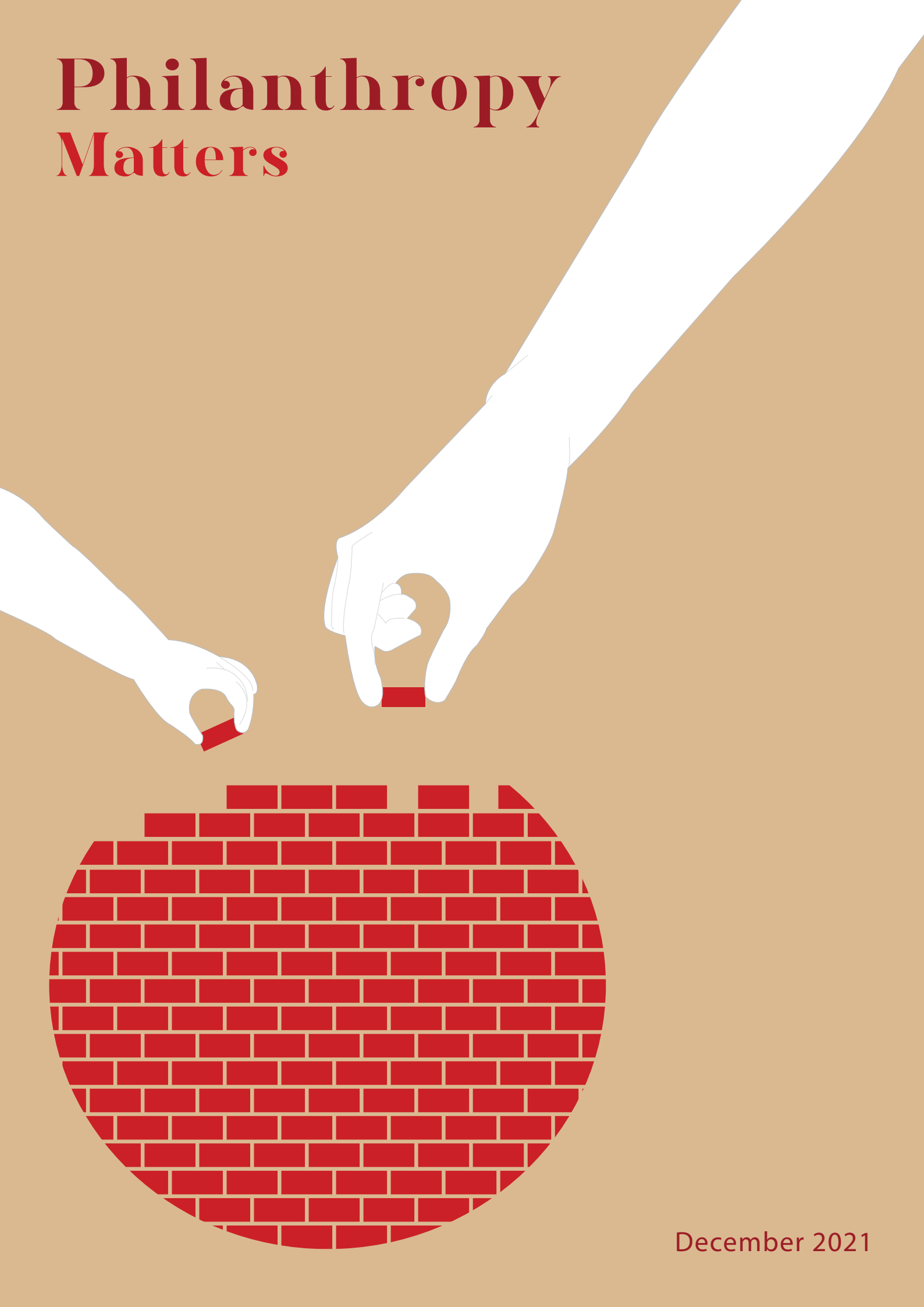


Philanthropy Matters



December 2021

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July 2021 - December 2021



About PCP

Pakistan Centre for Philanthropy (PCP) established in 2001 under Section 42 of the Companies Act 2017 is an independent, nonprofit, and support organizations created to facilitate collaboration between the philanthropies and nonprofit organizations (NPOs). It is led by an independent Board of Directories, comprising eminent citizens and leaders from the corporate sectors and civil society. Its mission is to promote the volume of effectiveness of philanthropy to accelerate social development in Pakistan.



Vision

The three sectors of society - business, civil society and the government - work together in a strengthened partnership for social development in Pakistan.



