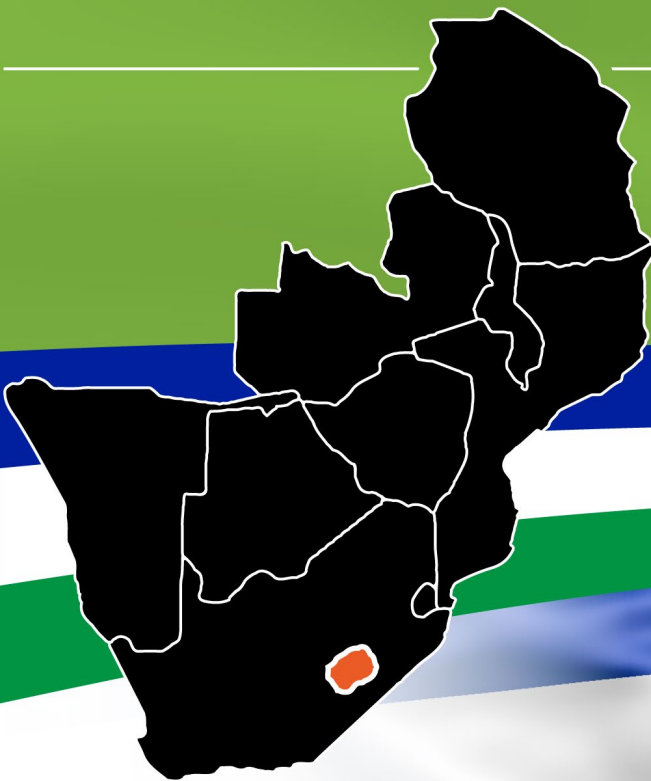


# Understanding the Legal Framework for Philanthropy in Southern Africa

---



**Lesotho Report**

January 2023





## ACKNOWLEDGEMENTS

SIVIO Institute extends its gratitude to Mankhatho Selepe of Lesotho for conducting the study. We are also grateful to the philanthropy organisations in Lesotho that took part in the survey. The outcome of the study was made possible because of their willingness to share their experiences and perceptions of their operating context.

This study was made possible through funding provided by WINGS and the European Union.



# EXECUTIVE SUMMARY

Philanthropy is driven by the desire to promote the welfare of others, and in Lesotho it has been viewed in the form of donor aid, especially from the western world due to efforts made to fight against the high prevalence of HIV/AIDS in the country by donor funded organisations. This study sought to look at the legal framework in place and how it supports or hinders the operation of philanthropy organisations registered in the country. The areas of interest covered registration, compliance, incentives for givers, taxation, and resource mobilisation and movement of money within and across borders. The laws in place that cover these areas were analysed as to how much they support or hinder organisations that are in the philanthropy space. The objective was to raise awareness of challenges that philanthropy organisations face with a view to improve the legal operational space in the country and more broadly the SADC region. A desktop study of laws in place in Lesotho highlighted five laws that affected the six areas of interest, with four of the areas, namely registration, compliance, taxation and movement of money being covered and areas to do with incentives and support for human rights and advocacy work not being covered by any of the identified laws.

Sixteen organisations were surveyed pertaining to gather their perceptions of the operating

environment for their philanthropic organisations. Only one law was identified to govern the area of registering a philanthropy organisation in Lesotho, a process which was described by practitioners as easy, requiring ten members and a committee of a minimum of seven people to register. The process of registration took less than six months with the majority (63%) indicating they took one to two months to register. A majority (81%) of respondents indicated that they needed three or fewer documents to register. 71% of respondents also felt that the production of required documents was somewhat easy to easy. The registration fees were also viewed as reasonable by 95% of respondents.

When it comes to state oversight and compliance, the same law used for registration also covers this area. Major issues of compliance involve renewal of registration and from the banking sector, declaration of sources of funds and number of signatories. Most organisations (63%) said they are required to renew their registration, 70% of these doing it annually with a smaller percentage (10%) doing it every five years. On banking, 81% indicated that they needed three signatories for them to open a bank account and 75% mentioned that the banks required them to declare their sources of funds.



