black people (**South Africa**).

4. Private donors

- Private and family foundations are one of the most dynamically developing and progressive sectors of the donor community in the BRICS countries.
- Wealthy people participate in philanthropy both through their own foundations and business companies, as well as through individual donations, impact investment mechanisms, social stock exchanges (**India**), philanthropist circles (**India**), etc.
- In the BRICS countries (**South Africa** is an exception), the level of trust in NGOs and foundations as well as in wealthy people and corporations practicing philanthropy isn't high enough. Despite ongoing efforts to increase trust, the level of participation of the population in institutional philanthropy remains low (although there is a slight increase in individual giving; **Brazil** is an exception); the non-profit sector is not yet perceived as a legitimate player and an equal partner in the social sphere (donations tend to represent an emotional action rather than an act of civic participation or a way to spur changes in the social sphere).
- The beginning of the pandemic was marked by a sharp increase in the participation of private donors and the population in philanthropy. There were unprecedented amounts of donations both from private foundations and wealthy people, as well as the total amount of individual giving, and the expansion in participants – a high proportion of people who made donations for the first time or became volunteers (in **Brazil** it was the case for wealthy families but not for 'an average Brazilian citizen' whose donations decreased due to the economic difficulties). Private foundations launched new and additional programmes to support NGOs, the healthcare system and vulnerable citizens, contributed significantly to the development of philanthropy infrastructure. In contrast to the Western developed countries, all BRICS countries have seen a significant improvement in their positions in the CAF World Charity Index during the pandemic, compared with previous periods.

5. Other donors

- In the BRICS countries, there is a small number of independent grant-giving foundations, some of which are affiliated in varying degrees with the corporate sector and large private donors. In **South Africa**, such foundations play a significant role as re-granting organizations, supporting grassroots and small NGOs that are beyond the focus of larger donors. In **Russia**, community foundations play an important role accumulating funds from various sources and directing them to local communities.
- Innovative practices of impact investment and social entrepreneurship are emerging; along with professional associations of social investors. This is especially true for young philanthropists in **India**.

6. Philanthropy in general and the donor community in particular are characterized by **a complex relationship with the state**, a constant change in the “rules of the game”. The authorities seek to strictly control the non-profit sector and its financial flows, regulate the volume of corporate investments (**India, South Africa**), priority areas (**China, Brazil**), introduce strict regulation of funds received from foreign sources (**Russia, India, China**), become a key donor for the non-profit sector and volunteer initiatives in the country (**Russia**). The stance of the authorities directly affects institutional donors in particular, causing their unwillingness to support the activities of human rights and environmental organizations due to political risks.

During the pandemic, the BRICS countries maintained the previously established model of relationship between donors and authorities. Thus, in **China**, where the state traditionally determines the priorities of social investment, the donor community, at the call of the authorities, promptly provided all the necessary resources for the implementation of “zero tolerance for COVID-19” in the affected territories. And in **Brazil**, it was the donor community and the non-profit sector that became the leading players in the fight against the pandemic when the federal authorities denied the danger of the virus. Corporate donors made donations to emergency response funds created by the authorities (**India, South Africa**); assisted local authorities in supporting the healthcare system and vulnerable citizens in its territory. In **Russia**, the donor community actively participated in supporting the volunteer movement coordinated by pro-government players.

7. Donors of the BRICS countries (**South Africa** is an exception) **mainly implement their own programs and provide assistance to the beneficiaries directly**. In many terms, this is a way to maintain control over the process and outcomes, as well as the result of general distrust of NGOs and their professionalism. Nevertheless, in recent years, especially during the pandemic, there has been a trend towards an increase in the share of external donations, through grantmaking in particular.
8. **The pandemic has seriously affected the BRICS countries**, and the previously existing social problems have become seriously aggravated. **China** became the first country in the world to encounter COVID-19; **India, Brazil** and **Russia** are among the countries with the highest incidence and mortality from COVID-19 in the world. **The donor community has played an important role** in raising awareness and mobilizing resources to support the healthcare system and the situation of the most vulnerable and affected groups of the population: indigenous people and favela residents (**Brazil**); elderly people and families with children (**Russia**); migrant workers (**India**); unemployed youth and the hunger (**South Africa**).

Currently, the donor community is trying to find a balance between meeting the increased needs in the field of healthcare and the anti-crisis agenda, as well as its traditional areas requiring systemic solutions and long-term investments –

education, environment, food systems and security, territorial development, poverty and inequality. The situation is complicated by a high degree of uncertainty about the sources and size of budgets, incl. their reduction (especially from the corporate sector).

9. In the initial period of the pandemic, there was **an explosive growth of publications and data on the philanthropy sector, donors and their donations** (with very prominent cases in **Brazil**). This strengthened the media potential of the sector, led to greater recognition of the contribution of donors, NGOs and volunteer initiatives, increased awareness of the importance and effectiveness of their actions, as well as reputation and trust. Simultaneously it also led to a greater demand for sector transparency.
10. **The growth of solidarity, collaboration and partnerships** between the members of the philanthropy ecosystem (both internal, external and multisector, involving companies, CSOs, philanthropist, media outlets, and governments) is a trend of the first stages of the pandemic. Although there is unanimous consent of the importance of this trend for the weak and fragmented infrastructure of the sector, its preservation and development in the future is under question.
11. The pandemic helped **to increase the importance of local philanthropy** – bringing more attention and resources to NGOs and other field-based partners; to the use of local methods and solutions as more adequate, and taking into account the interests of beneficiaries.
12. The pandemic has affected **changes in internal processes of the donor organizations themselves**:
 - increased organizational flexibility, the ability to quickly change and adapt in the face of uncertainty;
 - the growth of digitalization, introduction of remote work formats, the adaptation of programmes to the online format, which requires an increase in investments;
 - search for systemic solutions; more effective, sustainable and inclusive social investment practices;
 - the need to change communication, PR strategies in the face of greater attention and growing expectations of stakeholders;
 - a wide range of issues related to employees: digital and other competencies inherent in the new reality; physical and mental health; growing interest of employees to participate in philanthropy in the workplace, incl. virtual volunteering.

13. There is a growing awareness, of the **Global Agenda 2030 (Sustainable Development Goals, SDGs)** in the philanthropy and social investment sector of the BRICS countries; attempts are being made by the donor community to introduce the SDGs into their national contexts. Although the BRICS donor communities consider the SDGs might potentially provide a common language for communication and cooperation between different stakeholders, at present it remains predominantly an elitist agenda of outward-looking largest philanthropies and responsible business (international cooperation, global markets, transnational corporations, etc.).
- The corporate sector is at the forefront of promoting and integrating the 2030 Agenda in the donor community, primarily interested in securing business interests (access to foreign loans, requirements of international investors and partners, reputation and branding issues, risk minimization, etc.). Integration of the ESG (Environment, Social and Governance) principles has contributed significantly to the corporate interest in sustainability. Another significant player in promoting the SDGs is international donors (**India, South Africa**). Private foundations, which are not affiliated with corporations or their founder's business, are less integrated into the SDGs, especially in **Russia** and **South Africa**.
 - In general, foundations and businesses of the BRICS countries rarely use the SDGs at the stage of planning and strategizing their activities, the Goals generally do not inform strategic funding decisions or inspire giving; to a greater extent, it comes to public presentation (reporting) of already existing activities in the taxonomy of sustainable development goals and objectives to explain or monitor their giving retroactively.
 - An important obstacle to the development of the 2030 Agenda in the field of philanthropy is a systemic shortage of resources (financial, material, human, technological, etc.) as well as being predominantly focused on solving short-term objectives.
 - It is believed that systematic work has to be done at the state level, including providing convincing incentives for the implementation of the SDGs by regional authorities, NGOs, small and medium-sized businesses; there is a request for developing a coordinated evaluation system (guidelines) to help track the achievement of the SDGs.
 - The COVID-19 pandemic, on the one hand, provided additional arguments in favor of the implementation of the SDGs; on the other hand, it set the BRICS countries aside in the achievement of a number of goals.

CHAPTER 1

DONORS' OPERATING ENVIRONMENT IN BRICS COUNTRIES BEFORE AND DURING THE COVID-19 PANDEMIC

The environment that philanthropy and donor organizations operate in in BRICS countries is shaped by a number of factors, including local social peculiarities, religious and cultural heritage in the matters of philanthropy, macroeconomic conditions and the new wealth phenomenon, the regulatory framework and the maturity level of civil society, as well as national peculiarities of philanthropy infrastructure.

1.1. Religious and cultural traditions

Just like in most countries around the world, philanthropy and social investment in each of the BRICS countries is deeply [rooted](#) in their cultural and religious traditions, which remain relevant. While the form and nature of giving may vary with religion, region and culture, all major religions include the concept of charity or service (tzedakah, zakat, dana, ubuntu, etc.).

Religious motivations for giving have traditionally focused on charity – alleviating poverty, hunger, disease, illiteracy, and the impact of natural disasters – not on philanthropy, i.e., seeking change that addresses the root causes of social and economic problems. Support most often has centered on the local church, synagogue, mosque, or temple. Many religious concepts emphasize the importance of anonymous giving.

Table 1. Religious composition by country (2020), % of population

Country	Religious composition
Brazil	Christianity (88%, Catholicism)
Russia	Christianity (73%, Orthodox Church), atheism (15%)
India	Hinduism (79%), Islam (15%)
China	Atheism (52%), Confucianism, Taoism (22%), Buddhism (18%)
South Africa	Christianity (81%), atheism (15%)

Source: [Pew Research Center](#)

BRICS countries are very diverse ethnically and geographically. This results in a high degree of religious diversity among them.

In Brazil, 50% of the people [identify](#) as Catholics, 31% as Evangelicals, and 10% are not religious. Also, a large number of Catholics are actually in [syncretic Afro-Brazilian cults](#) like Umbanda and Candomblé (especially in the state of Bahia with a [population](#) of 15 million people).

In Russia, it is not so easy to establish the number of believers due to the nature of religious evolution in the post-Soviet period. For the Russian Orthodox Church, membership estimates vary from 4-8% to 80%. The latest poll by VCIOM shows that 66% of the Russian people identify as Orthodox believers, 14% as atheists, 6% as Muslims, and 1% as Buddhists or Protestants. Historically Muslim ethnic groups dominate seven provinces of Russia: Dagestan, Ingushetia, Chechnya, Kabardino-Balkaria, Karachay-Cherkessia, Tatarstan, and Bashkortostan. Buryatia, Tyva, Kalmykia, the Republic of Altay and Trans-Baikal Territory are traditionally Buddhist provinces. In addition, Russia has indigenous beliefs (among the indigenous peoples of the Arctic) and shamanism (in Altay Territory).

The religious spectrum of India is extremely rich. According to the 2011 census, 80% of the population practice Hinduism; 15%, Islam; 2%, Christianity; 2%, Sikhism; and 0.7%, Buddhism. A more recent report shows that the situation has not changed much over the last 10 years.

Both pollsters and Sinologists often point out that statistics on religion in China are never accurate because of the country's cultural peculiarities. For instance, a vast majority of the Chinese people, when asked about their religion, describe themselves as "spiritual" or following the "three teachings" – an amalgamation of Confucianism, Taoism and Buddhism. For traditional salvationist sects, estimates vary between 2-3% and 14%. Polls done in the early 21st century indicate that 80% of the Chinese (about 1 billion people) practice some kind of folk religion, 13-16% practice Buddhism, 10% are Taoists, 2.53% are Christians, and 0.83% are Muslims. Also, there are ethnic minorities following other religions, including Tibetan Buddhism and Islam (the Hui people and the Uyghurs).

In South Africa, as of 2015, 61.5% of the population were Christians (32% were Protestants and 6% were Catholics), 7% followed indigenous religions, 6% were not religious, 1.6% were Muslims, and 1% were Hindu.

