



**LILLY FAMILY
SCHOOL OF PHILANTHROPY**
INDIANA UNIVERSITY

The 2025 Global Philanthropy Environment Index Uganda

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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Company Limited by Guarantee, Cooperative, Trust

Five main social issues addressed by these organizations: Basic Needs, Early Childhood Education through High School, Food, Religion, Youth and Family

Average time established by law to register a philanthropic organization: 31-60 days

Average cost for registering a philanthropic organization: USD 135

There are various fees that are charged by the NGO bureau. These include: 1) Search of Register – \$8; 2) Fee for Inspection report – \$15; 3) Application for International Organization – \$250, Foreign Organization – \$135, and Indigenous Organization – \$30. The costs vary according to the origin of the organization. The multiple costs create room for corruption and delay in the process of registration. There are also fees for continued operation after expiration of the permit: \$500 for any organization (The Uganda Gazette, 2017). There is a backlog within the registration, and it could take between 6 to 12 months to complete the process.

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government, Local Government

The National NGO Bureau, which reports to the minister of internal affairs, is responsible for overseeing the organizations. The NGO Act of 2016 established this NGO bureau. This regulates, inspects, and monitors all organizations in Uganda. The NGO Act of 2016 empowers this organization to revoke an NGO permit or refuse to register an organization. At the district level, the NGO bureau works with the district NGO monitoring committees, which oversee the operations of NGOs at the community level. They are composed of various stakeholders, including state security officials, local government officials, and local NGOs. There are the subcounty NGO monitoring committees as well.

¹ Authors of the 2025 *GPEI* report are providing updated narratives and scores to the 2022 *GPEI* report.

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PHILANTHROPIC ENVIRONMENT SCORES

| Year | Ease of Operating a PO | Tax Incentives | Cross-Border Philanthropic Flows | Political Environment | Economic Environment | Socio-Cultural Environment | Overall Score |
|-----------|------------------------|----------------|----------------------------------|-----------------------|----------------------|----------------------------|---------------|
| 2025 GPEI | 2.00 | 1.00 | 2.00 | 1.50 | 2.00 | 4.00 | 2.08 |
| 2022 GPEI | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2018 GPEI | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Source: Indiana University Lilly Family School of Philanthropy, 2025 *Global Philanthropy Environment Index*

KEY FINDINGS

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 2.0

Any activity that is unregistered is considered criminal in Uganda (Republic of Uganda Non-Governmental Organizations Registration Act (amended 2006), Articles 2(5) and (6)). There are heavy restrictions on the type of organization that is registered. There are eight letters of recommendation required by the government to register (Ugandan 2009 NGO Regulations, Article 5). Failure to have any of the letters could lead to denial of registration. There are letters that are required from various levels of local councilors, from the small Village Local Council One, the Local Council two, the Local Council three, The Resident District commissioner (President’s direct representative at the district level). All these must endorse the organization. The organization should also have written recommendations from two surety organizations. The origin of the organization is monitored and for its registration purpose, there is a suspicion for Western-founded organizations that advocate for democracy and gender inclusion.

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 2.0

The operations of organizations are restricted; a point in this case is the closure of the UN Human rights Office in 2023. The government refused to renew the organization's certificate. There is very

strict control over communication with certain domestic and international entities. Social media platforms such as Facebook was banned in Uganda since 2021. This points to government scrutiny of communication of organizations.

Question Three: To what extent is there government discretion in shutting down POs?

Score: 2.0

The Closure of the UN Human rights office demonstrates the power of the government to dissolve organizations with no appeal. The government, without notice, closes organizations that are not “compliant” with the government’s agenda. In 2021, 54 organizations were closed for “noncompliance” it was clear that this was political prosecution. These were organizations that defended the rights of political activists and people affected by crude oil production projects. The NGO board has the power to close any organization at any point without the intervention of a court (NGO Act, 2016).

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 1.0

The taxation regime is very unclear; organizations are heavily taxed, and there is no special legislation for philanthropy organizations, except for taxing their income. This is not automatic, as the Uganda Revenue Authority must issue an exemption certificate. All the organizations are required to file income tax returns, withhold tax from employees’ salaries and suppliers, and pay stamp duty and VAT on all supplies.