Any organisation conducting business in a country is subject to paying taxes, including philanthropic ones. In Lesotho there are tax exemptions that are given to organisations that exist for philanthropic work. The exemptions cut across a wide variety of taxes. The taxation rates are also varied from organisation to organisation. As many as 75% of organisations indicated that they were exempted from Value added Tax, for example. On taxation rates, 50% indicated that they were paying a high rate of above 20% on pay as you earn (PAYE). The majority of respondents also highlighted that there were no benefits for those organisations and individuals who give for philanthropy causes.

When it comes to giving and national development, it is clear from the findings of this report that there is no philanthropy promotional agency in Lesotho as indicated by all respondents.

Philanthropy also thrives on donations and donors who may be based in the diaspora or in the country. Therefore there is need for policies that support the movement of money into and out of the country as well as movement within the country. In Lesotho 44% of respondents indicated receiving money from official aid like EU and USAID which are based outside the country. There are laws in place to curb money laundering and financing of terrorism. The organisation are expected to declare their sources of funds at all times to help authorities investigate them before approving the receipt of such money.

Respondents generally viewed the laws that govern movement of money across borders as fairly flexible (75%) and most (56%), felt that the transfer charges on the money were high. Respondents generally felt that the charges for internal transfers were fair compared to the international transfer charges.

The respondents were asked about the existence of laws that affect each of the areas discussed and the general trend is that a few hazarded a guess. This resulted in a small fraction distributed equally over a few specific laws with the remaining majority choosing to say that they know there are laws but indicating they do not know how many those laws are.

The above findings call for a few recommendations to make the Lesotho terrain become better for philanthropy organisations. The first area that needs attention is putting in place systems to raise awareness of the philanthropy laws that are in place so that players in this field can take full advantage of them and advocate for an improved legal environment for philanthropy. The government can also incorporate more laws to ensure that all areas governing the operation of philanthropy organisations are covered. At the moment many areas remain in the grey areas, leaving practitioners unsure of what is legal and what is not.

# Table of Contents

Acknowledgements	2
Executive Summary	3
List of Figures	6
List of Tables	6
1.0 Introduction	7
1.1 Background to the study	7
1.2 Purpose and objective of the study	8
1.3 Research Methodology	8
2.0 Legislative Environment – Review of current legal framework influencing philanthropy in Lesotho	9
2.1 Ease of registration	10
2.2 State oversight and compliance to remain registered	10
2.3 Taxation regime and giving	10
2.4 Resource mobilisation and movement of funds	11
2.5 Supporting governance and human rights-focused work	12
3.0 Survey Findings	13
3.1 Background of organisations surveyed	13
3.2 Navigation by organisations of registration and compliance processes	15
3.3 Taxation and incentives for giving	18
3.4 Giving and wider national development	20
3.5 Raising and moving monetary resources	20
3.5.1 Movement of money across borders	21
3.5.2 Movement of money within Lesotho	22
3.6 Supporting advocacy-focused work	23
4.0 Conclusion	24
5.0 Recommendations	25
References	26



# List of Figures

<b>Figure 1:</b> Type of organisation	13
<b>Figure 2:</b> Years of operation of organisations	14
<b>Figure 3:</b> Months taken for organisation registration	16
<b>Figure 4:</b> Frequency of registration renewal of organisations	17
<b>Figure 5:</b> Rating of in person registration	18
<b>Figure 6:</b> Tax benefits for giving	20
<b>Figure 7:</b> Sources of funding	21
<b>Figure 8:</b> Flexibility of the laws affecting the movement of money across borders	22
<b>Figure 9:</b> Flexibility of laws affecting the movement of money in Lesotho	23
<b>Figure 10:</b> Knowledge of laws for supporting advocacy work	23

# List of Tables

<b>Table 1:</b> Knowledge of laws affecting philanthropy organisations in Lesotho	15
<b>Table 2:</b> Rate of taxation	19