1.2. The new wealth phenomenon

All of the BRICS countries saw major economic, political and social changes in recent decades. Economic liberalization has been accompanied by the growth of the middle class and the accumulation of vast fortunes by a new, wealthy business class, often linked to the global economy.

Entrepreneurs developed businesses in new industries such as IT and telecommunications, processing industries, services, etc. Many state-owned companies operating in traditional industries were privatized. In **Russia**, for instance, the wealthiest businessmen were able to acquire state-owned industries at very low cost while business ventures of the sons and daughters of **Chinese** revolutionary leaders, known as "princelings," benefited from their political connections.

Over a relatively short period of time, a new generation of very wealthy people emerged in each of the BRICS countries. Many of them have adult children, but most still continue to run their business themselves.

The most common motives for engaging in philanthropy in BRICS countries include the following (Urals Federal University, 2020):

- changing the world for the better (improving social conditions);
- resolving a specific social problem, alleviating human suffering, reducing poverty;
- improving one's reputation, and, for philanthropists who are still active businessmen, improving their business reputation and their relations with their employees and the government.

1.3. International organizations and their effect on the philanthropy and social investment sector

In the early days of the sector, major international foundations allocated significant resources to build infrastructure for local philanthropy and local civil society organizations in BRICS countries (not as much in **South Africa** and **China**, though). They actively promoted best professional practices for managing foundations and grant contests, for designing and implementing programs, etc. The expectation was that local philanthropy would provide sustainable help to local societies and help to address the growing inequalities of wealth, health and education in emerging markets. Global corporations with their programs of corporate social responsibility have had a significant demonstration effect on social investment practices in BRICS countries.

For a variety of reasons, BRICS countries saw a reduction in foreign funding for the sector in recent years. In **Brazil** and **South Africa**, this is primarily because of improved economic conditions, whereas in other BRICS countries international donors face a more hostile environment and tougher regulation for foreign financial support (especially if it goes to human rights groups). As a result, we are witnessing an exodus of international donors (in **Russia**, **India** and **Brazil**). In all the BRICS countries, the authorities are wary of international donors and their activities in the philanthropy sector.

Some international organizations offer support and outsourcing services to local donor organizations and their networks, like the Ford Foundation in **Brazil** or the Rockefeller Foundation in **China**.

1.4. The macroeconomic context

Overall, BRICS economies have achieved a significantly higher growth rate in the past decade, albeit this growth has not been consistent. The effects of the pandemic vary from country to country, considering differences in the number of cases in each country and their different macroeconomic conditions before the pandemic. Although the pandemic-induced global economic crisis resulted in a slowdown and negative growth in four BRICS countries out of five, IMF experts expect **India** and **China** to bounce back by 2024 ahead of the global economy.

According to the IMF, before the pandemic, in 2019, the aggregate GDP per capita growth in BRICS countries was three times the global average (5.4% versus 1.7%). Prior to the pandemic, BRICS countries [accounted](#) for 19% of the world's exports and 16% of global imports.

In 2020, all the BRICS economies had negative growth – except for **China** (2.3%). In **Russia**, contraction was not as bad as in other countries (-3%). According to the IMF, **Brazil's** economy shrank by 4.1%; **South Africa's**, by 6.4%; and **India's**, by 7.3%, whereas the global economy shrank by 3.1%, and the aggregate contraction for developed economies was 4.5%.

Table 2. GDP (US\$ billion)

Country	2010	2015	2020	2024 (forecast)
Brazil	2208,7	1800,0	1444,7	2120,2
Russia	1633,1	1356,7	1478,6	1813,3
India	1708,5	2103,6	2660,2	3791,0
China	6033,8	11113,5	14866,7	21594,8
South Africa	417,3	346,7	335,3	471,9

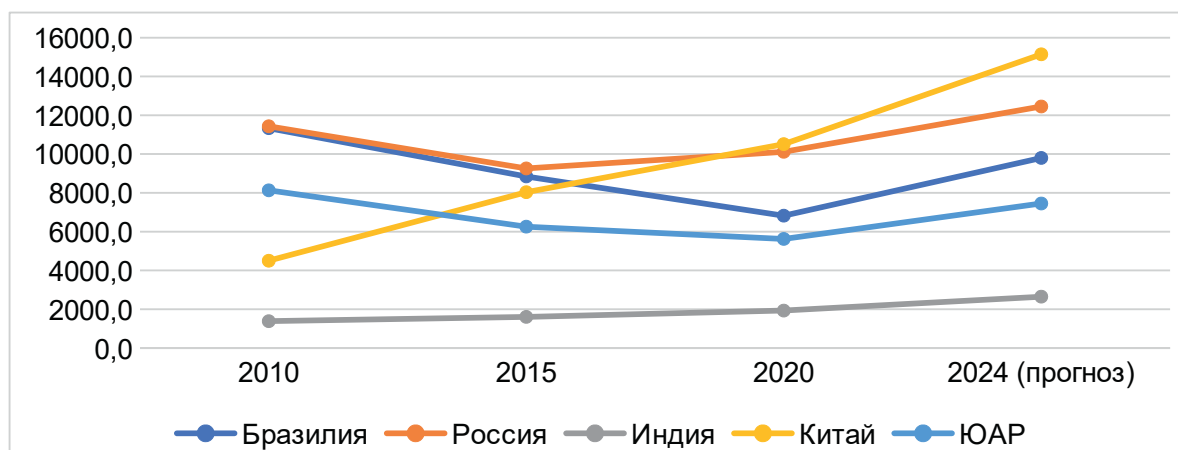
Source: [IMF](#)

By 2024, the IMF expects² two BRICS countries to grow above the world's average (4.9%). **India** is expected to become the world's fastest-growing economy with 8.5%, whereas **China** is expected to grow at 5.6%. For **Russia**, the forecast is 2.9%; for **South Africa**, 2.2%; and for **Brazil**, 1.5%.

Three BRICS countries (**Russia**, **India** and **China**) increased their GDP per capita (Fig. 1) from 2015 to 2020. The IMF expects all the BRICS countries to increase their GDP per capita significantly by 2024. At the same time, during the COVID-19 pandemic **India**, **Brazil** and **Russia** had the highest number of cases among the BRICS countries. The aggregate number of cases in BRICS countries [was](#) over a quarter (26.3%) of the world's total as of April 30, 2021. This may have a negative effect on economic development and corporate revenue.

² The forecast was made in early 2022.

Figure 1. GDP per capita (US\$).

Source: [IMF](#)

In their monetary policies, BRICS countries seek to control their debts. According to the IMF, **Brazil** had the largest sovereign debt in 2020 among BRICS countries (99% of GDP versus 64% in 2010). **India** was second with 90% (versus 66% in 2010). **Russia's** sovereign debt was at 19% in 2020 (versus 10% in 2010), **China's**, 66% (versus 34% in 2010), and **South Africa's**, 69% (versus 31% in 2010). The average debt for developed countries was over 100% in 2020.

The impact of the pandemic is evident in investment levels. Investments have dropped in BRICS countries by 2.7% on the average from the 2020 level, or by 6.7% from the 2015 level. **South Africa** saw the sharpest drop of 20.7% from the 2020 level, or 32% from the 2015 level. **Russia** had the largest increase in 2020 among the BRICS countries (5.5% and 8.6% for a 1-year and 5-year periods, respectively).

Table 3. Investment, % of GDP

Country	2010	2015	2020	2024 (forecast)
Brazil	21,8	17,4	15,4	18,3
Russia	20,7	22,1	24	24,7
India	36,5	32,1	29,2	30,9
China	47	43	43,1	42,9
South Africa	17,6	18,7	12,7	15,4

Source: [IMF](#)

1.5. Living standards and inequality

In midterm, all the BRICS countries except for **Russia** have growing populations (Table 4). The IMF forecast for 2024 expects the current demographic trends to continue.

Table 4. Population (million)

Country	2010	2015	2020	2024 (forecast)
Brazil	194,891	203,476	211,756	216,347
Russia	142,865	146,545	146,171	145,368
India	1234,28	1310,15	1378,6	1431,0
China	1340,91	1383,26	1414,353	1426,196
South Africa	51,329	55,407	59,622	63,343

Source: [IMF](#)

India has the highest percentage of rural population (65%), while **Brazil** has the highest proportion of urban population (88%). In other BRICS countries, the share of urban population varies from 61% in **China** to 74% in **Russia**.

According to the World Bank (2020), the highest population density (people per square kilometer) among BRICS countries is in **India** (464) and **China** (150); the lowest, in **Russia** (9); and **Brazil** and **South Africa** have 25 and 49, respectively.

South Africa and **India** have the youngest population among BRICS countries (the average age is 28), whereas in **Russia** and **China** the average age is 40 and 39, respectively.

Despite impressive economic growth in BRICS countries in recent decades, the income gap and inequality between the wealthy and the poor keeps growing. Considering that the wealth generated as a result of fast economic growth is concentrated in the hands of a very small group of people, the income gap and inequality only keep getting worse.

Based on the Gini coefficient³, **South Africa** and **Brazil** have the worst inequality levels among BRICS countries.

³ The World Bank uses the Gini coefficient to measure wealth inequality within a nation. The higher the value of the Gini coefficient, the more wealth is concentrated in the hands of a small group of people and the worse inequality is. The Gini coefficient below 0.2 indicates perfect income equality; 0.2–0.3, relative equality; 0.3–0.4, relatively reasonable income gap; 0.4–0.5, high income disparity; and over 0.5, severe income disparity.

Table 5. The Gini coefficient and poverty (2020)

Country	Gini Coefficient	% of population below the poverty line
Brazil	0,54	1,7 (2020)
Russia	0,37	0,1 (2019)
India	0,36	22,5 (2011)
China	0,38	0,1 (2018)
South Africa	0,63	18,7 (2014)

Source: [World Bank](#)⁴

Although the Gini coefficient is relatively moderate in some BRICS countries, household incomes in them are still below the world's average and income levels in developed countries. **Russia, China** and **South Africa** have comparable income levels in US dollars, whereas **Brazil** has an average income that is twice as high.

Brazil's top quintile (the wealthiest 20%) gets 60% of total income, and this despite the fact that the country has reduced poverty in recent years by growing incomes among the poorest. In **China, India, Russia** and **South Africa**, income growth was concentrated among the wealthiest, with **South Africa's** top quintile getting 75% of total income.

Experts [point out](#) that, when compared with developed countries, social expenditures that benefit poor citizens are low in BRICS countries, and tax systems are not designed to reduce income disparities. Education and healthcare spending varies in BRICS countries from the lowest levels in **India** to the highest in **China** (Table 6).

Table 6. Education and healthcare spending (2020, % of GDP)

Country	Education	Healthcare
Brazil	6,2*	4,0**
Russia	4,0	4,6
India	3,5	1,8
China	4,1***	7,1
South Africa	6,9*	4,2*

*2015, ** 2017, *** 2019.

Source: [BRICS Joint Statistical Publication](#), 2021

⁴ The World Bank defines the poor as those living on less than US\$1.90 a day in 2011 PPP terms.

1.6. The volume of the philanthropy and social investment sector

It is somewhat difficult to assess the volume of the philanthropy and social investment sector in BRICS countries, considering the shortage of complete, reliable and comparable data.

Before the pandemic, estimates varied from 0.17% of GDP in **China**, the youngest philanthropy sector among BRICS countries,⁵ to 0.56% in **South Africa**, the oldest one (Philanthropy in BRICS countries). Considering that some BRICS countries have a relatively short history of philanthropy, limited to a few decades, the sector's volume seems quite solid. For the sake of comparison, the US philanthropy sector is 2.1% of GDP (2018).

The data offered in Table 7 is just to give a very general idea, as the numbers were collected from different years, using different methodologies and different sources.

