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INDIANA UNIVERSITY  
Lilly Family School of Philanthropy

# The 2022 Global Philanthropy Environment Index Zimbabwe

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**Institutional Affiliation:**

Edited by the Indiana University Lilly Family School of Philanthropy

## QUICK FACTS

**Legal forms of philanthropic organizations included in the law:** Cooperative, Limited Liability Company, Trust

**Five main social issues addressed by these organizations:** Arts and Culture, Basic Needs, Health and Medical Research, Higher Education, Human Rights

**Average time established by law to register a philanthropic organization:** More than 90 days

**Average cost for registering a philanthropic organization:** USD 500

It is difficult to determine the cost for registering a philanthropic organization (PO). The cost includes fees for any lawyers providing assistance, place to post an ad in a newspaper and printing of the required documents, and the cost of these services can be variable. Otherwise, no fee is paid to the government.

Most POs in Zimbabwe are registered as trusts that have their own constitution that guides their affairs. Overall, it is cumbersome to be registered under the Private Voluntary Organization (PVO) Act and the requirements are onerous. There is no law that determines how associations or foundations are registered. Even though associations and foundations technically fall under the purview of the PVO Act, most of them are registered as trusts.

POs are required to register for The Private Voluntary Organization Board, which meets twice a year. Lately, the Board has not organized meetings due to unavailability of funds.

**Government levels primarily regulating the incorporation of philanthropic organizations:** State Government

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
<b>2022 GPEI</b>	3.67	2.00	2.95	3.60	3.10	3.00	3.05
<b>2018 GPEI</b>	2.00	3.00	3.25	1.50	N.A.	3.00	2.55

Source: Indiana University Lilly Family School of Philanthropy, 2022 *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?

<b>Score: 2.8</b>
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Zimbabwe remains unique. The law allows for any individuals to form a PO initiative without being registered if that person is not deemed a threat the political status quo. Additionally, law enforcement agents follow the whims of politicians. Once an individual or PO is deemed a political threat, issues pertaining to registration are raised. There is no clarity regarding what kind of organization is allowed to operate; however, as long as the activities of a PO do not interfere with the interests of politicians, it seems they are allowed to operate with minimal interference or even without registration.. Once a PO is perceived to be serving the interests of the “opposition,” its operations are considered illegal and their registration in revoked. The operations of a PO can be stopped while security checks are being conducted on the organization. The law is not clear on who can establish a PO and the law is often applied selectively. There is no time established by law as the minimum at the time of establishing a PO, and there is no clarity in this regard. What is needed is one’s vision and passion. The law requires some registration fees, which are very low and reasonable, and are pegged in local currency. The government body is not professional and is very political. If one is denied registration, no explanation is given and there is no option to appeal the decision. Registration can be denied based on an individual who might be part of the board. The registration process is onerous, which results in many POs operating on the basis of common law. POs can come up with a constitution to guide their internal affairs. The registration authority is supposed to meet twice a year, but at times they go for the whole year without meeting due to lack of funds. If they meet and deny registration, no explanation is given.

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

<b>Score: 3.2</b>
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Zimbabwe’s operational environment is unique and complicated, so it would take more time to understand. Technically, the law allows freedom of association and cooperation. However, the governing rules are not so detailed. Moreover, the freedom of a PO to operate their internal affairs is only possible if they are not deemed to interfere with the interests of politicians. The government does not, however, impose any mandatory provisions as far as the composition of the governance structure is concerned. Once POs are presumed to be working with certain politicians, especially those from the opposition, their operations are stopped. The state architecture is structured in a way that the Central Intelligence Office, an extension of the Office of the President, is decentralized and everywhere. As such, they serve the interests of the government. The operations of a PO can be stopped under the guise of security clearance in the district or province where it operates. Due to the ambiguity of the law, freedom of association is provided for what is not guaranteed is the freedom

after association. There have been situations whereby individuals were detained at the airport upon arrival, on the suspicion that they had gone to be trained as terrorists by foreigners. Some PO work is not accepted on the basis that their International Partners are not welcome in Zimbabwe. There has been concerns from the government that POs are being established with an agenda of regime change. Anything that advances interests that are considered a threat to the political hegemony is deemed to be a security threat and to have an agenda for regime change. Currently there are no restrictions on the use of social media. However, social media is used by the government to determine whose interests the PO is serving. More importantly, there is public and private press in Zimbabwe. Those POs deemed to be against the government are not allowed access to public media like the Zimbabwe Broadcasting Cooperation.