# 1.0 Introduction

## 1.1 Background to the study

The Regis University defines philanthropy as the desire to promote the welfare of others, typically through financial donations or service<sup>1</sup>. It also entails charitable acts or other good works that assist society. In Lesotho, philanthropy has been greatly viewed in the form of donor aid, particularly from Western countries. With the country being ranked second on the 2021 World Fact book for HIV/AIDS – adult prevalence rate, a lot of philanthropy work has been channelled towards fighting the epidemic through platforms such as Help Lesotho. According to Schwitters et, al (2022), the HIV prevalence rate for Lesotho was 25% in the adult population (15-49 years). HIV/AIDS is not the only scourge affecting Lesotho. Tuberculosis (TB) has also contributed its fair share of challenges into the mix and has attracted donors as well. However, philanthropy has not been limited to these areas only. There are many other areas that have benefited from giving. It is in light of these developments that we believe it is imperative for the sector to have the support of the state for it to thrive and help mitigate challenges and drive development in the country. This report is part of the Southern African Development Community (SADC) wide study on the legal frameworks affecting philanthropy in the region.

<sup>1</sup> <https://www.regis.edu/news/2020/discern-learn/11/giving-benefit-philanthropy-action-and-impact#:~:text=It's%20practically%20the%20definition%3A%20Philanthropy,our%20perspectives%20of%20the%20world.>



## 1.2 Purpose and objective of the study

The SADC-wide study on the ease of doing philanthropy in the region focuses on assessing the legal instruments in place and those proposed that either promote or inhibit philanthropy. The overall goal is to influence policies that enhance and promote philanthropy. Additionally, the specific objectives of the study are to:


- (i) Identify and assess how existing laws and public policies impact practices of giving,
- (ii) Raise awareness of the challenges confronting the philanthropy sector, and
- (iii) Influence legal and policy reforms for an improved philanthropy environment.

## 1.3 Research Methodology

The study is framed around 6 thematic areas which are **i)** Ease of Registration, **ii)** Compliance processes and procedures, **iii)** Tax Regimes, **iv)** Existing incentives to promote growth and role of philanthropy in national development, **v)** Resource mobilisation, both across and within borders, and **vi)** Ease of supporting advocacy-focused work.

The study employed both the collection of primary and secondary data to gather the perception of practitioners on the operating environment and an analysis of the actual legal instruments that affect the philanthropy sector respectively. A questionnaire was administered using an online survey tool, survey monkey, to gather the perceptions from organisations in Lesotho and the goal was to gather at least 15 responses for a viable analysis. Desktop research was done to gather secondary data of the laws affecting philanthropy in Lesotho. The review of legal instruments also considered proposed bills whose provisions are enforced in practice though not enacted.





## 2.0 Legislative Environment – Review of current legal framework influencing philanthropy in Lesotho

The Lesotho Constitution of 1993 states that everyone has the freedom of association, which makes provision for the formation of civil society organisations. The Constitution in Section 16 (2) to (3) however also states that such freedoms of association are restricted “where matters of defence, public safety, public order, morality and health might be threatened,” (Government of Lesotho, 1993). Although the constitution may allow the formation of organisations, philanthropic included, it does not explicitly spell out specific provisions for philanthropy as a sector.

From the desktop review of laws affecting the philanthropy sector, the study identified a total of 5 laws in place across the thematic areas. Under the ease of registration one law was identified, the same law makes provision for compliance processes and procedures. Two laws were identified to have a bearing on processes in place for the movement of money either within the borders or across Lesotho borders while one law exists to make provision for taxation issues associated with the philanthropy sector. From the review done, no law was identified under the ease of supporting advocacy and human rights focused work or governance issues and neither was a law seen to make explicit provisions for incentives that promote growth and the role of philanthropy in national development focused work.



## 2.1 Ease of registration

Under the ease of registration, the study sought to see the extent to which registration of philanthropy organisations is made easy in the country. While the companies act of 2011 provides for registration of the types of companies in Lesotho which are; i) Private Companies ii) Public and iii) Non-profit making organisations, only one law, the Societies Act of 1966 allows philanthropy organisations, a subsector of the non-profit making sector, to register in Lesotho. The law makes provision for organisations that are non-profit in nature to register in the country. The law states that for an organisation to register it should have at least 10 members and a committee formed constituting a minimum of seven (7) members as part of some of its requirements. The fact that the country has a law that specifically addresses the non-profit sector shows efforts to try make the philanthropy sector thrive well in the country by allowing for easy to navigate provisions for the registration of such organisations.