Table 7. Private and corporate giving (US\$ million)

Country (year)	Private and corporate giving (% of GDP)		
	Total	Private	Institutional (corporate and foundations)
Brazil (2020)	3540 (0,25)	2120 ⁶	1420
Russia (2018)	5403-7310 (0,33-0,44)	2860-3814 ⁷	2543-3496
India (2018)	9800 (0,36)	6000	3800
China (2017)	23400 (0,17)	4680	15210
South Africa (2018)	2074 (0,56)	1427	647

Sources: The authors' estimates based on available national data: Brazil, [individual](#) and institutional (2020); [Russia](#) (2018); [India](#) (2018); [China](#) (2017); and [South Africa](#) (2018).

Most BRICS countries are affected by the lack of trust in NGOs and foundations, as well as in wealthy people and corporations engaging in philanthropy. People are somewhat reluctant to engage in institutional giving, as they do not perceive the

⁵ The 2008 earthquake in Sichuan Province, which claimed the lives of 87,000 people, became a watershed moment for private giving in China.

⁶ The number may not be accurate, as it includes giving by individuals and wealthy people through private foundations.

⁸ Includes giving by individuals and wealthy people.

nonprofit sector as a real player in social matters. Thus, giving to NGOs is often an emotional action, not an act of civic engagement, an attempt to address specific social problems. Nevertheless, individual giving is on the rise in BRICS countries, including mass giving (**Brazil** being the only exception).

The situation in **South Africa** is somewhat different. In addition to widespread practices of spontaneous informal giving to help out a person facing difficulties (a family member, a friend or someone in the community), people often participate in organized entities like stokvels,⁸ burial societies, or local charities.

On the whole, the nonprofit sector in BRICS countries faces a systemic shortage of resources for development, given increased competition for these resources. Another important attribute of the philanthropy and social investment sector in BRICS countries is uneven geographic distribution of resources, with a larger part being concentrated in the capital or in economically advanced areas. The latest trends (especially in the context of the pandemic) include a tendency for donors to shift their investments to remote and underserved areas.

Before the pandemic, most BRICS countries (except for **South Africa**) ranked low on the CAF World Giving Index. However, during the pandemic it was BRICS countries that demonstrated the most impressive progress, unlike countries with well-established philanthropy sectors. This progress was largely secured through people's much higher involvement in philanthropic practices.

Table 8. BRICS countries in the CAF World Giving Index

Country	2019 (10-year aggregate)	2021
Brazil	74	54
Russia	117	67
India	82	14
China	126	95
South Africa	45	21

Source: CAF World Giving Index, [2019](#), [2021](#)

⁸ Stokvels are credit unions where members contribute a fixed amount weekly or monthly. The money is then used to address poverty, unemployment or loss of income situations.

1.7. Government relations and the regulatory framework for donorship

Although the degree and forms of government regulation vary greatly across BRICS countries, there are a few common trends that shape the regulatory framework for the philanthropy and social investment sector:

1. A complex and complicated relationship with the government, with constantly changing rules and regulations. In all the BRICS countries (although not as much in **South Africa**), the government seeks to have more control over the sector and its cash flows and limit the involvement of NGOs and donors in certain activities. **China**, **Russia** and, more recently, **India** have introduced tough restrictions on funding from foreign donors.

As a rule, donors have to be cautious when supporting programs involving human rights or anti-corruption activism, international exchanges, or introduction of international practices. Risks include problems with government watchdogs, fines or even a complete ban. These restrictions hold back the development of the philanthropy and social investment sector.

Stricter control to ensure complete transparency of operations results in increased red tape and administrative workload. Most BRICS countries require companies and NGOs to submit public reports, including on their social and charitable spending. Furthermore, reporting demands get stricter and stricter over time.

2. The lack of government measures stimulating philanthropy and social investment. For instance, there are little or no tax benefits for companies and individuals engaged in giving. There is not enough information and reputation support. For the sake of comparison, developed countries have a large number of special agencies and other players helping the philanthropy and social investment sector to develop. In BRICS countries, there are no such institutions, or at least their efforts have not been particularly effective (perhaps this applies to a lesser degree to **Russia** and **India**).

3. In BRICS countries, donors prefer to run programs in partnership with the state. Such programs are normally planned for 3 to 5 years, but there is usually some flexibility and opportunities for adjustment.

4. The pandemic did not bring about major changes in regulation but there were some adjustments.

Some BRICS countries went for tighter regulation (**China** introduced significant restrictions on charitable activities for some organizations, and **India** added even more regulation for philanthropic foundations and companies in their dealings with the government). **Russia** began to enforce the Foreign Agent Act more rigidly and introduced new reporting demands for foundations.

At the same time, **Russia** made some positive legislative changes as well. During the pandemic the Russian parliament adopted a law that, for the first time ever, offered direct and significant tax benefits to businesses supporting NGOs, as long as they provide social support and are included in a government-approved list. (Such donations are now tax deductible.)

5. The pandemic somewhat helped overcome the lack of trust in donor organizations and NGOs, which was a major problem. In some countries (**Brazil, Russia and South Africa**), the authorities recognize the contribution made by the NGOs and donors in coping with many serious problems during the crisis. It was charitable and nongovernmental social organizations who were often first to help, providing vulnerable categories of people, who were essentially locked in their houses, with sanitary supplies, food and other assistance. Although this recognition was official and public only in some countries, it made government officials realize how they can cooperate with donor foundations, businesses and NGOs in addressing major social problems and how much the philanthropy sector can do at the time of a crisis, when a quick response is necessary. Also, the pandemic helped the government and the general public to see the potential of the volunteer movement, helping build mutual trust.

1.7.1. Brazil

The regulatory framework is primarily geared to stimulate social investment⁹ by large businesses. Because of tax benefits, businesses actively support six areas identified in special federal laws (sports, children and youth, culture, older people, and health – cancer research and support for the disabled). Having a list of government-approved areas and projects provides businesses with a clear set of rules and helps them promote their brands.

The donor community is cautious when it comes to supporting NGOs and projects involving political risks. Before the pandemic, pro-government media often attacked charitable and nonprofit organizations critical of the current government (culture) or promoting civil liberties. After the new government took office in 2016, state support for NGOs, especially those criticizing the authorities, reduced dramatically.

Donation taxes are high, comparable to inheritance taxes, which limits the activities of donor foundations.

There are practically no tax benefits for individuals (especially with small or medium-sized donations), and even those that are available are extremely complicated. From the taxation point of view, corporate foundations are much more efficient than family foundations. At the same time, regulation for foundations is much more complex, so many families prefer to use other mechanisms for philanthropic purposes, like associations or institutes, which allows them to operate and manage their assets more freely.

In 2019, Brazil adopted a law on educational, cultural and environmental endowments. The law regulates endowments' administration and transparency.

During the pandemic, there were no major changes in the legislation regulating the philanthropy sector.

⁹ In Brazil, the donor community uses the term "social investment" or "private social investment," while "philanthropy" mostly refers to donations to the Catholic Church and its social programs (support for vulnerable people, education, etc.). Also, the term "social investment" was introduced largely as an attempt to distance the sector away from negative connotations associated with traditional charity and its corruption scandals.

1.7.2. Russia

The existing regulatory framework is designed to encourage those who help the government to reduce its spending or bring in additional resources in pursuit of national objectives. Such organizations and their leaders are often invited to join large-scale government projects (for example, setting up systems for long-term care, palliation, search for missing people, etc.). Organizations working with human rights, environmental issues, corruption and other issues that can be potentially interpreted as opposition to the current government face a much less favorable environment.

Russia has adopted a number of laws supporting philanthropy: the law on donors and volunteers, the law on social entrepreneurship, the law on endowments, etc. Also, some provinces have adopted local regulations, providing NGOs with easier access to various resources (subsidized offices, etc.) and government or municipal contracts. In 2009, Russia adopted its first Concept for Developing Philanthropy and Volunteerism.

At the same time, the philanthropy sector has not always succeeded in protecting its interests in the lawmaking process. Some laws advance government objectives while undermining the sector's development, stability and reputation – for instance, the 2012 Foreign Agent Act and the black list of “undesirable” organizations, which includes some international donors believed to engage in political activities. Sector representatives [point out](#) the lack of professional expertise behind some new bills and excessive complexity of reporting procedures and communications with the authorities.

Russia's case is somewhat special because the government is not just the regulator but also one of the key donors for the nonprofit sector. It provides not only financial support but also information, methodology and in-kind (office space) assistance, and creates resource centers, including those for the volunteer movement. The state-controlled Presidential Grant Foundation (PGF) is one of the sector's key players. Not only is it one of the key sources of funding for NGOs; it is also a trendsetter and role model for the donor community. Local, private and corporate grant contests often imitate the PGF playbook.

Another unique feature is Russia's taxation system with special taxes for charitable purposes. For example, the income tax for the wealthiest people has been raised by 2%, and this money goes directly to a special government fund covering expensive treatment for children with rare diseases.

During the pandemic, there were a few positive changes in regulation for the donor community:

- Special NGO [registers](#) were created, which include, among others, socially oriented NGOs. Being included in such a register means various benefits, like tax exemptions and payroll subsidies.
- Initially, only the NGOs with prior experience of working with the government were included in the register (authorized vendors of social services, recipients of government support from various levels of government and the largest donor, the state-controlled Presidential Grant Foundation). Later on, though, the list of

eligible organizations was expanded; for example, charitable organizations that meet certain reporting standards were added to the register.

- Additional support measures for NGOs similar to those provided for small and medium-sized businesses: payroll subsidies for registered NGOs and subsidized payroll loans. As of November 2021, only 9,435 NGOs out of the 42,600 included in the register (22%) have [filed](#) an application for government support.
- To support businesses and NGOs affected by the pandemic, the government [allocated](#) 38 billion rubles (approximately \$500 million) in subsidies and grants and 22 billion rubles (\$289 million) in subsidized loans.
- Tax deductions on charitable donations, canceled in 2005, were partially reinstated. Amendments made to the Tax Code make donations to properly registered NGOs tax deductible. In 2020, 36 companies donated over 10 billion rubles (\$138.6 million) to NGOs, receiving over 2 billion rubles in deductions. In the first six months of 2021, 53 companies donated 8 billion rubles (\$108.6 million) and claimed 1.6 billion rubles in deductions.

1.7.3. India

[India](#) has a history of civil society organizations dating back to the declaration of independence in 1947. However, formalized NGOs came into existence in the 1980s, when poverty worsened and received increased international and government attention.

India has a high level of government regulation for social investment by businesses. India was the world's first country to adopt a law requiring companies of a certain size to spend at least 2% of their net profits on CSR programs (2013 Companies Act).

Resulting contributions to CSR amounted to \$12.6 billion from 2014, when the law went into effect, through 2020.

In recent years, India adopted a few new regulations which create risks for the donor community and NGOs:

1. Tougher regulation for foreign donors – a new version of The Foreign Contribution (Regulation) Amendment Bill (FCRA) went into effect on Sept. 29, 2020:
 - a ban on re-granting the received funding;
 - no more than 20% of the funds received from foreign donors can be spent on administrative needs (used to be 50%);
 - if the Ministry of Home Affairs has the slightest suspicion that the funds are being misused or that the new law is being violated, the organization can be suspended.
2. Tougher regulation for social investment for companies – the 2021 Companies (CSR Policy) Amendment Rules went into effect on April 1, 2021:
 - Corporations funding CSR programs are now required to register their programs with the government;

- Companies are required to disclose the names of people on their CSR committees, and their CSR policies and the list of approved projects have to be publicly available;
- Companies that invest in CSR over Rs 100 million (\$1.3 million) a year have to undergo impact assessment with a government-approved agency;
- The NGOs receiving money from CSR programs are required to pay corporate tax.

During the pandemic, the authorities did not take any particular steps to support specifically NGOs or the donor community.

Businesses were offered a [100% tax deduction](#) on contributions to PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund), an emergency fund set up by the prime minister in March 2020.

When the pandemic first hit, the government played an active role in launching a fundraising drive on [GiveIndia.org](#). In April 2021, when the second wave came, the drive was [relaunched](#).