Mission

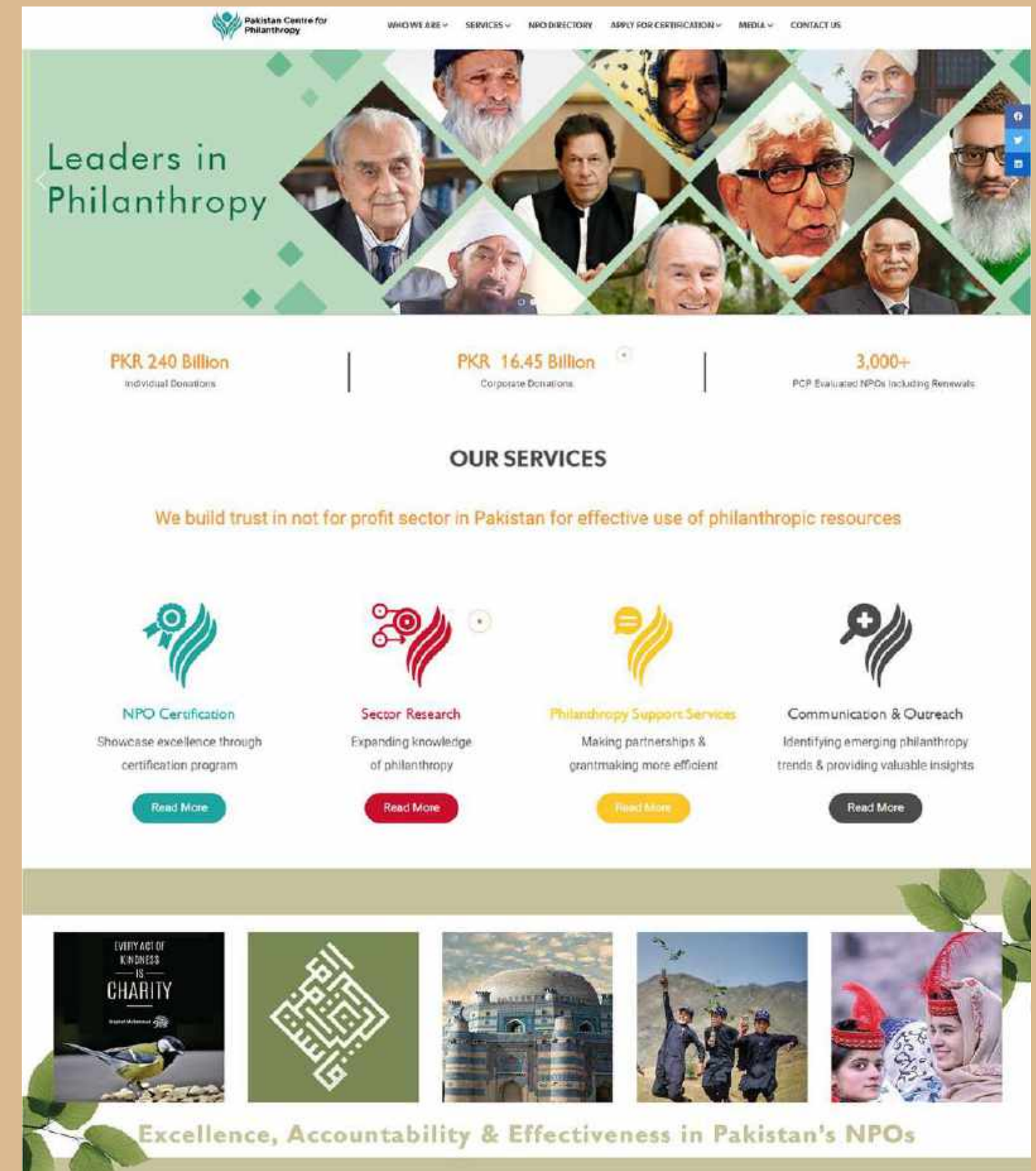
To enhance the volume and effectiveness of indigenous philanthropy for social development in Pakistan.

Our Cause is Social Good in Pakistan

We work to strengthen the nonprofits and foundations that build, enrich and define our nation and the communities they support in Pakistan.

PCP has Launched its New Website

with an enhanced scope and improved functionality with the purpose to reach out to a wider set of stakeholders and serve the sector better.



Global Trends in Philanthropy

Worldwide Increase in Generosity under COVID-19 Threat

The outbreak of Covid-19 globally has taken aback even the most developed nations of the world. The deteriorating economy and living standards of the people left ample room for everyone to enhance their philanthropic efforts. Despite the staggering economy and sharp decline in employments, the ground breaking charitable giving has set new records.

From March to August of 2020, charitable giving increased in 78 percent of counties that experienced greater threat from COVID-19.

Source: Increased generosity under COVID-19 threat, March 2022 published in Nature's Scientific Reports by University of California San Diego's Rady School of Management.

The share of households who gave directly to charitable organizations, individuals, or businesses for COVID-19 relief increased by 9.3 percentage points from May 2020 to May 2021.

Source: COVID-19, GENEROSITY, AND GENDER: How Giving Changed During the First Year of a Global Pandemic, November 2021, Lilly Family school of philanthropy



Nearly 3 out of 4 Millennials have Donated Money During the Pandemic

Nearly 3 out of 4 millennials (defined here as those ages 25 to 34) have sent some kind of financial aid to family or friends or donated to a nonprofit since the Covid-19 pandemic began, according to payment app Zelle's September Consumer Payment Behaviors report. The report is based on a survey of over 600 interviews a month of adults ages 18 to 72.



A Compendium on the State of Philanthropy in Pakistan

We are excited to have Dr. Adil Najam onboard as lead author for the third edition of our decennial study on philanthropy in Pakistan, which is expected to be completed and published by 2024.



Pakistan Centre for Philanthropy

2(36) Tax Approval Simplified Regulatory Compliance for NPOs Made Easy

Nonprofit Organizations (NPOs) face challenges in tax compliance and lack understanding of the changes in regulatory regime. Pakistan Centre for Philanthropy (PCP) aims to build these capacities for NPOs enabling them to perform well at all levels. PCP invites the civil society stakeholders to an exclusive Two Days Training on the

Taxation and Regulatory Compliance for NPOs

This training will be a practitioner guide to understanding these concepts and acquiring skills to navigate the NPOs taxation landscape.

Objective



- To introduce taxation framework of NPOs:
 - 2(36) application
 - Approval requirements
 - Reasons for rejection
 - International taxation practices
- To help the NPOs understand relevant regulatory procedures comprehensively
 - Federal regulations
 - Provincial regulations

*Navigate the
Taxation and
Regulatory
Regime
without any
Assistance*

📍 Islamabad | Lahore | Karachi



PCP's 20th Anniversary

27 December 2021

The Aga Khan Development Network undertook the initiative on Indigenous Philanthropy in 1998. Over the period of two years, the Steering Committee for The Initiative on Indigenous Philanthropy interacted with senior representatives of government, with enlightened citizen leaders, and with professionals from business and development fields.

During the course of its explorations, the Steering Committee found compelling evidence to suggest that philanthropy in Pakistan could be greatly enhanced by a permanent institutional vehicle - a Centre for Philanthropy - to foster philanthropy as social investment.