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 1.0

The tax regime is not favorable to organizations receiving charitable donations. There is a long process to acquire a tax exemption status for gifts given even in kind. The process is very unclear, as some organizations easily receive it, and others never receive it. This is, for example, for equipment like vehicles, tools, books, etc. This only impedes the organization’s activities.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

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| Score: 2.0 |
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There is a restriction on cross-border flows, this is implemented through the Money Laundering Act of 2013. This has only complicated the process of sending and receiving money in Uganda. In 2021, the government had frozen £100 million European Union grant for NGOs (Muhumuza, 2023). The president directly stated that he was not informed about the establishment of this fund to promote democracy in Uganda. Since then, there have been restrictions on organizations' bank accounts frozen with any suspicious activity. The government, through the local banks, monitors the funds that are sent for which organizations activities. This has involved the freezing of funds that are sent from international donors.

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

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| Score: 2.0 |
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There are taxes on receiving funds from cross-border sources. The government charges stamp duty on each transfer. The stamp duty of 1.5% applies to all transfers, including the transfer of shares and property. This is one example of the complexity of the regulatory environment of cross-border philanthropy in Uganda.

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

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| Score: 1.0 |
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There are tensions between the government and the organizations. The European Union has been openly blamed for the civil unrest in the country (CivSource, 2023). This and many other organizations are not expected to be involved in civic or politically inclined activities, especially if they highlight the injustices and inequalities in the country. The civil unrest is always blamed on these organizations that seek to promote democracy.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 2.0

According to a prominent news outlet in Uganda, 2023 is to be remembered as a year of corruption in Uganda (Bagaaya, 2023). There were several scandals of corruption among several government officials. Corruption has been a major issue in public policy in Uganda. Despite the legislation that is in place, this corruption has cost the country. A report by the inspector of government stated that "corruption is widespread in all aspects of society and has had far reaching consequences." Transparency International ranked the country 141 out of 180. In 2023 there were 2,377 high level complaints of corruption. This to a tune of UGX 17 billion recommended for recovery in corruption by government officials (IGG, 2024). Corruption by government officials is rampant in Uganda. This practice has impacted philanthropy as trust in institutions is lost. This is both the private and the public institutions.

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 2.0

The high rate of inflation in Uganda shapes the economic environment. In 2023, the rate of inflation was at 4.6%. This implied an increase in the price of items. This is further complicated by the very high rate of corruption, government ministers were implicated in stealing roofing materials designated for the poor in Uganda (The East African, 2023)

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 4.0

There is solidarity among the individuals based on tribe, area of residence, and religious background to give towards different causes. There are traditional structures that people use to support each other in periods of marriage and death. These organizations, organized mainly informally, have been a main life blood to support people. Youthful people give significantly towards weddings, there is an aspect of this that is reciprocal. As one would expect to be given back in the future. Also, in the midst of calamities like Ebola and refugees, local people have been welcoming and quick to be the first responders in welcoming people and sharing food.

VII. Recommendations for Philanthropy

These questions are used to provide a general picture of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Three key recommendations to improve the environment for philanthropy

- The government should keep only its "eyes" on the organizations and "hands off" their control of NGOs.
- The organizations need to collaborate and communicate among themselves. There are many organizations duplicating other organizations, and yet there are gaps in the field.
- Significant research needs to be conducted on the state of the field of philanthropy in the country. This informs policy, practice, and academia.

Lasting innovation or impacts in the nonprofit sector and philanthropy in response to the COVID-19 pandemic

- Diaspora giving
- Online/digital giving
- Prioritized support vulnerable populations (mental health)

Issues or trends are emerging as significant to the nonprofit sector and philanthropy

- Climate change/environmental conservation
- Decline of democracy
- Professionalization of the nonprofit sector
- Social justice and equity

The environment for philanthropy in Uganda is increasingly more restricted. The organizations that are opposed to the government in any way are monitored more, and there have been instances where the organizations have been closed. It is on this basis that organizations seek to advocate for democracy. Most recently, the Anti-Homosexuality Act of 2023 has made it difficult for any organization that seeks to address any gender-related concerns.

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