1.7.4. China

The first law on charity was adopted in 2016, formalizing and professionalizing China's philanthropy sector:

- The law sets clear rules and guidelines for acquiring the status of a charitable foundation or trust, which used to be quite vague;
- The law offers [tax deductions](#) on donations to approved charities of up to 12% (with corporate tax at 25%);
- The 2018 amendments require all charitable organizations to disclose information about themselves and their operations, including financial indicators, projects and fundraising activities.

Charitable trusts were first introduced in 1996, and as of [2018](#), only 105 charitable trusts have been registered with a total value of \$239 billion. The main reason for the slow growth of charitable trusts is the lack of tax policies in place to encourage and support this movement.

More popular with philanthropists are special funds and donor advised funds (DAFs), created under government-owned or well-recognized foundations. Special funds allow philanthropists to enjoy tax incentives and reduce risks by having professional staff manage the proper usage of the funding. In case of a government-owned foundation, they also get an additional bonus by establishing a good relationship with the government.

DAFs were first introduced in China in 2017 by Social Venture Group. Different from special funds, DAFs do not restrict the funding channeled by a philanthropist to only one organization. Philanthropists have the choice of selecting various projects and organizations. Also, DAF assets can be managed by third party investment professionals, while in the case of special funds the funding is managed by the NGO, which has full control of the usage.

There are 6,322 foundations registered in China as of 2017. They are legally divided into publicly fundraising foundations (32%) or non-publicly fundraising foundations (68%).

The state closely [monitors](#) donors and civil society organizations in China. The government plays a decisive role in deciding what foundations should focus on and whether they are allowed to spend on a particular purpose. The authorities have strict rules for registering a new foundation or NGO, strict reporting requirements, etc. A special license is required to receive donations from private sources.

During the pandemic, there were no major changes in the legislation regulating the philanthropy sector.

China was the first country that encountered COVID-19. To fight the pandemic, China adopted the policy of zero tolerance, mobilizing massive resources to address the problem. For example, in the early days of the pandemic, Hubei Province was affected the most. The Ministry of Civil Affairs assigned only five state-affiliated foundations to receive donations to Hubei; all the other organizations were not allowed to raise funds. These five foundations received a total of \$1.9 billion from businesses, individuals and various institutions.

1.7.5. South Africa

Compared to other BRICS countries and other African countries, formalized philanthropy in South Africa has a longer history, with corporate charity and corporate social investment starting back in the mining era (late 1890s).

The Broad-Based Black Economic Empowerment Act (B-BBEE 53/2003), adopted as part of the democratization process in the post-apartheid era, is a key law defining the legal framework of the philanthropy sector.

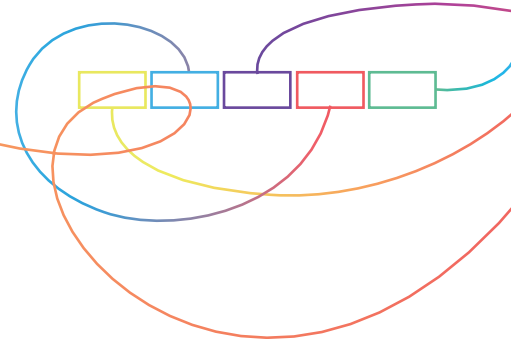
- The law [requires](#) all publicly listed companies to contribute at least 1% of net profits after tax to support socio-economic development;
- Businesses are required to do more to engage black people in economic activities;
- Most foundations and B-BBEE trusts (special black empowerment trusts) were created the same year that the law was adopted (2003).

The sector develops without any particular incentives from the government. For example:

- There are no tax benefits for foundations;
- Paid taxes may be donated to a particular NGO from an approved list but the NGO will have to spend this money within two years;
- Donations to public benefit organizations of up to 100,000 rand are non-taxable, but in case of a larger donation the PBO has to pay 20% of the amount in excess of 100,000 rand.
- All the NGOs registered with the South African tax authorities as public benefit organizations are exempt from payroll tax.

On the other hand, the state as the regulator does not require foundations and NGOs to disclose information about their capital, the amount of their endowment, their spending and the results of their programs.

During the pandemic, there were no major changes to the legislation regulating the philanthropy sector.



CHAPTER 2

THE PORTRAIT OF THE DONOR COMMUNITIES IN BRICS COUNTRIES

Common features

The philanthropy and social investment sector in the contemporary sense of the term emerged in BRICS countries only a few decades ago (except for **South Africa**, where corporate philanthropy first appeared over 100 years ago). Although the sector has grown significantly in all of the countries, it is still young, and there is a lot that needs to be done in terms of professionalization, institutionalization and growth. There is not enough transparency, connectivity and infrastructure. This, along with some social, cultural, economic and other factors mentioned above, led to the following common features of the philanthropy sectors in BRICS countries.

1. The philanthropy and social investment sector is shaped by major companies and private donors (individuals and families) affiliated with them.

Most of the money comes from big business and its owners. (Experts believe that donations coming directly from companies or indirectly through corporate foundations account for significantly more than 50% of total institutional giving.)

Companies, especially global ones or those operating on international markets, are increasingly reorienting towards the global SDG/ESG agenda; however, on the whole, businesses still tend to prioritize the national and local agenda, formal and informal requests from the authorities.

2. There are no definite borders between individual, family and corporate philanthropy (except in **South Africa**).

Private and family foundations often identify themselves with the business of their founders and are sometimes governed by the company's top executives; business owners are often included in the supervisory boards of CSR programs and influence the decision-making process.

Although formally independent, grantmaking foundations may also be affiliated with their founders and receive substantial support from them.

Even private and corporate foundations (including grantmaking ones) often attract funds from external sources – through mass giving, government subsidies and grants.

Some wealthy businessmen do not see the need to create separate foundations and fund programs directly from their companies' accounts.

3. Unlike in classic Western philanthropy, foundations in BRICS countries are not purely donor organizations.

Most of the foundations also (or exclusively) implement their own programs or provide help to beneficiaries directly. Some corporate foundations often engage in operational activities, implementing their programs without NGOs or other institutions. To a large extent, this is their way of maintaining control over the process and its results. They don't think that NGOs are professional enough, or there are not enough leaders on a local level willing to take up responsibility and rally people to engage in social work, or there is a shortage of strong sustainable projects that would be popular with the people and consistent with donors' objectives. In recent years, especially after the pandemic, the share of external donations and strategic investments tends to increase.

Again, this is not as widespread in **South Africa**, which has a long history of funding social services through foundations.

On the whole, donors in BRICS countries tend to be quite strict with finance, fund distribution and interaction with grantees. During the pandemic, donors in most BRICS countries were more flexible, but it is not clear whether this trend will continue going forward.

4. In the early days, international donors and development agencies played a significant role in developing the philanthropy sector (except in **China** and **South Africa**). Over time, however, major international donors, who used to finance the sector's infrastructure and development, reduce or even minimize their presence in BRICS countries. This happens for a variety of reasons – sometimes political, when the country's government intentionally seeks to limit the presence of foreign money (**Russia, India and China**), sometimes economic, when the country gets officially moved to the category of steadily developing economies (**South Africa and Brazil**).
5. The philanthropy and social investment sector is experiencing exponential growth, primarily because of private (family) foundations and wealthy philanthropists. To a large extent, this has to do with the growing capital and increased number of wealthy people in the developing economies of BRICS countries.

It is private donors and wealthy people who promote global approaches and social innovation (social entrepreneurship, impact investment, venture philanthropy, etc.).

6. The situation varies greatly from region to region. There is marked economic inequality between various parts of the country. Most of the sector's resources, infrastructure and NGOs are concentrated in the capitals. Quite often, donors from the capital implement philanthropic and social investment programs for underdeveloped provinces.

Presented below are more detailed portraits of the donor communities in each of the BRICS countries.

2.1 Brazil

Major businesses are the primary donor. Education (understood broadly) is the key priority for social investment. In addition, businesses are active in the areas offering tax benefits and other incentives. Considering that the Amazon rainforest covers the larger part of Brazil, some businesses vigorously invest in environmental protection.

Independent grantmaking foundations collect funds from various sources and then distribute them among NGOs. Before the pandemic, 80% of the money would be spent on education, as well as social services provided by both government institutions and NGOs.

Family and corporate foundations implement primarily their own programs, but the share of their budget that gets distributed among NGOs through grants is increasing. (Experts believe that before the pandemic it reached a third of their annual budgets.) In recent years, the number of private and family foundations has been growing, partly because owners want a clear separation between the interests of their company and the interests of a specific family or a specific donor. Key priorities for corporate, private and family foundations are very similar to those of businesses, since they are closely affiliated with their founders' business anyway.

Two families from Brazil have joined the [Giving Pledge](#) (2021).¹⁰

Brazilian *social investors* are part of [Latimacto](#), a venture philanthropy network in Latin America. So far, their contribution to the donor community has been insignificant.

International donors played a significant role in Brazil in the 1990s, in the early days of the philanthropy sector. Once the country was no longer a priority for international development programs (because it moved to the category of medium-income countries), the amount of foreign aid reduced significantly, which had a particularly negative impact on NGOs working with human rights and environmental issues.

Key donor associations and infrastructure organizations:

- [GIFE](#) (Group of Institutes, Foundations and Enterprises) is a donor association. Registered in 1995, it has been operating since 1989 as an informal association of foundations, companies and other institutions. GIFE has 160 members, most of whom are corporate foundations and businesses;
- [IDIS](#) (Institute for the Development of Social Investment) is an NGO established in 1999 by third sector professional Marcos Kisil supported by the Kellogg Foundation. The mission of IDIS is to promote the engagement of individuals, families, businesses and communities in philanthropy and private social investment." Its clients and donors are major companies and wealthy families, interested in developing philanthropy in Brazil. In 2005, IDIS partnered up with CAF and became its representative in Brazil.

¹⁰ The Giving Pledge is a philanthropic campaign launched by billionaires Warren Buffett and Bill Gates in 2010. The goal is to inspire the wealthy people and their families to pledge at least half of their net worth to philanthropy, either during their lifetime or upon their death. The pledger is free to choose the countries and programs they want to support. The pledge is a moral commitment, not a legal contract, so the pledger makes a public promise in any form they like.

- [Philanthropy Network for Social Justice](#) has 14 members: foundations, community foundations and grantmakers, mobilizing resources from various sources to support civil society players working for social justice and human rights.
- Brazilian donors are members of international donor associations. For example, Worldwide Initiatives for Grantmaker Support ([WINGS](#)) is headquartered in Brazil.

2.2. Russia

Major companies are the primary donor (sometimes through *corporate foundations*). Estimates vary but corporations account for a large proportion of funding for social projects in Russia – from two-thirds to four-fifths. A vast majority of Russia's top 300 corporations implement systemic social programs as part of their CSR strategies. Their priorities include education, communities and environment. Quite often, companies support a broad range of projects in the areas where they operate. Also, major companies have been focusing more on the SDG agenda in recent years. In addition, Russian businesses actively participate in the government's initiatives, like the [national projects](#).

High-net-worth individuals participate in philanthropy both through direct donations to the people in need or NGOs and through their foundations. They prioritize supporting children and the poor, as well as donations to religious organizations. One Russian national, Vladimir Potanin, has joined the Giving Pledge (2021).

Private and family foundations (there are around 7011 of them) are prominent players in the donor community. Their key priorities include support for vulnerable people, education, culture and arts. The key priorities of the foundations affiliated with their founders' companies are similar to those of businesses. A number of major private foundations implement their own strategies, making a sizable contribution to general social issues (supporting children, orphans, people with disabilities, older people, etc.). In addition, private foundations make an important contribution to developing philanthropy infrastructure, lobbying the sector's interests or acting as think tanks (e.g., the Potanin Foundation or the Timchenko Foundation). Private foundations provide systemic support to education initiatives (the Melnichenko Foundation, the Absolut Pomoshch Foundation). They continue the tradition of supporting arts and culture, which flourished in Russia at the end of the 19th century and in the early years of the 20th century (The Arts, Science and Sports Foundation and the Prokhorov Foundation).