The Conference on Indigenous Philanthropy - held in Islamabad, Pakistan on October 16 & 17, 2000 - was a seminal point in the development of the Initiative on Indigenous Philanthropy, a more than two-year effort to strengthen giving and volunteering in Pakistan for social development

On 27 December 2001, Pakistan Centre for Philanthropy was established as a Company under Section 42 of the Companies Act 2017 (formerly called Companies Ordinance 1984).

Shams Kassim Lakha was the founding Chair of the Centre and Begum Shehnaz Wazir Ali was the founding Executive Director. Afterwards, Dr. Anjum Riaz ul Haq and Mr. Tanvir Ali Agha served as Executive Director. The present Executive Director is Ms. Shazia Maqsood Amjad.

On 18 December 2003, PCP went into an MOU with FBR under which PCP is designated as a Certification Agency to conduct performance evaluation of NPOs and to certify that NPOs/NGOs/CSOs meet with the desired requirements of certification standards notified by FBR. PCP has evaluated 3500 NPOs (including LSOs) to-date.

The Centre's research work aims to expand the empirical map on indigenous giving, while simultaneously influencing public policy decisions through effective advocacy and helping stakeholders better plan and organize social investment for civic benefit in Pakistan. PCP's Philanthropy Support Unit has come a long way and evolved into a unit that facilitates both national and international foundations/donors by linking them with agile and trustworthy non-profit organizations working in Pakistan.

After 20 years of excellence, PCP continues to promote philanthropy at its best and we are confident that the Centre will continue to fill the knowledge gap on Philanthropy and will make rigorous efforts to mainstream it in the development framework of Pakistan.



NPO Certification

Invest in Trust and Choose to be Trusted

Pakistan Centre for Philanthropy (PCP) is a designated Certification Agency by the Federal Board of Revenue (FBR), Government of Pakistan vide S.R.O. No. 1116(1)/2003 dated December 18, 2003. In accordance with the Section 2(36) of Income Tax Ordinance, 2001, nonprofit organizations working in Pakistan are required to seek approval of Commissioner Inland Revenue to be recognized as not for profit. As part of the procedural requirement as envisaged and provided in rules 211(2)(g), 213 (2)(d), 217 (1) (b)(vii), 220(1)(b)(vi), 220 A (3) (d) and 220 A(7)(1)(b)(iv) of Income Tax Rules 2002 , PCP conducts performance evaluation of NPOs on behalf of FBR and certifies that NPOs/NGOs/CSOs meet with the desired requirements of certification standards.

PCP is the first and only certification agency authorized by the Federal Board of Revenue, Government of Pakistan to undertake performance evaluation of non-profit organizations in Pakistan. PCP's certification program is aimed at fostering an enabling environment for philanthropy and thereby, supporting social development. PCP's certification program promotes best practices across the not for profit sector and presents a kind of credibility index signifying the seal of good housekeeping. Moreover, it also aims at minimizing the trust deficit between non-profit organizations, donors and the government.

PCP Certification is entirely a voluntary process involving a detailed, thorough and objective evaluation against set standards aimed at promoting best practices among the non-profit sector in areas of internal governance, financial management and program delivery.

Eligible Organizations

- Non-Governmental Organizations (NGO)/Not for Profit Organizations (NPO)/Civil Society Organizations (CSOs)
- International Non-Governmental Organizations (INGOs)
- Private Universities or Degree Awarding Institutions
- Micro Finance Institutions (MFIs)
- Local Support Organizations (LSOs)

Strengthen your Organization and Showcase your Excellence through PCP Certification Program

PCP is the first Not for Profit (NPO) Certification Agency in Pakistan. PCP Certification System was established in 2003 authorized by the Revenue Division of the Government of Pakistan. Through its certification program, PCP provides accreditation to NPOs which demonstrate excellence and leadership in the following areas of operations;

- Legal & Regulatory Compliance
- General Public Utility Compliance
- Institutional Mechanisms of Oversight
- Compliance with Tax Laws
- Financial Management
- Organizational Policies
- Program Delivery

Why Join the Certification Program?

Invest in credibility and donor confidence with PCP Certification Program trust mark. It helps you learn how to identify and mitigate organizational risk, improve governance practices, promote financial transparency and accountability, and foster a strong workforce.

Five Steps to Attain Certification

1

Assess Eligibility

- Provide registration certificate
- Submit external audited accounts/ reports

2

Prepare for Evaluation

- Submit governing document i.e. constitution of NPO
- Provide minutes of board meetings
- Submit undertakings i.e. FBR, NACTA related

3

Apply Online

- Register at the link below and follow instructions. cms.pcp.org.pk/login
- Call at: 0300-5102943, 051-2286524, 31, 32, 34, 36 for any online issues in submission of application

4

Get Evaluated

- Provide access to documents
- Coordinate for visit to project site
- Arrange meeting with BOD and management
- Respond to observations
- Follow recommendations

5

Join the PCP Network

- NACTA recognition as safe charities to donate
- SECP recognition as low risk in terms of money laundering & terror financing
- Facilitation from FBR in availing tax benefits for NPOs



PCP's NPO Certification
Trustmark of Good House Keeping

Certification Panel Meetings

Despite Covid times, PCP's NPO Certification team has worked tirelessly to ensure timely presentation of NPOs' evaluation reports to the certification panel members who're participating online. PCP Certification has a direct impact on the overall capacity of the CSO since it urges them to comply with the modern and effective governance, regulatory compliance, policy framework, taxation, financial management and program delivery services. The exclusive taxation benefits that only certified CSOs are entitled add to the benefits. PCP has granted certification approval to as many as 113 organizations during July to

Sr#	Date	No. of cases presented	No. of cases approved
1	27-07-2021	20	12
2	10-08-2021	18	11
3	30-08-2021	19	12
4	29-09-2021	20	16
5	18-10-2021	20	11
6	04-11-2021	23	17
7	23-12-2021	20	16
8	30-12-2021	20	18
Total		160	113



Consultative Session on ICT Charities Registration, Regulation & Facilitation Act

A very fruitful discussion took place on the ICT Charities Act 2021 which was arranged by Democracy Reporting International (DRI) Pakistan with PCP certified Islamabad based NPOs. All the participant NPOs agreed to support and facilitate the NPO specific legislations being introduced (& to be introduced) at the provincial and federal levels so that they could continue to help the Government in social development areas. Moreover, to make the legislative process more effective, the idea of consulting NPOs while drafting legislations for nonprofits was also brought up during the discussion.