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

**Score: 5.0**

In Zimbabwe, the government body cannot decide to terminate a PO. However, the government can make the operations of a PO very difficult. The PO will have to pass many assessments done by various local authorities. The law provides for how a PO can voluntarily conclude its business. Most POs are registered as a trust, and as such there is a provision that is very clear on how that trust can be dissolved without government interference. Although, if there is a conflict, the termination can be subjected to judicial supervision.

## 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**

This is very tricky. The Zimbabwean economy has been in recession since the year 1999. There are no income tax incentives for donors and recipients. Most of the POs are not properly registered, so they do not benefit from any provisions of the law regarding tax exemptions. Funds brought to Zimbabwe by donors are subjected to any tax regulations; they are not exempted from the existing statutory requirements. It is important to note that between 2018 and 2020, donors contributed to the central government's operation as donations in foreign currency was retained by the Central Bank.

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

**Score: 3.0**

Organizations do not receive any tax exemptions. Only organizations of the United Nations enjoy some level of tax exemptions in the country. Local organizations can raise money from the private sector, however it is underdeveloped.

### 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?

**Score: 1.9**

It is not easy to send money internationally from Zimbabwe. If a PO has received excess funds that it must return internationally, the process is very onerous, and it must receive various authorizations from the Central Bank.

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

**Score: 4.0**

Receiving money in Zimbabwe is not a problem. However, all funds sent to Zimbabwe, even for charity work, are subject to tax. Utilization of the same funds attracts appropriate charges like bank levies and other taxes. There are no tax exemptions.

### 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?

**Score: 3.8**

The Government of Zimbabwe and POs have a contentious relationship. The political environment in Zimbabwe clearly makes it difficult for certain POs to carry out their work. Some POs have been denied entry into their area of operation. Traditional leaders can deny entry to certain POs due to reasons of state security. However, some POs, especially those in the health sector, are allowed to operate on the condition that they carry out the government's wishes. The government does not recognize that individuals can be agents of social change. Whoever wants to do PO work must undergo security checks. The government does not create genuine opportunities to involve POs in policy development and implementation. This has resulted in divided POs—those that align themselves with the government for protection and those that do not. Those who align themselves with the government are invited for discussions, and those perceived to be critical of government are not invited. Zimbabwe's political climate is not stable. Since 2000, there have been disputed national elections that are marred with violence and intimidation. The 2018 elections were disputed by the main opposition whose presidential candidate lost with a small margin. This has further polarized the political environment. The sanctions imposed by Western countries and the European Union have

caused the government to make it difficult for POs suspected to be supported by Western funds to operate. The government has since concluded that the West wants to affect regime change through POs, and that has resulted in close monitoring of the sector. However, there are instances where the government collaborates with POs as a token in some cases.

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

<b>Score: 3.4</b>
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There is no effort by the government to promote a culture of philanthropy, as politicians do not want to portray an image of failure. The period under review is being referred to as the Second Republic—the Post-Mugabe era. The government wants to demonstrate that they have the capacity to meet the people’s social needs. The ruling party structures have been made to believe that POs are regime change agents, and that they intend to remove the government. The government does not provide POs with any information regarding existing donors. The POs themselves look for funding opportunities through various websites and networks. The government, however, groups POs, depending on where they get their funding. Those that get funding from countries unfriendly to the government of Zimbabwe like the United States, are not welcome, as they are regarded as hostile. Donors and funders face pressure from the government, especially in areas where the government has control. However, where the government has no control, they work with the POs that receive funds differently. There is no systematic coordination between government agencies to support philanthropic activities. This has resulted in some areas being considered “no-go” areas. In areas where POs are allowed, government agencies will be visible and make it appear that work is being done by the government. Indeed, the government does not have the ability to support POs financially or with technical capacity. This is because the economy has not been performing well during the period under review. The government does not have any policy to support the development of the nonprofit sector. If ever there is a political roadmap for development, it is meant to protect the interests of the ruling party. In Zimbabwe, there is a thin line between the ruling party and the government.