Independent grantmaking foundations are mostly community foundations (there are a total of about [70](#) of those in Russia). They accumulate funds and implement programs in specific territories, often acting as operators for grant contests funded by companies and donor foundations.

International donors played an important role in the early days of the sector. The situation changed dramatically in 2012, after Russia adopted the Foreign Agent Act and declared a number of foreign donors undesirable organizations.

¹¹ Sources: for [private foundations](#) and for [corporate foundations](#).

The state compensated for reduced foreign funding by increasing its own support on various levels – federal, provincial and municipal, but especially through the Presidential Grant Foundation created in 2017, which became Russia's largest donor to NGOs and basically the only source of “long” money in the philanthropy sector. The state actively promotes philanthropy and volunteerism in Russia, offering ideological support for these processes.

Social investors do not play a significant role in the donor community at this point. At the same time, there are a few prominent initiatives (e.g., the launch of Social Impact Bonds).

Key donor associations and infrastructure organizations:

- [The Russian Donors Forum](#) is Russia's largest grantmaker association, created to develop institutional (including corporate) philanthropy. The association has over 60 members – primarily businesses and private and corporate foundations;
- [The Russian Managers Association](#) (created in 1999) is one of Russia's leading business associations. It acts as a platform where business defines its position on social investment and CSR.
- [The CAF Foundation¹² is the successor of the Russian office of the UK charity CAF. The CAF Foundation conducts research, offers consultations to donors, acts as an operator for grant contests, develops community foundations and private giving \(online fundraising platforms, #GivingTuesday, giving circles\);](#)
- Regional resource centers: the [Garant Center](#) in Arkhangelsk, the [Siberian Support Center for Social Initiatives](#), the [Community Foundation Partnership](#), etc.
- Think tanks, sometimes affiliated with universities: the Potanin Foundation's [Center for Philanthropy Development](#), the [SKOLKOVO Wealth Transformation Center](#), the [CSR Center](#) at Saint Petersburg University's Graduate School of Management.

2.3 India

Businesses and international foundations are the primary donors.

Corporations play a key role in India's donor community. In 2020, CSR contributions [amounted](#) to 28% of total donations in India. 18 out of the top 100 CSR spenders have [established](#) their own corporate foundations.

Areas for corporate investment are clearly defined in the CSR law. Before the pandemic, companies invested primarily in the environment and health care (including the issue of hunger, access to pure drinking water and sanitation), as well as education – primarily as a means to earn a living.

¹² A Russian entity acting as a foreign agent.

In addition, companies and corporate foundations [participate](#) in national programs like Clean India ([Swachh Bharat Mission](#)) and [the Aspirational Districts program](#).

In recent years, more attention has been given to the matters of gender equality and care for older people.

International donors (the Gates Foundation, Omidyar Network, the Ford Foundation, the McArthur Foundation, the Mackintosh Foundation, the Intel Foundation, the Packard Foundation) [accounted](#) for about a quarter of all donations in 2020. In recent years, their share has reduced significantly after the government revised its policy on foreign donations (FCRA). Over 70% of funds went to social and economic development programs. Also, sizable investments were made in philanthropy infrastructure: developing social entrepreneurship (the Dell Foundation, Omidyar Network), NGO verification, crowdfunding platforms, research and knowledge sharing, development of professional communities.

High-net-worth individuals and families [account](#) for about 20% of total funding. A large part of this money comes from one person, Wipro founder Azim Premji. At the same time, this sector is the most promising one. This includes both direct donations to NGOs and creating *private or family foundations*.

Historically, the Tata family has played the leading role. Since the early 19th century, it has been funding India's social development through nonprofit trusts, supporting NGOs and major government development programs, creating educational programs for philanthropy professionals. Jamsetji Tata, the founder of Tata Group, has been [named](#) the world's most generous individual of the 20th century. He made donations worth \$102.4 billion, mainly for education and healthcare.

42% of all foundations and trusts were created between 2001 and 2011. Most of them were established by a new generation of philanthropists, who are very different from traditional ones. The new generation of donors have ambitious goals and [pursue](#) systemic change, viewing their engagement in philanthropy as strategic investment. They turn to philanthropy consultants for their expertise. In addition to money, they [offer](#) organizational and management skills, leadership, etc. The new generation are heavily [influenced](#) by the models and trends of "big philanthropists" in the US.

Significant funds come from diasporas, including the wealthy Indian businessmen living in the US.

As of 2021, four Indian nationals have joined the Giving Pledge.

High-net-worth donors invest significant funds in healthcare and education, communities and territorial development.

The young generation of philanthropists are active in *social investment*, supporting community initiatives to modernize infrastructure (schools, hospitals, etc.), create jobs and income opportunities for people living in rural areas (microloans and

other financial instruments). Social stock exchanges also contribute to social entrepreneurship and impact investment in India.

Key donor associations and infrastructure organizations:

- [Dasra](#) (created in 1998) works with over 500 foundations and corporations and has directed over \$80 million towards India's development. Dasra conducts large-scale research, organizes events for the sector and launches innovative techniques (e.g., giving circles);
- There are numerous US and UK infrastructure players operating in India: the fundraising platforms [GiveIndia](#) (2000) and Global Giving, the NGO verification platform [GuideStar India](#) (2010), leading international foundations (e.g., [CAF India](#), the Bill and Melinda Gates Foundation), the [India Philanthropy Alliance](#) (an alliance of US donors contributing to India's development), international consultancies (e.g., Bain and Bridgespan);
- Consultancies offering services to socially responsible businesses and foundations, conducting studies on philanthropy and CSR and launching cross-sectoral partnerships (e.g., [Samhita](#), [Sattva](#)).

2.4. China

Businesses (sometimes through *corporate foundations*) are the primary donor. Since 2016, companies are [entitled](#) to a corporate tax deduction of up to 12% for donations to approved charities. In 2016, 1,002 corporate foundations were registered in China.

High-net-worth individuals drive the development of philanthropy in China. China has the largest number of dollar billionaires among BRICS countries. In fact, China is number two in the world, behind the US. Most philanthropists are first-generation capitalists.

Before the pandemic, major donations went mostly to education (typically, alumni donating money to their schools) or to fighting poverty, which was a key priority for the state ([Hurun Philanthropy List, 2019](#)).

High-net-worth individuals [participate](#) in institutional philanthropy primarily through their own foundations, charitable trusts and DAFs (Donor Advised Funds), as well as through direct donations to NGOs.

As of 2021, China has three individuals who have joined the Giving Pledge.

Private and family foundations (China has around 1,000 of those) are an opaque segment of the donor community; some of these foundations only make grants to specific NGOs or universities.

Foundations and companies mainly support education programs. Other than that, they closely follow the government's agenda, what the government thinks is important right now and requires additional resources. For example, the last three years the

Chinese government has been focusing on fighting poverty. For the next 10-15 years, it has identified climate change as the biggest challenge.

Foreign donors are allowed to engage in philanthropy based on the 2017 [Overseas NGO Law](#), but only after they go through a lengthy and complex registration procedure and only being closely monitored by the state. After the law was adopted, the volume of foreign funding reduced significantly, although international foundations continue helping to develop the ecosystem of Chinese philanthropy and to address a number of key social issues, e.g., environmental ones.

Key donor associations and infrastructure organizations:

- The China Charity Alliance (CCA) is an association of influential charities, approved by the State Council and led by the minister for civil affairs. The Alliance has about 400 members. These are major corporations, charitable foundations and prominent figures of the philanthropy sector. The Alliance's mission is to stimulate society's engagement in philanthropy, to represent the philanthropy sector in policy-making discussions, to promote transparency standards among charities, to offer training to sector professionals, etc.
- The China Social Enterprise and Investment Forum (CSEIF) is an alliance founded in 2014 by 17 major foundations and venture philanthropists, including the Narada Foundation, the Yifang Foundation and Yu Venture Philanthropy. The mission is to improve interaction between various players in the philanthropy sector, increase the sector's transparency, and lobby for favorable legislation.
- The [China Foundation Center](#) was founded in 2010 by 35 foundations, including some international ones, e.g., the Bill and Melinda Gates Foundation, the Ford Foundation, the China Youth Development Foundation, the Narada Foundation, etc.

There are at least 10 think tanks at various universities engaged in research on philanthropy-related subjects (e.g., the Tsinghua University Institute for Philanthropy, the China Global Philanthropy Institute, SynTao, the Center for Civil Society Studies, and Peking University Center for Nonprofit Legislation).

2.5. South Africa

Businesses with their CSR programs, *corporate foundations* and *B-BBEE trusts* are the primary donors.

During the apartheid era, foreign (primarily US) companies could only operate in South Africa on condition of engaging in social investment. As a result, it was the US companies who wanted to keep their assets in South Africa that became key players and role models in CSR, which later spread to other companies (especially mining ones and banks). Most foundations in South Africa were established by individuals or families associated with such corporations.

Unlike other BRICS countries, South Africa has a rather clear distinction between corporate CSR programs and private foundations and trusts. While foundations are relatively independent, CSR programs are usually aligned with long-term business interests.

Corporate social investment tends to prioritize education and, to a lesser degree, social and economic development of particular territories, food security, healthcare and social security.

High-net-worth individuals and their involvement in philanthropy are an opaque segment of South Africa's donor community. Many wealthy people [donate](#) funds directly (to religious organizations or specific beneficiaries). Approximately one-third of the funding goes through private *foundations* and *trusts* (operational ones and those making grants). A significant part of donations are anonymous, because the origin and display of wealth are highly sensitive issues ([80%](#) of South Africa's wealthy people are white) and partly because foundations are not capable of handling massive requests for help. Most well-known donations by individuals were made to state-owned foundations or institutions.

Key priorities for private donors include covering the basic needs of the poor (education, healthcare, humanitarian aid in the form of food and housing). Some [experts](#) think this is because the business elite largely overlaps with the political elite, and donors tend to stay away from the issues that may be perceived as political (like social justice). At the same time, there have been significant changes over the last 30 years, and issues like gender equality, STEM and others attract more interest these days. Some private foundations (e.g., the Motsepe Foundation) make donations not only in South Africa but also in other African countries.

South Africa has one individual who has joined the Giving Pledge, Patrice Motsepe, one of the few South African "first generation" billionaires.

Independent grantmaking foundations play a significant role in South African philanthropy as regranting organizations, which provides support to smaller, low-level NGOs that don't have direct access to major donors. Community foundations received significant funds as part of a large-scale program launched by a consortium of donors in 2007, but once the program was over, it became very difficult for these foundations to continue their operations.

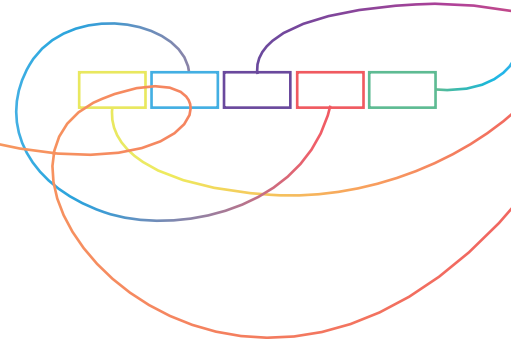
International donors continue playing a certain role in developing philanthropy in South Africa, sometimes through development programs intended for Africa as a whole.

Innovative practices like impact investment and social entrepreneurship have been gaining ground in recent years. Social investors from all over Africa are establishing their professional associations (the [African Venture Philanthropy Alliance](#) and others). Gender equality is one of the key issues upheld by the new generation of donors.