PCP Regional Tax Office (RTO) Visits

PCP's Executive Director and Manager NPO Certification had meetings with the Chief Commissioners of Regional Tax Office (RTO) Sahiwal, Multan, Bahawalpur and Islamabad as a part of a series of meetings with some major RTOs. Since PCP is a designated Certification Agency by the Federal Board of Revenue (FBR), its management ensures to touch base with the RTOs often to highlight tax-related matters regarding NPOs and to further add value to its NPO Certification process.



Post Induction Training of Newly Recruited Social Welfare Officers and Supervisors by the Social Welfare Department Punjab

PCP was invited as a guest speaker to the post-induction training program that was conducted for the newly recruited Social Welfare Officers (BS-17) and Supervisors (BS-09) by the Social Welfare Department Punjab.

While speaking to the trainees, Executive Director PCP along with Manager NPO Certification gave a broad introduction of PCP, its certification program and regulatory landscape for NPOs including tax-related matters. The event was attended by more than 30 participants who took a keen interest in knowing about the NPO certification process since it is fundamental for the organizations promoting social welfare in Pakistan.

PCP makes it essential to lend advocacy services and advice in raising awareness regarding philanthropy, which is why it is always at the forefront to collaborate with key stakeholders and players in the philanthropy sector of the country.





Research Updates
Expanding Knowledge of Philanthropy

PCP is the sole organization with a flagship role in expanding philanthropy knowledge through evidence-based research, mobilizing corporate philanthropy for social causes, and strengthening nonprofit sector's governance to enhance its access to philanthropic resources. Its research undertakings on philanthropy reinforce the notion that the strong traditions of giving and time-volunteering as individuals and corporate leaders are deeply rooted not only in faith but also connected to ideas of responsible citizenship and giving back to society.

Launch of a Course on 'Introduction to Philanthropy'

PCP has taken the initiative of introducing an academic course on Philanthropy in collaboration with two leading Universities of Pakistan: SZABIST Islamabad and Fatimah Jinnah Women University (FJWU) Rawalpindi. Both universities have offered a 3-credit hour's course; open for undergraduate students in the Fall Semester October 2021.

The objective of the course is to enhance the knowledge and involvement of youth in philanthropic activities and prepare them to become skilled development practitioners in future. The course will be taught jointly by PCP's experienced research staff and faculty members of the Universities.

A MoU has also been agreed upon between PCP and FJWU. Ms. Shazia Amjad, Executive Director PCP, and Dr. Saima Hamid, Vice Chancellor FJWU, signed the MoU in a ceremony held at FJWU



Broadly, the course Philanthropy covers topics such as historical perspective, theories, religion and the role of philanthropy in poverty reduction. It is encouraging to note that the participation and response from the students have been positive. This is a pioneer initiative to introduce such a course in any university in Pakistan with an objective to sensitize the Youth about philanthropy and its dividends. The outcomes of this course will be (i) producing certified specialists in philanthropy; and (ii) developing skills in Volunteerism, Fundraising, NPO Management and Community Welfare

To add value to philanthropic knowledge, two discussion sessions with the practitioners of philanthropic work i.e., Mr. Omer Mateen Allahwaha, Chief Executive Officer of Orange Tree Foundation and Mr. Muhammad Ausim, Head of Operations Chal Foundation, Islamabad the practitioners in the field were organized. Both sessions provided insightful information and practical knowledge on how youth can become active agents to raise awareness about the essence and impact of philanthropic work in Pakistan.



PCP also facilitated SZABIST University in organizing a trip of students to a Civil Society Organization, Bright Star Mobile Library Islamabad. More than 30 students accompanied by Dr. Abu ul Hassan visited the field location and observed how the Mobile Library project works for facilitating students to read books and enhance their knowledge on various subjects.





14th Corporate Philanthropy Awards

To acknowledge the contributions of the corporate sector to society, PCP presents awards to top giving companies each year.

This year an award ceremony was held at the launch of the report on 16th November 2021 in Serena Hotel, Islamabad. Mr. Shaukat Tarin, Adviser to the PM on Finance & Revenue, graced the occasion. More than 50 representatives of different companies, media personnel and board members of PCP attended the event. Awards were presented to the top 3 giving Public Listed, Public Unlisted and Private Limited companies on the basis of their highest volume of donation and as a percentage of PBT.

Mr. Tarin appreciated the role of PCP in documenting and highlighting philanthropic work of the corporate sector and encouraged all participating company representatives to continue and augment the good work they are doing.

The top three winners by the volume of donations

Public Listed Companies

1st	Pakistan Petroleum Limited
2nd	Oil and Gas Development Company Limited
3rd	Dawood Hercules Cooperation

Public Unlisted Companies

1st	Askari Cement Limited
2nd	Yunus Textile Mills Limited
3rd	Liberty Mills Limited



Private Limited Companies

1st	Barrett Hodgson Pakistan (Pvt) Limited
2nd	Bahria Town
3rd	Hilton Pharma Limited

The top three winners for donations as a percentage of profit before tax

Public listed Companies

1st	Barrett Hodgson Pakistan (Pvt) Limited
2nd	Bahria Town
3rd	Hilton Pharma Limited

Public Unlisted Companies

1st	Resham Textile Industries Limited
2nd	Fast Cables Limited
3rd	Pakistan House International

Private Limited Companies

1st	Anjum Textile Mills
2nd	Hilton Pharma Limited
3rd	Dawood Engineering (private) Limited