## 2.2 State oversight and compliance to remain registered

The same law that governs the registration of non-profit organisations also makes provision for adherence to the law to remain registered. The Societies Act of 1966 provides guidance for organisations to comply with as it states that organisations that fail to register shall be dissolved by the state. The law however does not state the need for other processes like reporting or registration renewal, for instance, as part of compliance processes and procedures required for state oversight. The assumption, therefore, is that there is less state oversight awarding organisations the liberty to operate well once registered and have all the paperwork in place.

## 2.3 Taxation regime and giving

The study sought to understand the tax provisions for philanthropy organisations and assess the extent to which they affect the sector. The Lesotho tax system constitutes of both direct and indirect taxes and the main tax laws that exist in the country are The

Customs and Excise Act (1982, as amended), The Income Tax Act (1993, as amended), and The Value Added Tax Act (2001, as amended). The research identified, the Income Tax Act of 1993, to directly make provisions pertaining to philanthropy organisations. The law stipulates entities that are exempted from the tax and that includes charitable organisations and religious organisations. This enables for philanthropy organisations to maximise the use of funds towards the causes they support by allowing for the donations they receive to have no income tax deductions. With regards to Value Added Tax, philanthropy organisations have to apply for a tax exemption and undergo verification processes. The law provides a definition of charitable/philanthropic activities and instructs that such organisations engaged in aid projects and charitable activities to the satisfaction of the Commissioner General are eligible for tax exemption when applied for. However, the Customs and Excise Act of 1982 does not have spelt out provisions for philanthropy organisations.

## 2.4 Resource mobilisation and movement of funds

Resource mobilisation is a key component for philanthropy organisations, and it is imperative for the state to ensure the legal environment supports the movement of monetary resources and in-kind donations. With regards to monetary resources, the Exchange Control Regulations of 1989 endorses the Common Monetary Area (CMA) policy which allows for the movement of funds across the borders of the member states. However, the law does not allow for foreign currency to be sent outside the CMA member states. The law requires that people declare all the funds they bring into the country. This has enabled cross border philanthropy to exist between common monetary area countries which are Namibia, Lesotho, South Africa and Swaziland.

Globally, countries are working tirelessly to curb crimes associated with money laundering and terrorism activities. Lesotho has its Money Laundering and Proceeds of Crime Act of 2008, a law that established the Anti-Money Laundering Authority and a Financial Intelligence Unit. These also require for accountable institutions, philanthropy organisations included, to take prudential measures to help combat money laundering.



The law implies that philanthropy organisations receiving donations should ensure the donations are not from money laundering proceeds. However, the law may also act as a barrier to giving as all money is put under scrutiny and may discourage some individual givers wishing to be anonymous from giving.

## 2.5 Supporting governance and human rights-focused work

With regards to laws affecting the support of human rights focused work, Lesotho does not seem to restrict organisations from such work. There is no law that explicitly hinders the work around governance issues and human rights.



## 3.0 Survey Findings

The study sought to understand the perceptions of practitioners in the philanthropy sector on the legal operating environment. A total of 16 organisations responded to the survey where they shared their opinions based on the experiences they had. The survey targeted decision makers but responses varied due to the level of knowledge of the operating environment as well as differences in the type of philanthropy organisation they belong to. From the survey, 44% were executive directors while others were program managers (25%), founders (6%), finance managers (6%) and the rest were holders of other influential positions (19%).

### 3.1 Background of organisations surveyed

The study targeted philanthropy organisations which were identified as either regrating organisations, charity organisations, corporate foundations, community foundations or religious organisations for example Christian or Muslim organisations involved in philanthropy work. The majority of respondents (44%) were from community foundations and none of the respondents were from regrating institutions.