Key donor associations and infrastructure organizations:

- [IPASA](#) (Independent Philanthropy Association of South Africa) has 39 members, including some private foundations and other professional players;

- [CAPSI](#) (Center on African Philanthropy and Social Investment) plays an important role in developing the sector and promoting social innovation through data collection and research, offers training programs for leaders and organizes industry events;
- [Trialogue](#) is a consultancy in the field of sustainable development and corporate social investment doing annual studies;
- African organizations: [Africa Philanthropy Network](#), [Africa Philanthropy Forum](#).



CHAPTER 3

THE DONOR COMMUNITY OF BRICS COUNTRIES DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic is far from over, and the situation remains fluid. The data collected and the trends identified may become irrelevant tomorrow. And yet it is not too early to start reviewing and discussing the challenges that the donor community of BRICS countries encountered during the pandemic, how it coped with them, what lessons we have learned, which practices proved effective and should be developed going forward.

3.1. The donor community's response to the COVID-19 pandemic: increased activity and more resources, greater reputation and recognition

Just like in the rest of the world, the donor community in BRICS countries played a crucial role in coping with the pandemic and the crisis it caused.

Here are some common trends:

- All categories of donors played a role in coping with the pandemic. Universal solidarity and unprecedented giving in the early days of the pandemic.
- The same donors that played the key role before the pandemic made the largest financial contribution during the sanitary crisis. These were primarily businesses, who, in addition to financial donations, made in-kind contributions (offering food, their products, etc.), provided services, infrastructure, volunteers, etc.
- A broader circle of donors, including small and medium-sized businesses; more donations from wealthy people and the general public.
- Mobilization and rapid response by donors; prioritizing crisis management: temporarily suspending former strategic priorities in favor of providing targeted help here and now; providing additional funds or redistributing existing budgets in favor of COVID-19 (especially to support the healthcare system and provide targeted humanitarian aid the most vulnerable categories of people); trimming down or adapting one's own programs; providing organizational and technological support to partners – NGOs and volunteers working directly with the vulnerable categories of people.
- In the early days of the pandemic, few people expected the crisis to continue that long; many donors at first continued following their original strategy but later on started paying more attention to the needs of their partners (the authorities, NGOs, etc.).
- The growth of online giving. Online philanthropy tools became very popular: crowdfunding and fundraising platforms, donation drives on social media, donations through surcharge in restaurants, taxis and supermarkets (food baskets

and services for healthcare workers and people in need). Many nonprofit and charitable organizations quickly launched or adapted their online fundraising formats, combining them with marketing campaigns by partners.

Thanks to the vigorous efforts by the donor community in coping with the pandemic, each of the BRICS countries saw:

- increased media coverage of the sector, with more reports about philanthropy and social investment. This, in turn, improved the recognition of donors and the nonprofit sector in general, making people realize how important and effective they are. For example, a major TV network in **Russia** made a documentary about NGOs and volunteers in the early days of the pandemic. In **Brazil**, magazines ran special issues on civil society and its contribution;
- recognition of donors, NGOs and volunteer associations by the state (e.g., positive public comments by the **South African** president, or the **Russian** president meeting with volunteers and NGOs);
- a reputation boost for donors and NGOs, winning people's trust;
- philanthropy becomes popular and even “fashionable”; there is a marked increase in mass private giving (including regular donations), especially online. In **Brazil**, however, this increase in private giving was achieved primarily because of wealthy families, while people with lower income, on the contrary, started giving less due to economic hardships.

This opens the following opportunities going forward:

- expanding the resource base of the sector, getting more people and small businesses involved in institutional philanthropy, which means a more balanced support structure (reducing dependence on dominant corporate donors and their agenda);
- increased demand for transparency and impact evaluation for donors and NGOs, verification mechanisms to fight fraud, which inevitably emerges as people begin to trust donors more;
- donors playing a bigger role in national policy-making and assuming more responsibility;
- recognition of how important it is to develop the entire ecosystem of philanthropy and social investment, including, among other things, local, low-level organizations better familiar with the situation in their territories and offering more effective solutions; at the same time, there are doubts whether these smaller players have the capacity to handle larger funds;
- paying more attention to domestic organizations, methodologies and solutions instead of blindly copying the Western models of philanthropy and social investment.

The following is a more detailed description of response by each category of donors in BRICS countries.

3.1.1. Businesses

Businesses' response to the pandemic was largely shaped by their relations with the government in the matter of philanthropy and social investment.

- In **Brazil**, corporate social investment doubled in 2020. At least 80% of pandemic-related donations came from businesses. First, companies could count on existing tax benefits for these donations. Second, companies' voluntary engagement in fighting the pandemic was very much welcomed by their employees and the general public, because the authorities denied the pandemic and refused to act. Employees and customers were proud of their companies for fighting the pandemic. This reinforced their brand value, and improved their employee engagement and customer loyalty.
- A good example of that is the *Todos pela Saúde* (All for Health) project launched by [Itaú](#). The bank started a fundraising campaign to fight the pandemic. The amount of money donated (1.3 billion reais, or \$238 million) was not the only impressive feature of the project. The [format](#) was unique as well: the money went to an endowment run by a third party (a group of healthcare experts), and other donors were invited to join the project (a few weeks later, a number of companies and private donors came onboard, and an additional 500 million reais was added from other sources). The funds were invested in medical infrastructure: vaccines, PCR tests, oxygen cylinders, medical equipment, ICUs, dissemination of information, PPEs, etc. In early 2021, Todos pela Saúde announced it would open a new research center to study future pandemics.
- In **China**, where the state has always played the role in identifying priorities for social investment, companies responded to the government's clarion call and quickly reallocated basically their entire CSR budgets for pandemic-related purposes. This way, China was able to raise \$5 billion in a very short time, within three months. Over 70% of this money came from businesses. Because of that, companies had to turn down requests from Chinese NGOs for other programs. In addition, many Chinese tech giants hit a rough patch in 2021: due to tougher legislation and huge fines, their stock plummeted, and many Chinese billionaires lost their fortunes ([Forbes USA](#));
- In **India** (and partly in **South Africa**), where CSR contributions are mandatory and depend on the earnings, companies quickly restructured their budgets, used their reserves to fight COVID-19, and made significant donations to national emergency funds.

Some **Indian** industries were more affected by the pandemic, some less, but on the average CSR funding dropped by 5% in 2020 (compared with 2019), and further reduction is [expected](#) as companies' profits continue to dwindle. A few companies made additional commitments and pledged to give more to fight the pandemic (their share was [over 50%](#) of total CSR spending). A large part of this money went into a special emergency fund called [PM CARES](#). It was established by the prime minister, and corporate donations to this fund are [100% tax](#)

[deductible](#). All donations spent on healthcare infrastructure, oxygen cylinders, ventilators and other equipment for fighting COVID-19 could be credited as CSR. Because of that, corporate donations to NGOs fell, especially to those that work on issues unrelated to COVID-19 ([estimates vary](#) but the drop-off amounted to 30–60%).

In **South Africa**, CSR spending [increased](#) by 5% in 2020, but a 7% reduction is [expected](#) in 2021 due to lower earnings. Businesses actively supported the [Solidarity Fund](#), an emergency fund established by the government, and offered their products for relief efforts. President Cyril Ramaphosa donated a third of his salary for three months to this fund, and the CEOs of major corporations followed his example.

- In **Russia**, major companies (historically, a dominant player in the donor community) increased their giving. In 2020, [at least 14 billion rubles](#) (\$195 million) was donated, primarily in direct support to beneficiaries and also to the hardest-hit sectors – healthcare and education. In addition, companies actively supported government initiatives in rapid response to the crisis. (It is important to note that the outbreak of COVID-19 coincided with two major political events: a plebiscite on constitutional amendments and a parliamentary election campaign). Companies supported the [#MyVmeste](#) (#StandingTogether) solidarity campaign (providing, among other things, corporate volunteers), provided souvenirs for those who voted or got vaccinated. In the first month of the #StandingTogether campaign alone, businesses [donated](#) a total of 1 billion rubles (\$13.9 million).

Businesses in BRICS countries helped during the pandemic both directly and indirectly, through their corporate foundations or through the private foundations of business owners. They did not just quickly provide substantial donations (both cash and other kinds of assistance – purchasing various medical equipment, computers, ventilators, PPE, oxygen, funding vaccine research, building healthcare infrastructure, etc.); they proactively reached out to NGOs, government agencies and directly to medical institutions, offering their help – their products, their services, offering to adjust their production plans for the purposes of fighting the pandemic (e.g., steel mills curtailed their steel production in order to save oxygen for hospitals; some factories set up new production lines to manufacture PPE, ventilators, sanitizer, etc.).

Also, businesses made an important contribution, first, educating their staff, customers and partners about necessary precautions, and second, providing necessary protection. They also made a non-monetary contribution by providing their expertise and infrastructure to manage, mobilize and supervise aid programs, or supplying corporate volunteers – both in the territories where they operate and worldwide. For example, the Alibaba corporate foundation (China) quickly set up [Global MediXchange](#), an online platform where doctors from all over the world could quickly exchange information about COVID-19.

3.1.2. Donor foundations (corporate, private, public and international)

Foundations, too, focused on crisis management, increasing their budgets or redistributing resources within existing budgets, and adapting existing programs to the new situation (migrating online in full or in part, suspending programs, etc.).

Some foundations started providing targeted emergency relief to the hardest-hit categories of people (even if they had not worked with these categories before, focusing on systemic projects rather than providing humanitarian aid).

Others decided to boost their support to the NGOs specializing on these categories of people, because they understand the situation better, working with the beneficiaries directly. Among other things, this approach sometimes helped identify people who really needed support yet remained “invisible” to government services. It also helped to make aid available to marginalized and underprivileged categories of people who would not have gotten it any other way (people lacking necessary paperwork, or digital skills, etc.).

Foundations made new grants, providing funds not only to meet the increased need of the beneficiaries and the healthcare system, but also to build the capacity of the organizations themselves, adapting to the new situation (developing digital skills, designing strategies, introducing innovations, etc.).

At the same time, it was important for foundations to help their strategic partners among NGOs to stay afloat since their programs became less of a priority during the pandemic and received reduced funding.

Foundations that had expertise and influence in a certain area actively participated in designing and supporting systemic solutions on national and local levels: conducting additional research, bringing together different players working on the same issue or in the same territory, advancing the sector’s interests.

3.1.3. High-net-worth individuals

In all the BRICS countries, high-net-worth individuals donated unprecedented amounts of money to combat the pandemic while continuing to make social investment into their earlier programs. To many wealthy people, the pandemic was an eye-opening experience, and as a result, many people who had never given anything before got involved in philanthropy.

In **China**, for example, the average donation [quadrupled](#) after a year of the pandemic, and a number of new generous philanthropists emerged. In **India**, donations from high-net-worth individuals [increased](#) by 59%. Large Indian diasporas around the world also provided substantial funds to cope with the [severe humanitarian crisis](#) – sometimes individually, sometimes through special aid funds. In **South Africa**, HNWLs also made a major contribution to the state-run [Solidarity Fund](#). In 2020 alone, \$114 million was given in large (over \$1 million) donations. No major donation for pandemic-related purposes was distributed through the donor’s own operations fund.

3.2. Shifting priorities: from targeted help and saving lives to building resilient systems and communities

The pandemic can be divided into **three main stages**, and donors' engagement and priorities were different in different stages:

1. The “acute phase” in the early days of the pandemic.
Key priority: to protect and save lives, to provide hospitals, people, employees and beneficiaries with PPE and sanitizer, to add more beds, to provide hospitals with necessary equipment, etc.
2. The lockdown period with the loss of income and mobility and limited access to vital services.
Key priority: humanitarian aid (food, water, medicines, essential supplies, housing, Internet and mobile devices, counseling, etc.).
3. The lifting of restrictions and gradual return to the “new normal.”
Key priority: rethinking one's actions and their effects, designing measures to prevent future crises, launching more resilient programs.