Awards' Distribution



Corporate Giving in Pakistan Increased by 15%

The contribution of Pakistan's business sector to support social causes has been significant as billions of rupees are spent to help needy people in different areas. PCP annually conducts a Corporate Philanthropy Survey (CPS) to reckon its Philanthropic donations and presents awards to top giving companies in recognition of their CSR activities. Pakistan Centre for Philanthropy (PCP) has been documenting Corporate Philanthropy Survey reports since the year 2004 to assess and identify corporate sector's contribution to social development. The successive annual reports not only include an estimation of the volume of corporate giving but also highlight the trends, patterns and best practices of the business community PCP launched the CPS report



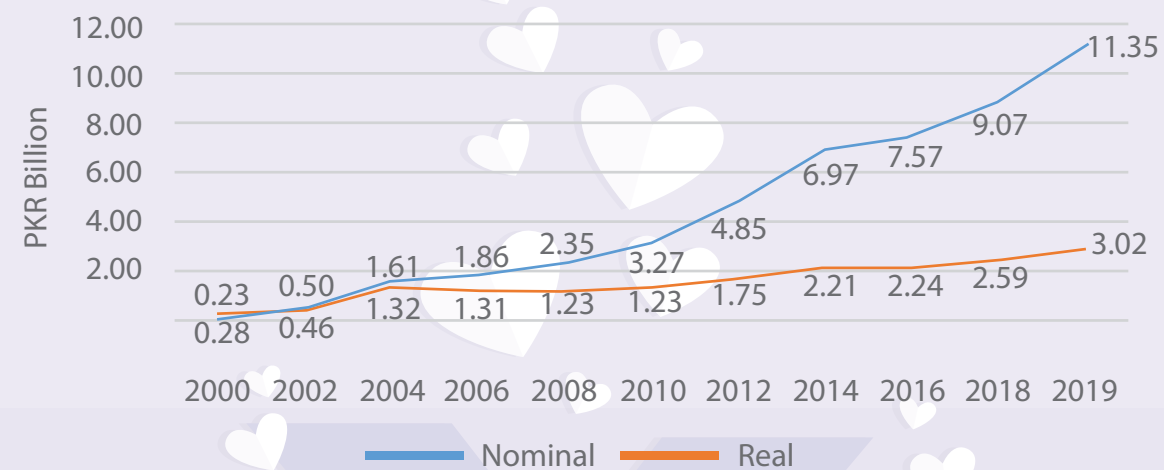
CORPORATE PHILANTHROPY IN PAKISTAN

A Potential Resource for Social Development

2019-20

PCP launched the sixteenth CPS report 2019-20 in November 2021 to disseminate its findings to various stakeholders. The key finding of the report is that total donations by Public Listed Companies have increased from PKR 9.07 billion in 2018 to PKR 11.35 billion in 2019, showing about 17 percent increase in a year and about fifty times increase since the year 2000. Moreover, the contributions of a select sample of Public Unlisted Companies and Private Limited Companies have been significant, estimated at PKR 2.1 and PKR 3 billion, respectively. This makes the total out corporate philanthropy equal to PKR 16.45 billion during the year 2019.

Volume of Corporate Philanthropy: Nominal vs. Real Value 2000-2019



Pakistan Giving Index 2021

Pakistan Giving Index (PGI) is the first-ever study initiated by PCP to shed light on the giving behavior of Pakistanis. Deriving from the methodology of the World Giving Index by Charities Aid Foundation, the study is based on a perception survey of about 2000 respondents across Pakistan to give their opinion and views on giving practices.

PGI highlights the philanthropic impulse among Pakistanis, and captures the pattern of giving across provinces. Giving in Pakistan is not just about its volume, but more importantly, it expresses the individual's acts of generosity in terms of monetary, in-kind or volunteering time to help others. Pakistan Giving Index - 2021 presents disaggregated data on provincial as well as on gender and income levels to offer an insightful understanding of the philanthropic landscape of Pakistan. The study revealed that on an average, every Pakistani adult reported having spent around 10,000 PKR every year on Charity.

INCIDENCE OF CHARITY: A NATION OF GIVERS!

More than 8 in 10 Pakistanis say that they have given charity or financially helped a poor person at some point



ISLAMIC FORMS OF CHARITY

Nearly 7 in 10 Pakistanis claim to have paid Zakat, Sadaqa or Khairat to either family or non-family member in the last year.

76%



MOTIVATIONS FOR GIVING

67%

of respondents cited religion as a major motivation for giving charity



VOLUNTEERISM IN PAKISTAN

14%

of respondents claimed to have volunteered time to an organization at some point in a year





8 out of 10 Pakistanis Gave Charity During 2021: Study

Eight in ten Pakistanis reported giving charity during the last year, according to Executive Director Pakistan Centre for Philanthropy (PCP), Shazia Maqsood Amjad.

Every adult Pakistani spends an average of Rs. 10,000 annually on charity for religious reasons. As Pakistan is a developing country with a substantial proportion of the population living below poverty, it is encouraging to note that charitable giving is a common phenomenon.

Organizational Capacity Assessment: Building the Resilience of Civil Society Organizations and Youth to Covid-19 in GBC

PCP in collaboration with AKRSP and AKF in a European Union-funded project on Building the Resilience of Civil Society Organizations in Gilgit-Baltistan-Chitral, has completed its first-year activity of Organizational Capacity Assessment Survey. A quantitative tool comprising of 7 parameters and 58 sub-parameters was developed for fieldwork. Data were collected from 45 Local Support (LSOs), Civil Society Organizations (CSOs) to assess their scope of work and capacity to perform in the community. Based on the findings of the survey, a comprehensive report was prepared and shared with the project partners. The report informs interesting findings and identifies shortcomings and challenges of LSOs and CSOs functioning in GBC. Taking the recommendation of a report into account, preparation of training modules is underway for an upcoming activity of capacity building of LSOs and CSO in the region.