## V. Economic Environment

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

<b>Score: 3.1</b>
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The Zimbabwean economy has been deteriorating to the extent that there is a controlled exchange rate; Zimbabwe has not had its own national currency since 2009. The poor economic conditions are exacerbated by policy inconsistencies that have resulted in some individuals losing their savings and property. This has caused a failure to nurture the culture of giving among members of society. There are high levels of corruption among the elite, and the failure by government to effectively implement the rule of law has resulted in perpetrators of corruption not being arrested. In Zimbabwe, there is a practice of “catch and release,” meaning that corrupt elites could be arrested one day and be released the following day. There are serious allegations that have even linked corruption with the first family. Recently, the Minister of Health ended up being fired by the president after being implicated in the corrupt use of COVID-19 funds intended for the procurement of COVID-19 supplies. Overwhelming evidence suggested that the Minister was working closely with the first family. The

economic outlook is very bad. There have been no serious attempts to root out corruption. Donors are even afraid of funding Zimbabwean institutions, as they fear for the security of their funds. Aside from security concerns, high inflation has affected the value of currency, which has presented economic challenges. The banking sector is in crisis, especially with foreign currency in short supply since Zimbabwe has relatively low exports. Funds intended for POs are being used to sustain the government through the raiding of accounts by the Central Bank. It is possible for POs to receive money in foreign currency and fail to access the money due to government regulations.

## VI. Socio-Cultural Environment

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

<b>Score: 3.0</b>
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The best schools in Zimbabwe are mission schools that were built through religious philanthropy. This is enough confirmation that there was once a culture of religious philanthropy. For the period under review, that does not exist anymore. Modern philanthropy is not currently being supported by society. This can be attributed to various factors, including those already discussed concerning the economy and political polarization. There are some elements of honesty, solidarity and trust within society. We still have individuals who, despite economic hardships, still support strangers and friends when in need. We still witness situations where some talented young people are being supported by the public to access education. However, we also have instances whereby philanthropic funds have been misused by certain members of society. People perceive philanthropy as a good and important institution to address societal problems. But they have no respect for donor funds. Some members of society have developed an entitled attitude toward philanthropic work. This can also be attributed to the failure of the government to attend to basic societal needs and to fulfill its social contract with its citizens. Citizens have lost hope and now expect more work to be done by POs. In Zimbabwe, philanthropic organizations are known as non-governmental organizations. Generally, the elites know what POs are supposed to be doing: complementing the government and assisting in checks and balances on government conduct. However, most of the population, especially those in rural and marginalized communities, do not appreciate the work of POs. They are victims of government propaganda that NGOs are meant to cause regime change. There have also been cases of POs selfishly misusing funds meant for development. This has resulted in society having mixed feelings when it comes to the work of POs.

## VII. Future of Philanthropy

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

Current state of the philanthropic sector

Philanthropic work in Zimbabwe is developing in a systematic way despite the absence of clear government policy or support. Given the disputed elections, and the failure of government to respect human rights and property rights, foreign POs prefer to work with non-governmental organizations, over government organizations. For example, the United States of America Agency for International Development (USAID) prefers to work more with NGOs than to work with the government, due to

the ongoing economic embargoes. This has resulted in efforts to strengthen civil society through establishing structures that ensure sustainability. This is evidenced by the amount of money that has been dedicated to strengthening systems of civil society. Civil society in Zimbabwe is now very institutionalized and also is one of the leading employers. The existing CSOs in Zimbabwe include international and local organizations. International organizations like United Nations Population Fund (UNFPA), United Nations Development Programme (UNDP), World Health Organization (WHO), World Vision, and Plan International are compelled to work with the government. Many efforts are being made to strengthen the voice of civil society.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

1. Disputed elections in 2018 resulting in political polarization
2. Economic meltdown
3. Corruption

Future development trends in the philanthropic landscape

There have been scattered instances of various forms of philanthropy like crowdfunding. Examples where crowdfunding has been used are disasters or unfortunate incidences like deaths. In some instances, when a Zimbabwean dies in a foreign land and fails to raise enough funds for the repatriation of the body, society helps through crowdfunding. Some have benefited from crowdfunding to raise funds for the treatment of chronic diseases like cancer. If the government fixes the economic ills and it can also address the social ills, certainly there is much potential for philanthropic work in Zimbabwe. Zimbabwe is endowed with many human and natural resources, including land and minerals. With proper leadership, there is so much potential to witness the emergence of various forms of philanthropy. More crucially is clarity of incentives for those who want to engage in philanthropy. Currently there are no motivations or incentives.