Because of the pandemic, matters of **health, the healthcare system** and support for healthcare professionals, vaccination and dissemination of truthful information about the virus and necessary precautions became the top priority for the philanthropy and social investment sector in BRICS countries, just like in the rest of the world.

In the initial stage, donors helped to procure facemasks, purchase medical equipment and build hospitals. It is expected that even after the crisis, donors will continue to invest in healthcare infrastructure (including companies investing in the territories they operate in); training programs for healthcare professionals and alternative medical formats (primary care training for communities); telemedicine; psychological and psychiatric help; research centers designing vaccines and working to avert future pandemics, etc.

For some of the BRICS countries, health issues are closely related to the matters of limited **access to clean water and sanitation**. The pandemic highlighted the need to make progress in these matters, introduce innovative solutions and launch new social programs. In **Brazil**, for example, public shower rooms were erected in favelas, sinks were installed for people to wash their hands after they travel by public transport, etc.

It is expected that after the pandemic we will see a surge of delayed demand for non-COVID-related medical services. In **India**, for example, there are a lot of people with tuberculosis; in **South Africa**, there are a lot of people with HIV/AIDS.

Providing support and **social security to the most vulnerable and the most affected** categories of people during the pandemic was another important priority to the donor community:

- **Brazil**: indigenous people and favelas' residents (in Rio, for example, 22% of the people live in slums);

- **Russia:** older people (25% of the population) and families with underage children ([19%](#) are low-income families);
- **India:** labor migrants, informal employees (90% of the workforce), rural areas (65% of the population);
- **China:** territories at the epicenter of the pandemic (Wuhan and Hubei Province);
- **South Africa:** poor people left without food or means (with unemployment widespread among young people, only [55%](#) of the workforce have jobs; small businesses and rural areas were affected the most).

Because of the pandemic, women's situation deteriorated all over the world, including BRICS countries, thus exacerbating earlier problems with **gender-based violence** (**Brazil, India, Russia, South Africa**) and social and racial **inequality** (**Brazil, India**).

In **South Africa**, for example, due to the deteriorating situation because of the lockdown, the president had to establish the [Gender-Based Violence and Femicide Response Fund](#), which was welcomed by donors and the general public.

The economic situation of a large part of the population worsened in BRICS countries; at the same time, the number of dollar billionaires [increased](#) (especially in **China** and **India**). Access to quality medical services and, consequently, chances of survival depended greatly on people's level of income. All this rekindled public debates on the subject of social inequality.

Working on their budgets, donors try to strike a proper balance between the increased needs in healthcare and targeted humanitarian aid, on the one hand, and their traditional priorities in social investment and philanthropy, their strategic, systemic, long-term projects, on the other.

- **Education** has historically been a priority for the donor community, and it was very much affected by the pandemic. Because of lockdowns, schools in all the BRICS countries either suspended or curtailed their work, which had a negative effect on vulnerable categories: children were left without what, in some cases, was their only hot meal; the problem of digital inequality exacerbated (due to the lack of electricity, or Internet, or computers, or smartphones, or separate rooms, or digital skills, etc., especially among children in low-income families); it was difficult for working parents to find someone to stay with their children during the day.

The shift to distance learning highlighted existing structural problems in the education system, the shortage of IT infrastructure in schools, and sometimes the lack of digital skills among teachers. Donors quickly moved to fill these gaps. They funded studies on the effects the pandemic had on education (e.g., [Lemann Foundation, Brazil](#)) and designed new education strategies better suited for the time during and after the pandemic (e.g., the [South African Bootcamp](#), a project by the Joined Education Trust for young researchers). These issues are expected to stay on donors' agenda in the future as well.

- **Digital inequality.** During the pandemic, having a computer and access to the Internet became a basic need. Accordingly, many donors worked to meet this need. For instance, **South Africa's CSIR** provided broadband Internet based on existing television infrastructure (television white spaces), starting with the poorest O.R. Tambo neighborhood. In **China**, mobile carriers [offered](#) affordable data plans to families with children. During and after the pandemic, donors will focus more on developing digital skills of their beneficiaries and partners and building up their digital infrastructure.
- **Environmental issues** have always been high on the agenda for all the BRICS countries, but in recent years they became all the more important, being elevated to national priorities.

In 2020, the first year of the pandemic, JBS (**Brazil**) made one of the largest donations to preserve the Amazon rainforest.

Players from BRICS countries have joined some global philanthropic initiatives. For example, IPASA (**South Africa**) and the Donors Forum (**Russia**) joined the [International Philanthropy Commitment on Climate Change](#) and will now be ambassadors for the climate agenda in their respective countries.

- **Food supply and food security** are among the subjects that BRICS countries are concerned about, given their growing populations and the effects of climate change.

During the pandemic, the situation was particularly dire in **South Africa**. Even before the pandemic, the country had problems with underdeveloped local food production and distribution systems. Local stores relied entirely on deliveries from major chains. In order to buy food, people living in rural areas had to take a taxi to the nearest town, but once the lockdown started, even this option was no longer available. In July 2021, there were [protests](#) which resulted in rioting and looting. Food security became the number one priority for corporate investment [in 2021](#), ahead of healthcare and education.

- **Communities and territories** (especially, the areas where companies operate, underdeveloped rural areas, and local small businesses) as a priority for collective initiatives. These trends are only expected to increase in BRICS countries going forward.

For example, the Chinese government declared sustainable communities and community-based systems (social workers, NGOs, etc.) a national priority. This will naturally secure support from businesses and other donors. In India, there is an innovative collective initiative called [Pune City Connect](#), which seeks to build an entire urban ecosystem around people, combining all the existing initiatives and facilitating joint planning of services by various stakeholders. In Russia, some donors have reconsidered their approach to territorial development and instead of inviting experts from the capital focus more on cultivating local activists and initiatives.

In conclusion, even though the donor community in BRICS countries definitely made a major contribution in coping with the pandemic and supporting the vulnerable categories of people, experts [point out](#) that they tend to stay away from issues involving political risks: the issues of policy priorities and social spending, corruption and lobbying, civil liberties and human rights infringement during lockdown, lack of access to medical services and issues related to vaccination, tougher regulation for NGOs and foundations (e.g., oppressive laws in **Russia** and **India**).

3.3. New interaction principles within the sector and with external stakeholders: more solidarity, partnership and flexibility

In the early days of the pandemic, there was a clear trend of increased solidarity, flexibility, interaction and partnership among the participants (both internal and external) in the philanthropy and social investment ecosystem. It is not clear at this point whether this trend will continue after the pandemic.

Let us consider in more detail how donors interacted with key stakeholders.

NGOs and beneficiaries: Temporarily, donors switched to more flexible and less bureaucratic interaction with beneficiaries and grantees. They reduced the number of their own programs to increase the share of grants and direct donations. For example:

- Donors provided funds and made decisions more quickly (fast-tracking);
- Donors eased requirements for new applicants and existing grantees, simplifying the application and reporting processes;
- Donors extended deadlines on project implementation and reporting;
- Donors eased some of the restrictions on spending: offering more flexible mechanisms for using the funds, covering administrative expenses, providing NGOs with safety cushions by donating to their endowments and funding their core activities, making special grants to build grantees' capacity (e.g., [the Potanin Foundation](#) in **Russia** and the EdelGive Foundation in India);
- Decentralization and more trusting and regular communications with the grantees working directly with beneficiaries in specific territories (quickly adapting to evolving needs, including them in grant commissions and coordination committees, etc.);
- Comprehensive support for temporary NGO alliances created for the purposes of pandemic relief;
- Increased non-monetary support for NGOs (corporate volunteers, expertise sharing – including GR matters).

It remains to be seen whether this new format of interaction with NGOs will survive under less heroic circumstances, but there has been a lot of debate on this issue within the donor community of BRICS countries.

The state: During the pandemic, the state was a key stakeholder. Interaction continued largely along the same lines as before. In the future, cooperation is expected to expand, considering the complex, large-scale social and environmental problems faced by the countries; public-private partnerships will become more common.

- **Brazil:** For a long time, the federal government denied the need to fight the coronavirus and, consequently, the significance of the efforts by the donor community. Later on, the state relied mostly on aid distribution through religious groups and churches, not on active cooperation with the donor community.
- **China:** China is the opposite extreme: the government played the dominant role, coordinating all the efforts (organizing preventative measures, mass testing, vaccination, lockdowns, etc.), while donors played an assisting role, providing additional resources (including data) and filling in gaps left by the government, since donors are more flexible and can operate more freely, which makes them faster and more effective in emergency response situations.

China was the first country, not only in BRICS but in the whole world, to report COVID-19 (November 2019); it was first to introduce quarantines and lockdowns; and it was first to return back to “normal.” Chinese donors are proud of the fact that their response was well-coordinated and professional, which helped the government quickly contain the crisis. For instance, the Ministry of Civil Affairs quickly identified five NGOs authorized to raise funds for Hubei Province, where the outbreak first happened (Wuhan). Volunteers, including corporate ones, played an important role as well, but their activities were largely coordinated by government institutions.

- **India, Russia and South Africa:** On the whole, donors and the authorities interacted on specific initiatives, and numerous examples of joint action give hope that this experience and the ties built will prove useful in the future. At the same time, these countries, generally speaking, did not have a jointly coordinated action plan, and opportunities for dialogue and coordination were limited. As a result, there was some inevitable duplication, and aid was distributed unevenly: certain groups received a lot of aid, even if they did not need it much, while others were overlooked.

The donor community: Active knowledge generation in response to the shortage of information about the philanthropy and social investment sector; numerous examples of former donor alliances being reinstated, as well as the emergence of new, innovative and unorthodox partnerships.

Before the COVID-19 pandemic, BRICS countries did not have reliable and accurate data about the participants in the philanthropy and social investment ecosystem, which made it difficult to make decisions, coordinate large-scale actions and distribute resources efficiently. The situation triggered a quick and intense knowledge generation process in real time – from systemic data about sector participants and reporting to launching special websites. Here are a few good examples:

- **Brazil:** The Brazilian Fundraiser Association ([Associação Brasileira dos Captadores de Recursos](#)) launched a special platform, [Monitor das Doações](#), to monitor in real time all the COVID-related donations. Initially, it aggregated information about announced donations, crowdfunding projects, charitable concerts and large contributions from wealthy families from traditional and social media and press releases by companies and foundations, but later on, as the project grew and attracted more attention from the media and the general public, more and more donors began to send in their information proactively: how much they donated in cash, how many face masks they purchased, how much food they delivered, etc. In addition to aggregating information about Brazilian donors and the NGOs they supported and presenting it in a transparent way (the platform provided a specific list of donors with names and numbers), the website offered positive and inspirational news, convincingly demonstrating (with numbers and sources) the contribution by the philanthropy and social investment sector. This attracted media and public attention and stimulated additional giving. Philanthropy became a popular subject with the national media, appearing on front pages of newspapers and magazines.
- **China:** The China Foundation Center launched a [platform](#) providing up-to-date information about the needs of each province and the resources offered by businesses and donors.
- **South Africa:** A thorough review of the donor community and the needs of beneficiaries was performed during the pandemic.

Due to limited information about other players and initial lack of ties within the donor community, in the early days of the pandemic donors relied primarily on the following categories of partners:

- *Former partners:* the partners that donors knew from previous partnerships. For example, some companies responded to requests from the government institutions they were familiar with, buying tablets for hospitals, or providing food baskets for the needy people.
- *Issue-based and industry-specific associations:* business associations, alliances of independent donor foundations, associations of NGOs working on a particular issue, etc.

South Africa: The [Business for South Africa](#) initiative; increased activity by the [Consortium For Early Childhood Evidence](#), coordinating efforts in the area of early development, which was negatively affected by the lockdown, and conducting research on how the pandemic impacted early development.

India: The [Action COVID-19 Team](#) initiative brought together various representatives of the startup ecosystem, who provided Rs. 1 billion (\$13 million) for NGOs, small and medium-sized businesses, and startups, offering innovative solutions to combat the pandemic (in-home treatment, PPE and oxygen production, mental recuperation for affected people, etc.).