Organizational Capacity Assessment

Covering the Local Support Organizations and the Civil Society Organizations based in Gilgit-Baltistan and Chitral

November, 2021

PCP in Conversation with NUST Community Services Club (NCSC)

Pakistan is a young country having nearly 60 percent of its population below 25 years of age. The youth of Pakistan, therefore, is the ultimate resource to contribute towards the social, economic and political transformation of the country. In this context, Dr. Attiya Inayatullah - Chair PCP Research Committee had an informal brainstorming session with students of NUST who are active members of the University's Community Services Club to understand how they are contributing towards people's wellbeing in their communities. The discussion focused on learning about young students' initiatives in community services and how best to facilitate them in utilizing their potential and skills to take forward the spirit of 'Edhism' in a sustainable manner.

PCP, therefore, aims to not only deepen youth engagement in Philanthropy but also undertake a mapping exercise to determine their contributions towards the SDGs and charitable work in Pakistan



Consultative Session with Corporate Entities

PCP prepares Corporate Philanthropy Survey (CPS) reports annually to document the philanthropic donations of the business sector for various social causes in Pakistan. Each year, PCP also presents awards to the three top giving companies as per volume of donations and as percentage of PBT to acknowledge their interest and contributions to support social sector development in Pakistan.



This year, PCP aims to incorporate new information and analysis in the report to enhance its utility and relevance to the corporate sector. For this purpose, a consultative session was held on 11 August 2021 to seek consultation and input on areas that are of interest to the companies. The representatives of five leading companies, I.e., Engro Foundation, Dawood Hercules Corporation, HBL Foundation, Crescent Steel & Allied Products Limited, and Pakistan Petroleum Limited (PPL) participated in the session. Many innovative ideas emerged from the discussion for improving the content and quality of the report. Major suggestions were to present the contributions of business companies beyond numbers and look into the motivations behind giving and highlighting specific case studies as best practices models. Both parties agreed to conduct such sessions more regularly to share views and learn from each other for a more productive outcome.

PCP Internship Program

PCP Research Unit's work plan includes involvement and capacity building of youth in philanthropic and community development activities. In this context, a three month internship program was offered to students to join PCP to improve their skills and professional learning.

Two undergraduate students from the Economics department of NUST availed the opportunity and worked with research and communication units for six weeks in August-September, 2021.





Diaspora philanthropy: An Untapped Potential for Pakistan

By Shazia Maqsood Amjad, Executive Director, Pakistan Centre for Philanthropy

Philanthropy is best understood as actions of voluntary giving that serve and benefit others without expecting any return or profit. In the words of John D. Rockefeller, “think of giving not only as a duty but as a privilege”. Donating to an extensive range of causes, and their impact on international development can bring about massive changes.

Pakistanis, both within and outside Pakistan, are considered quite generous in contributing to social causes. While considering within-country philanthropic giving, Pakistanis as a nation donate approximately 1% of their GDP to charity, similar to wealthier nations like the UK and Canada who contribute 1.3% and 1.2% respectively, and more than other countries in the region like India, which contributes 0.6%, as reported by Stanford Social Innovation Review. A national-level study on The State of Individual Philanthropy in Pakistan revealed that people donated over PKR 300 billion (US\$1.8 million) in 2013-14 through giving either in cash, kind, or time-volunteerism. In the last few years, the awareness of philanthropy among the diaspora has grown, and they now contribute close to 30% of the social sector investments in Pakistan.

The impacts of diaspora philanthropy

Diaspora philanthropy is an activity by which private resources are willingly given by people outside of their countries of origin to their countries of origin with the intention of resolving community concerns and improving peoples’ welfare¹. Within this perspective, diaspora populations who possess a strong sense of identity as Pakistanis or Muslims and have close bonds to their communities are thought to be key actors contributing to private social investment and to economic, cultural, and social progress in their homelands.

Presently, more than 4% of the total Pakistani population, or 9 million people, reside in 115 countries around the world². Of these, about 28% live in the UK and wider Europe, with over 1.17 million migrants to the UK who send around US\$2.02 billion back home, including remittances³. A recent study on Pakistani Diaspora Philanthropy in the UK showed that the annual philanthropic giving by the Pakistani community to various social causes was £1.25 billion (US\$1.7 billion) in 2018. The most common way to donate is through monetary giving mainly to social development initiatives like health and education, with the largest amount coming from Zakat donations as a fulfilment of religious obligations, and the smallest from time volunteered in Pakistan.

The desire to support Pakistan can also be seen in countries with smaller diaspora communities. During the initial Covid-19 pandemic, the Welfare Association of Pakistan (WAP) in Tanzania gathered to donate

\$6,300 to the Prime Minister of Pakistan’s Covid-19 Pandemic Relief Fund-2020⁴. The positive impact of diaspora philanthropy is already a reality and it is expected to increase as the diaspora community becomes more organised and Non-Governmental Organisations (NGOs) improve the accountability and effectiveness of their programmes through the use of diaspora funds.

Currently, there are few studies that analyse the impacts of diaspora philanthropy, but there is an increased awareness and ongoing work towards organising and channelling it more effectively towards areas of high social priority like human development, research, and building of social capital and assets that can be a game-changer for Pakistan. Many organisations, including the Pakistan Centre for Philanthropy, are working within and outside Pakistan to support mobilising philanthropic resources and channelling them into areas where they are needed the most.

Beyond cash donations: long-term possibilities of diaspora philanthropy

Monetary transfers – consisting of remittances and cash donations – are merely one component of how diasporas can contribute to their countries of origin. Many specialists consider that the diaspora population could play a noteworthy role in passing on skills/expertise, imparting technology, and maintaining strong civil relationships.

A pioneering study on the Pakistani Diaspora in the USA (2005) revealed that time volunteered vastly surpassed donations in cash and kind. The 43.5 million hours of volunteer time that Pakistani-Americans give per year add up to \$750 million while cash donations represent \$250 million.

The study also highlighted that philanthropy is a high-potential funding stream that can sustain civil society-led initiatives and could contribute towards attaining long-term goals like the Sustainable Development Goals (SDGs) when overseas donations are effectively allocated to national programmes that support their achievement. This year, the Pakistani government launched an initiative called Roshan Samaaji Khidma that provides an online platform for Pakistanis abroad to channel their Zakat and donations to support poverty alleviation.