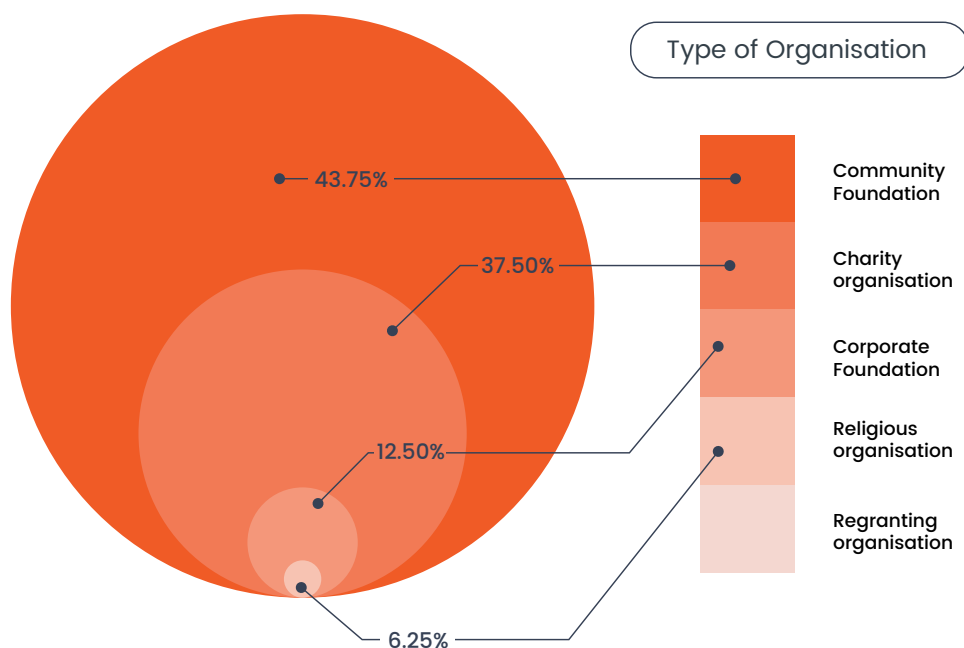
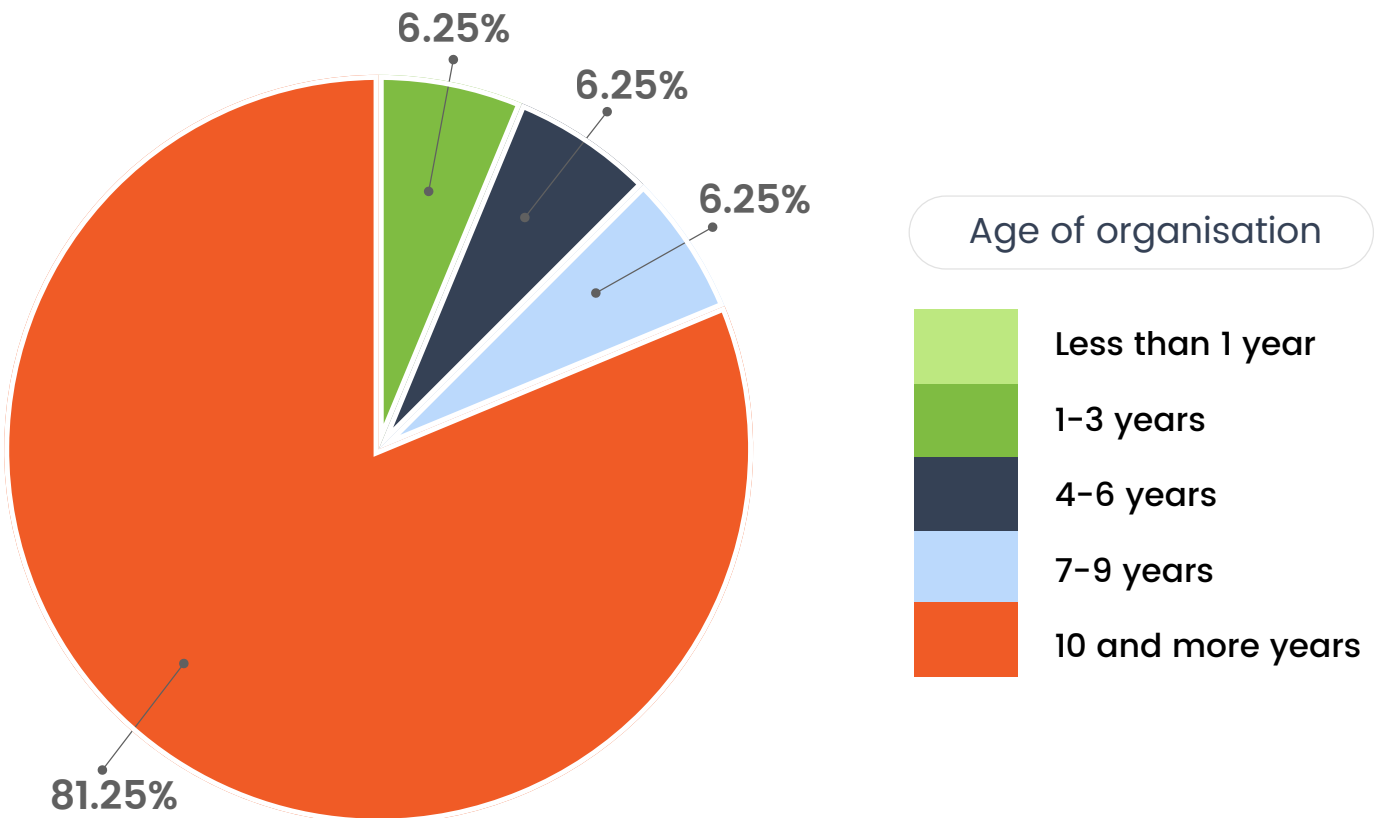