- *Partners with expertise in handling emergencies.* In **South Africa**, for example, the [Gift of Givers Foundation](#), the largest African NGO working with natural disasters, played an important role; in **China**, foundations that specialize on earthquakes were prominent;
- *Strong experienced partners* (e.g., large NGOs) with well-established connections, knowing how to talk to the authorities (which is extremely important for logistics, contracts for medical supplies to hospitals, etc.) and other players in direct contact with beneficiaries and local vendors in specific territories.

In **China**, for example, the Narada Foundation, the country's leading grantmaking foundation, which has long supported donor infrastructure and networks, created the national [NGO Consortium for COVID-19](#). The consortium was set up very early, on Feb. 2, 2020. The organizers identified its key principles and distributed the areas of responsibility among participants. Ten days later, the consortium circulated a simple online questionnaire to gather information about local NGOs' needs and problems. The consortium brought together 68 leading foundations, volunteer associations and NGOs. The main role was reserved for advanced organizations with enough capacity, resources and connections to effectively coordinate aid in their territories. New members were only accepted based on a recommendation by existing members.

Consortium members quickly exchanged information and coordinated massive deliveries of aid to various territories. Influential Chinese and international experts advised the consortium on various aspects of work (medical and psychological help, managing volunteers, quickly assessing the needs, etc.). In addition, simple questionnaires helped identify other concerns that participants had, find appropriate experts and organize online meetings, training and capacity-building sessions. All the materials from the meetings were available on WeChat, a popular platform in China. In the future, the consortium plans to launch a joint program to develop an emergency response mechanism.

Before the pandemic, donor communities in BRICS countries were pretty fragmented, and there was a shortage of trust and transparency among donors and NGOs. But in the face of a common challenge, donor association, which used to be relatively weak and formal, stepped up. In addition, new – highly unorthodox and even formerly unthinkable – partnerships sprang up, especially in the countries which had a better-developed ecosystem supporting the philanthropy and social investment sector before the pandemic. Hopefully, in the future donors in BRICS countries will invest more in philanthropy-supporting infrastructure.

- **Brazil:** Over 60 foundations and companies joined the Emergencia COVID-19 initiative launched by [GIFE](#). Together, they produced a set of [guidelines](#) for local action during the crisis. They also set up a [platform](#) offering a list of initiatives and resources available. The platform also aggregated data about the urgent needs that donors could help meet. In the future, the association plans to engage in research on impact evaluation, lessons learned, etc.

- Some donors encouraged other to unite under the [#FamiliaApoiaFamilia](#) movement. Others formed an alternative volunteer movement led by [UniãoBr](#). The mission was to help the national healthcare system, and the movement was also led by grantmakers. It started as a WhatsApp chatroom and quickly spread around the country. Donors exchanged information and helped each other locate “frontline” NGOs fighting the pandemic and establish partnerships with local government bodies.

Major corporate and family foundations combined their efforts to build hospitals and supply people with PPE and vaccines. For example, three funds (The Baobá Fund for Racial Equity, The Brazil Human Rights Fund, and The Casa Socio-Environmental Fund) announced joint initiatives to raise funds for projects helping indigenous people cope with the effects of the pandemic.

- **India:** There are numerous examples of partnerships in the donor community: [The Migrants Resilience Collaborative](#) is a platform launched by some major private philanthropists and intended to provide emergency relief to migrant workers. Over 80 NGOs and donors, along with the governments of Indian states, joined the project, putting together a database of over 1.5 million people and putting them in touch with job centers to help them find a job and receive unemployment benefits. In the future, the project plans to launch long-term, systemic, cross-sectoral programs to protect the rights of migrant workers. The programs will include representatives of key industries (construction, light industry).

In a similar fashion, the [Social Compact](#) initiative brings together business executives, NGO leaders and researchers to design measures ensuring employers responsible behavior towards informal employees. They come up with possible solutions and test them in member companies.

[India Protectors Alliance](#) brings together 45 businesses and foundations for the purpose of supporting healthcare professionals.

- **South Africa:** [SAFT](#) partnered up with banks, allowing them to issue loans to small businesses guaranteed by the trust.
- **Russia:** Philanthropy and donor associations ([Vse Vmeste](#), [Donors Forum](#)) helped coordinate the efforts of their partners, participated in lobbying the interests of the sector as a whole and its specific segments seeking to support their specific target groups (older people, orphans, homeless people, people with disabilities, etc.).

The Zabota Ryadom coalition, supported by the [Timchenko Foundation \(Russia\)](#), brought together 231 NGOs and volunteer associations, which shared information and technology and organized joint hotlines for older people.

Also, the pandemic produced a new approach to partnership – low-level horizontal ties, without institutionalized partnerships, formal agreements and coalitions. This worked well with informal, volunteer initiatives, which would spring up quickly to address a specific problem and dissolve once the issue was taken care of. For example,

very often small businesses and volunteer groups would provide hot meals or free taxis for doctors working at COVID-19 hospitals.

The most important lesson learned during the pandemic is that it is important to coordinate your efforts when responding to an emergency. Hopefully, the tendency for donors to engage in joint projects and pool their resources will continue, at least in part, after the pandemic. It would be important to continue the practices of collective donations by several donors, joint philanthropy programs by several businesses, joint initiatives bringing together major donors and representatives of beneficiaries, etc.

On the positive side, it should be noted that the pandemic clearly demonstrated that many problems are interrelated (e.g., COVID-19 and climate change), which means we may see more cooperation between different players going forward.

An example from South Africa: a joint initiative by the Lewis Foundation (environmental issues) and the Harry Crossley Foundation (higher education) offering scholarships for students studying biodiversity for the purpose of increasing the number of graduates available to work on environmental issues. Also, in the situation of a crisis donors started to interact more (albeit remotely, via Zoom), look for solutions together and pool their resources. This strengthened their ties and created an atmosphere of camaraderie.

On the negative side, one could mention the lack of a strong uniting foundation that would be comparable in scale to the pandemic, the complexities of implementing collective initiatives, coordinating common goals, distributing the areas of responsibility, etc.

3.4. Adjusting internal processes and building resilience: lessons learned and key challenges for the donor community

This unprecedented pandemic required equally unprecedented response from donors. Decisions and massive investment had to be made on the fly, and this naturally affected the donor organizations themselves. At this point, it is not immediately clear how to use the legacy of the pandemic (experience, instruments, resources, trust and partnerships) going forward.

Here are some key lessons and challenges:

1. The “shock” of the pandemic causing people to rethink their priorities and raising their awareness means that donors **should review their approaches and strategies**:
 - It is important to look for comprehensive solutions, realizing that many problems are interrelated. Donors should seek systemic change by removing the root cause of the problem or preventing the same problem from happening again. They should seek to increase greater social impact for their investments. For example, they should align their corporate social investments with their core business and the ESG/SDG agenda (see the next chapter for more details). They should also work with small business vendors and partners when working on social or environmental issues;

- Increased interest in more efficient and developing practices of social investment (online and corporate volunteerism), financially more sustainable practices (impact investment, etc.);
 - Designing more resilient programs and strategies, capable of carrying on during a lockdown or under unfavorable circumstances;
 - Being flexible and not limiting oneself to the project-based approach and grant contests as the most efficient mechanisms for social investment and philanthropy;
 - Rethinking the object and format of impact: not only direct help to the vulnerable categories and the NGOs working with them but also developing connected and resilient communities and self-help practices; supporting small businesses as a new priority for philanthropy and social investment; greater awareness of the need to develop philanthropy infrastructure, which helps coordinate efforts and increases their effectiveness in the situation of a crisis;
 - Greater interest in self-supporting communities – volunteer associations of company employees – and support for their efforts in developing their territories; getting all the elements of the value chain (customers, suppliers, etc.) involved in philanthropy and social investment to achieve more sustainable change; building communities around donor foundations and getting beneficiaries involved, etc.;
 - The temporary shift of focus toward crisis management and finding the right balance between meeting the increased pandemic-related needs and continuing to support one's traditional priorities. The situation is further complicated due to uncertainty as to the sources and volume of funding (including the possibility of reduced funding).
2. **Adapting programs.** Most donors adapted their programs because of the pandemic – typically, by moving them online in part or in full. In some cases, this allowed them to target a larger audience or discover more efficient and less costly solutions, which should be retained for the future.
Some programs were suspended, and their budgets were transferred to higher priorities related to COVID-19.
 3. **Digitization,** introduction of remote formats and instruments, digital technology and communication tools used by donors and partners (grantees), the need for more investment in digital infrastructure and digital skills, cybersecurity.
 4. **Data and knowledge management.** Increased importance of reliable information and timely dissemination of information among the target audience, data-driven planning (assessing problems and needs, analyzing stakeholders and beneficiaries, impact measurement, etc.) – all this means that donors need to build a system for data collection and data analysis, monitoring and evaluation, data management, and investment in resources that provide access to such information, developing the skills of their staff;

5. **Efficiency evaluation** in the context of the pandemic – both for massive investments in relief programs and for old programs adapted to the new circumstances. Evaluation is particularly important in the current situation, when there is increased attention to donors and beneficiaries, and key stakeholders expect transparency and efficiency. It would be important to find optimal solutions for similar situations in the future;
6. **Risk assessment**, both for external (economic, political, social, environmental and technological, etc.) and internal risks (implementing programs in a different context; grantees' activities and oversight; innovative partnerships, financial instruments and social practices; increased preparedness for crises, including rapid response).

Risk assessment is closely related to donors being adaptive, willing to change in a highly uncertain situation, building a more flexible corporate culture and processes.

During the pandemic, many donors acquired some experience of “headquarter work.” They learned to make decisions quicker and realized that certain procedures are unnecessary when working with a third party. It is expected that some of the donors will at least partially retain these effective practices after the pandemic.

7. There is a broad range of challenges and changes related to the personnel and leadership of donor organizations. These include: digital and other skills required in new conditions; maintaining one's physical and mental health (including emotional burnout); creating a diverse and inclusive workplace with fair and equitable opportunities for all; building trust, but at the same time having higher expectations for employers.

Let's consider, for example, the matter of getting company employees involved in philanthropy and social investment. There was no single trend because the situation was different in different companies. In some of them, volunteer programs were suspended; in others, they migrated online. But there were also some companies which saw a surge of corporate volunteerism. These companies encouraged their employees to engage in philanthropy in their workplace, form volunteer communities, implement social initiatives in the area where the company operates. Accordingly, these companies created necessary infrastructure (Intranet portals, mobile apps, etc.).

It is expected that virtual volunteerism, which was often regarded as a temporary fix during the pandemic, will still be used in the future.

8. A more trusting **relationship with beneficiaries and grantees** and an increased share of external funding (achieved by cutting back on the donor's own programs) will require from donors significant internal adjustments and additional resources. Among other things, this means more work for those conducting preliminary checks and screening beneficiaries. Grant procedures and functions of the employees engaged in preparations will have to change. It is necessary to

rethink corporate culture and the existing system of monitoring and evaluation. More transparency and clarity regarding the use of funds will be expected. It will also be important to ensure the financial stability of grantees.

9. The need to **adjust communications and PR strategies**, given stakeholders' increased attention and higher expectations (more transparency, prompt and truthful communications, employees' engagement in volunteer work), discussions about equality, fairness and donors' responsibility (e.g., the practices of handing out universal food rations to beneficiaries viewed through the lens of trust and power dynamics);
- 10 Mutual interest and inevitable expansion of **interaction with the state** (including, among other things, public-private partnerships, government incentives for those engaging in philanthropy, integrating philanthropy into national priorities, etc.). This means there will be greater need for GR skills among donors and nonprofit sector players in general; the government will pay more attention to social impact reporting and evaluation; and the donor community and NGOs will have to become more transparent.

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