The philanthropic trends of the diaspora population need to be analysed further, but they already offer a valued lens through which the rationale and motivations of giving can be assessed to give more complete answers to questions such as how much people give, why they give and to whom. More attention to diaspora philanthropy would generate awareness about its potential and eventually facilitate forming an effective policy to boost diaspora social investments and benefit Pakistan and other countries.

(Originally published by WINGS, <https://bit.ly/3MCoxqK>)





Economic Dimensions of Philanthropy

Philanthropy is generally understood as the love of humanity that is usually supplemented with an altruistic behaviour taking the form of charitable gifts of money and assets by individuals, foundations, or corporations. Philanthropy is sometimes distinguished from charity because while charity aims to meet the immediate needs of others associated with a particular social problem, the objective of philanthropy is to address the root cause of the problem.

Even though philanthropy tends to be considered as a sociological theme rather than an economic one, it poses a number of questions that attract economists as well. In this regard, it would be interesting to explore and understand the motivations of philanthropy through the theme of the Free-Rider Problem as applicable in the economic behavioural model.

In the literature of charitable contributions, economists motivate philanthropy using two diverse yet equally credible simulations: the public goods model in which donors give/donate motivated by what their gifts accomplish, and the private consumption model in which donors give/donate motivated by how giving makes them feel. And now another model that has taken importance in philanthropic motivation is impact philanthropy.

Most of us donate to charity for the same reason that we give our money to the ice-cream vendor — the satisfaction and pleasure we get in return make the monetary sacrifice worthwhile

The economists agreed long ago that altruism, fellow feeling, and caring for others has a gigantic share in human inventiveness. Such intentions illuminate such questions as to why one has offspring, reasons of doing volunteer work, casting a vote, writing cheques to the charities, and taking jobs that do not pay a lot but that are rewarding in other, nonmonetary ways.

Economists assume that people are self-interested and since individuals have a choice in how they behave in a given situation, they must always make the choices that they think are the best at the time. This assumption, called the ‘axiom of rationality,’ thus provides the bedrock from which economic models of behaviour are formed.

Applying this framework to philanthropic behaviour, we can ask why would someone who works hard for his or her money simply turn around and give to others without expecting any return? Does not this contradict the assumption that individuals are self-interested? Maybe. But by the axiom of rationality, it is pertinent to first look for ways in which an individual believes that giving to charity is the best thing to do with that money at that time.

One possibility is that people desire more of the service provided by the charity. For instance, Shaukat Khanam Memorial Cancer Hospital, a charitable organisation, survives largely on donations. People donate to this cause in the form of meals, equipment, sponsoring a patient to monetary donations. Anyone can get the facilities, even without donating, and anyone who gives something is unlikely to notice any increase in quality of service as a result. The same example holds with Edhi Foundation. It follows that a self-interested person is better off giving nothing and taking a ‘free ride’ on the donations of others. A free rider is often associated with public goods or goods that are both non-rival and non-

excludable in consumptions. Hence, this alone cannot be an adequate explanation for why people give to charity.

A second reason is that individuals may be getting something directly from the charity in exchange for their contributions. For instance, big donors may get better seats in different gatherings, or donors to a university may get buildings named for them. While this must surely matter for large donors, most individuals only receive tokens (a pen or calendar), if anything, in exchange for donations.

A third reason could be that individuals get some internal satisfaction seeking to maximise their utility — a ‘warm-glow’ — from giving to their favoured charity, and the more they give, the better they feel. The term “warm glow” refers to a purely internal satisfaction that comes from the act of giving. This would mean that giving to charity is like buying any other good, such as chocolate. We easily accept that people have a natural taste for chocolates, so why not a natural taste for warm-glow? If we accept this, then it can be analysed as charitable giving just like any other consumer good — when income goes up people should want more, and when the price goes up people should want less.

Scholars have examined preferences for giving from a number of different approaches, and it seems that warm-glow is in fact a core economic motivation for giving. But what is it that produces the private benefit from giving? Warm-glow could stem from religious duty, from pressure at work or friends, as a signal of social status or to project a positive image to others. At the heart of all of these processes, however, seems to be a basic human interest in helping others or doing one’s share.

While the economics of philanthropy may seem more like an oxymoron, economics is about the choices one makes when he/she cannot have everything he/she wants, and the implications of those choices in market and nonmarket settings. As long as people do not have infinite amounts of time and money, economics will have something to say about how they behave in settings involving love and compassion, duty and honour. The essence of economics is remembering that few virtues are absolute —when they get more expensive, harder to do, or less pleasant, people will do less of them.

But most of us donate to charity for the same reason that we give our money to the ice-cream vendor or the car dealer — the satisfaction, utility, and pleasure we get in return make the monetary sacrifice worthwhile. That is, much of our giving stems from what might be called self-interested altruism, the joy of seeing others helped.

If we take the World Giving Index, Pakistan stands at 69th most generous country out of 128 nations while the Stanford Social Innovation Review quoting Pakistan Centre for Philanthropy (PCP) — Indigenous Individual Philanthropy study states that Pakistan, being a generous country contributes more than 1 per cent of its GDP to charity. Here one fact must be kept in view that these charitable activities have played a huge role in balancing the burden of economic crunch on low-income groups and to a great extent prove the above discussion.

This discussion was started by defining philanthropy as the love of humanity, which should undisputedly be a good thing. And yet, not everybody agrees. Critics from the left and the right question the rationale for subsidising charitable giving and worry about the political power of large foundations. Peter Drucker famously stated that “if you can’t measure it, you can’t improve it”. Thus it can be concluded that still more and better data is necessary for evaluating and improving philanthropy.

When a philanthropist values ‘making a difference or economic gamification,’ he or she benefits, to some degree, from need. This is the personal satisfaction for having ‘done the right thing’: one gives up what is rightfully theirs for a philanthropic cause and he/she feels good about it. As a result, philanthropists and the recipients of philanthropy can fall into a co-dependent relationship in which both benefit from the other.