Figure 1: Type of organisation



All the surveyed organisations are registered, and respondents were asked how long their organisations have been in operation which also informs the level at which they have been affected by the legal frameworks in place. Most organisations (81%) indicated they have been in operation for at least ten years and none of the surveyed organisations were in operation for less than a year. Figure 2 shows the breakdown of the organisations' years of existence.

## Percentage of Respondents



**Figure 2: Years of operation of organisations**



## Legal Perspective

While the study looked at the laws affecting the philanthropy sector, we asked practitioners if they were aware of the laws governing some of the areas like registration, taxation, movement of funds and the support of advocacy work. The majority indicated that they either don't know of the existence of the laws or they are just unaware of how many laws exist governing the thematic areas in question. This indicates a general lack of awareness of the legal operating environment of most practitioners in the philanthropy sector. Of those who indicated they are not aware of the existence of laws, 56% were not aware if there were any laws affecting the support of advocacy work. Of those who were unaware of the number of laws that affect the thematic areas, 75% were unaware of the number of laws affecting taxation and the same percentage did not know how many laws affected the movement of funds across borders.

**Table 1: Knowledge of laws affecting philanthropy organisations in Lesotho**

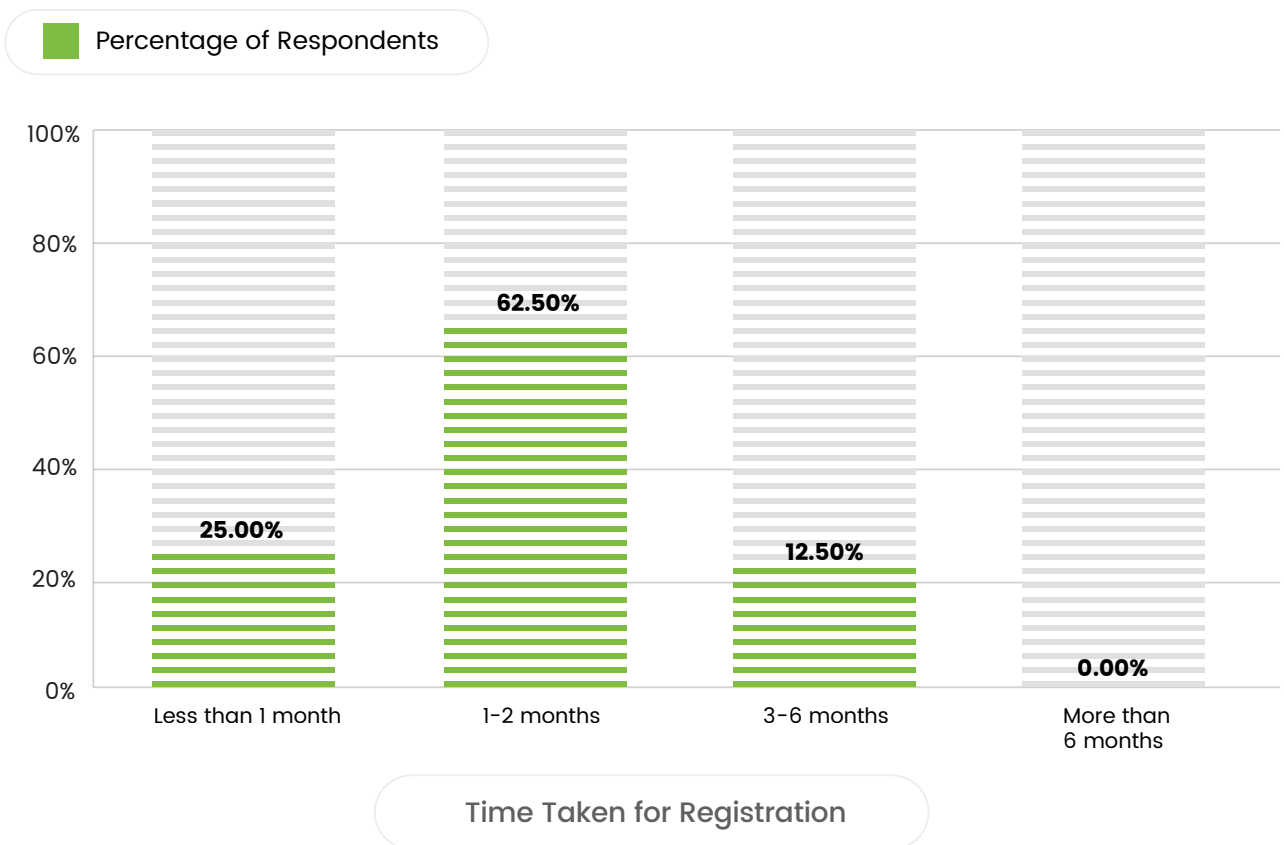