Three key recommendations to improve the environment for philanthropy

- There is a need to depoliticize society. If elections can be done in a manner such that the winner is undisputed, there can be development in Zimbabwe and philanthropy can be simplified.
- Restoring investor confidence by decisively dealing with corruption. Confidence can be restored through various means, such as transparency in the handling of national elections and appointing public officials on merit rather than political patronage.
- Policy consistency: there is a need for the government to be intentional when it comes to policy. There should be clear policies that guide POs' operations and such policies should be made public and accessible to everyone. They should not be changed on a whim.



## VIII. Philanthropic Response to COVID-19

*These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.*

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

The nonprofit sector is mainly playing non-clinical roles by complementing what the government is doing. For instance, in some cases, civil society is raising awareness about COVID-19 in the community. Some are playing roles in purchasing and distributing personal protective equipment (PPE) to vulnerable members of the community. Some POs are even providing health packs to vulnerable community members whose income was depleted due to lockdowns imposed in response to COVID-19. International organizations, especially UN agencies, played a part in contributing to the government's capacity to respond to COVID-19, especially by purchasing medical consumables and the payment of health personnel. There is a need in the future for the country to come up with a systematic way of managing humanitarian responses. COVID-19 also presented Zimbabwe with an opportunity to re-examine cross-sectorial collaboration. While there is a Ministry of Health that is mandated with attending to the public health needs of the population, COVID-19 requires a collective responsibility. The government should allow civil society to work with minimum restrictions and get rid of the red tape when it comes to humanitarian needs.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

There has not been much innovation regarding the response of the nonprofit sector and philanthropy to COVID-19. The pandemic caught everyone unprepared. If anything, there was a misuse of resources as various POs had approved budgets and did not know what to do with the money. There were cases where donors would communicate with their recipient CSOs to find something to do, as they wanted the funds to be utilized. There was no innovation shown by CSOs in response to COVID-19, as everyone was shocked and scared. Only recently has there been emerging innovation, using technology to reach out to the public with COVID-19 information.

Impact of COVID-19 on the philanthropic environment

COVID-19 has negatively impacted many facets of society. Firstly, the economy was affected badly. Household income was negatively affected and the government lost significant potential income from taxes because of COVID-19 lockdowns. Sadly, corruption also showed its ugly side as public officials took advantage of COVID-19 responses to loot public funds. This high-level corruption has resulted in the Minister of Health being relieved of his duties after being exposed for corruption. The government's policies and restrictions made it impossible for other CSOs to operate. During the lockdown, the government issued exemption letters to certain sectors as essential services. There were no clear criteria regarding what activities were considered essential, which negatively impacted some philanthropic efforts. There were no incentives by the government to encourage individuals to participate in COVID-19 responses. Those who were forced to participate in a COVID-19 response were being forced by their own desire to serve their interests, as not making use of their funds would result in challenges with the funding partners. When COVID-19 emerged, the banking sector was in crisis; members of society joined long queues to access their money to purchase essential products.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

There will be reduced funding from traditional sources of donor funds due to depleted resources from COVID-19 responses. The government does not support philanthropy and all philanthropic work is financed by donors from abroad. Given the global pandemic and the effects it caused worldwide, there will be a limited flow of resources to the Global South for philanthropy. The impact will be felt by the most vulnerable members of society. On the other hand, the demand for philanthropy work will increase, as most people have been fired to produce cost savings. New developments have resulted in people working virtually, which has resulted in some individuals being retrenched. This means the income of certain individuals has been affected. Some retrenchment packages are being wiped away by high inflation. Furthermore, informal trading is no longer allowed as a way of containing COVID-19, resulting in the absence of income for vulnerable groups. Government does not have the capacity to support society members who are in need.

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