(Originally Published by Daily Dawn, The Business and Finance Weekly, <https://bit.ly/3OK2YX3>)



Philanthropic Support Services
Making Partnership and Grant-Making more efficient

Meeting of the Newly Formed Panagah Advisory Council (PAC)

Meeting of the newly formed Panagah Advisory Council was held at Pakistan Bait-ul-Mal Headquarters. Special Assistant to the Prime Minister's Office of Pakistan on Poverty Alleviation & Social Protection, Senator, Dr. Sania Nishtar chaired the meeting. Being a council member, Pakistan Centre for Philanthropy was represented by its Executive Director, Ms. Shazia Amjad.

The Advisory Council has been assigned the mandate to provide valuable oversight on policy and strategic direction, institutionalization of audit and accountability systems, improving the quality of delivery, scalability, and sustainability of Ehsaas model Panagahs.



A Grant of \$150,000 to Akhuwat

The S&P Global Foundation approved a grant of **US\$150,000** to Akhuwat in support of COVID19 relief outreach in Pakistan. These funds will assist in efforts to provide personal protective equipment (PPE) for frontline health workers; distribute ration packages; and supply COVID-19 testing kits to low-income and vulnerable communities.

This is the second year that the Foundation has supported the Akhuwat Corona Imdadi Fund to address the ongoing impacts of the pandemic.

Live Session on the Launch of a Course on “Introduction to Philanthropy”

Executive Director PCP, Ms. Shazia Amjad, in a live session on August 20th at SZABIST Islamabad and Zab FM 106.6 discussed a need to introduce course on philanthropy in universities and impact it can have on the society at large.

“The purpose is to raise awareness and inform youth about the dynamics of philanthropy, its trends and patterns, both in past and the present. This will ignite the spirit and flame of ‘Edhisim’ and encourage students to engage and lead in philanthropic initiatives for social good”

- Executive Director PCP

A promotional graphic for a live session. The background is dark purple with a grid pattern. At the top left is the SZABIST ISLAMABAD logo. At the top right is a red 'LIVE' button and the ZAB FM 106.6 logo. In the center, the text 'Live session on Facebook and Zab FM 106.6' is written in yellow. Below this is a photo of Shazia Maqsood Amjad, Executive Director PCP, looking towards the right. To the right of the photo, the date and time '20th August, 2021 4:00 - 5:00 PM' are displayed. At the bottom, the name 'Shazia Maqsood Amjad' and title 'Executive Director PCP' are written in yellow. A large, stylized microphone is on the right side. At the bottom left, social media handles are listed: 'pakistancentreforphilanthropy | SZABIST.Islamabad.Official | ZABFMISB'.

Live session on Facebook and Zab FM 106.6

20th
August, 2021
4:00 - 5:00 PM

Shazia Maqsood Amjad
Executive Director PCP

pakistancentreforphilanthropy | SZABIST.Islamabad.Official | ZABFMISB

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Hashoo Trust

Hashoo Trust is the institutionalisation of the Humanitarian program of Hashoo Foundation.

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LOCATION

Pakistan

ISSUE AREA

Livelihood

TAX BENEFIT ELIGIBILITY

US

Our Mission

To enable and empower underprivileged communities to be independent by facilitating available access to opportunities.

The Need

Pakistan is a country ravaged by Natural Disasters & high vulnerability to Socio-Economic Stress. This puts a vast majority of population in need of emergency aid as well as a coordinated effort to help improve standards of Education, Health & Nutrition brought by poor levels of Human Development.

Hashoo Foundation (HF) has its Donation Page on Give2Asia Website

Another PCP certified NPO, Hashoo Foundation (HF), became partner under G2A's Friends Fund Program. Hashoo Foundation enables and empowers underprivileged communities to be independent by facilitating equitable access to opportunities.

Give2Asia is a trusted partner for international philanthropy and the leader in donor-advised giving to the Asia-Pacific. Our mission is to strengthen communities in Asia by making cross-border giving easier and more effective. Since 2001, Give2Asia has facilitated more than \$420 million of charitable grants across 20+ countries. After inclusion of Hashoo Foundation, a total of six PCP certified NPOs have acquired their donation pages on the G2A website featuring their projects/ programs and have the facility to receive overseas donations. The other five organizations are:



Institute for Development
Studies and Practice
(IDSP)



Bright Star
Mobile Library
(BSML)



Network for Human and
Social Development (NHSD)



Professional Education
Foundation (PEF)



Roshni Homes Trust



Awareness Bus Ride and Walk on Access to Diabetes Care

On World Diabetes Day, Meethi Zindagi - the only national diabetes non-profit community organization, arranged an Awareness Bus Ride and Walk in Islamabad as part of their Nationwide Campaign for "Access to Diabetes Care". Executive Director PCP, Ms. Shazia Amjad, was the Guest of Honor at the occasion. While speaking to the participants she appreciated their participation and highlighted that PCP provides the much-needed "seal of good housekeeping" to organizations like Meethi Zindagi by evaluating and certifying them.



PCP Represented at Democracy Reporting International Pakistan's (DRI) National Conference

At Democracy Reporting International Pakistan's national conference, Executive Director PCP highlighted the quantum of philanthropic giving by Pakistanis including local individuals, diaspora and corporates. She emphasized that the NPOs should also explore this untapped stream of funding for their social causes on a sustainable basis.



Agha Khan Foundation's Visit to PCP

PCP hosted Matt Reeves - Global Lead, Civil Society, Aga Khan Foundation (AKF) to touch base on the ongoing projects and the prospects of further future collaborations.



PCP at Hashoo Foundation's Event

PCP was represented by its Executive Director at Hashoo Foundation's unique event at Hashoo House, Islamabad. The occasion focused on the significance of partnerships for making a difference and achieving social impact. Lessons learned for sustainable development during Covid-19 were shared and discussed on what should be the way forward under the New Normal.



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Pakistan Centre *for* Philanthropy

A Company Setup under Section 42 of the Companies Act 2017

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