Area	No laws		1 Law		2 Laws		3 Laws		4 or more Laws		Don't know how many		Don't know	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Registration	0	0%	5	31%	0	0%	0	0%	1	6%	7	44%	3	19%
Tax	0	0%	2	13%	1	6%	1	6%	0	0%	12	75%	0	0%
Funds - across borders	0	0%	0	0%	0	0%	0	0%	0	0%	12	75%	4	25%
Funds - within borders	0	0%	0	0%	0	0%	0	0%	0	0%	10	63%	6	38%
Advocacy	3	19%	0	0%	0	0%	0	0%	0	0%	4	25%	9	56%
<b>Total</b>	<b>3</b>	<b>19%</b>	<b>7</b>	<b>44%</b>	<b>1</b>	<b>6%</b>	<b>1</b>	<b>6%</b>	<b>1</b>	<b>6%</b>	<b>45</b>		<b>22</b>	

## 3.2 Navigation by organisations of registration and compliance processes

For organisations to remain operational they must comply with the relevant authorities' requirements. In Lesotho, at least one law, the Societies Act of 1966, was identified to make provisions for both registration and compliance issues of philanthropy organisations. The study sought to understand the ease of registration and the ease of



compliance processes and procedures. Practitioners were asked for their perception with regards to the registration process since all organisations were registered. One of the factors determining the ease of registration is the duration it takes for an organisation to be fully registered. The respondents were asked how long it took them to register their organisations fully. Based on the responses none of the organisations took longer than 6 months to register. Most respondents (63%) indicated that it took them at least one to two months to register as indicated in Figure 3 below.



**Figure 3: Months taken for organisation registration**

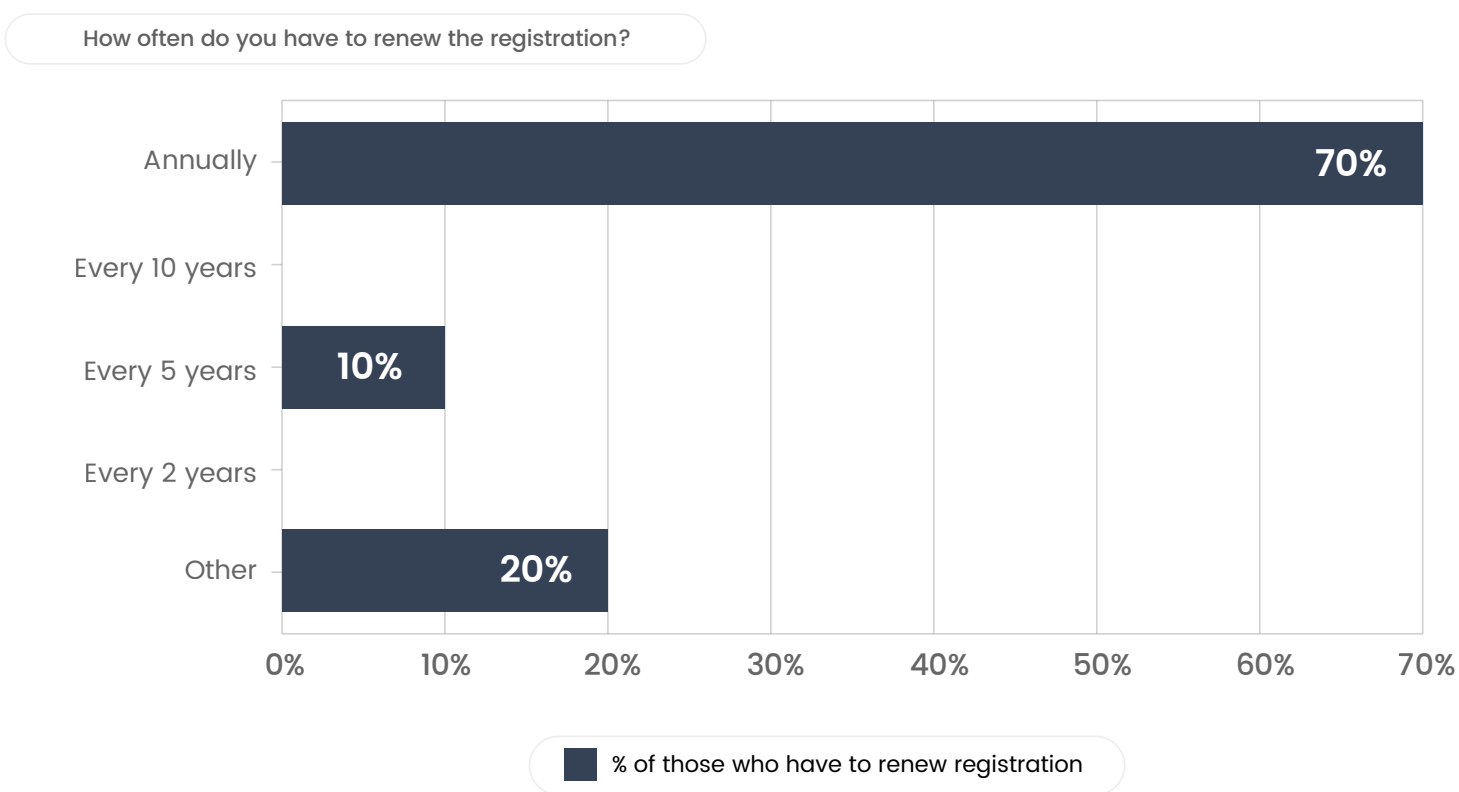
Also, in order to understand the ease of registration respondents were asked how many documents were needed for the registration process. The assumption being that the fewer the documents required the lesser the hurdles for registration. Most respondents (81%) indicated that a few documents, 1 to 3 documents, were required for registration while the rest, 19%, indicated at least 4 to 6 documents were required for their registration. When respondents were asked to rate the ease of producing the





documents, 44% indicated that it was somewhat easy while 31% indicated that it was easy.

When it comes to the registration fee, 95% of respondents indicated that the fee was reasonable while one respondent stated that it was actually free. On the question of registration renewal, the study sought to find out if organisations were required to renew registration. The majority, 63% indicated they renew their organisation's registration while 37% indicated they did not renew their registration. Of those who indicated registration needed renewal, 70% stated that it is done annually as shown in Figure 4.

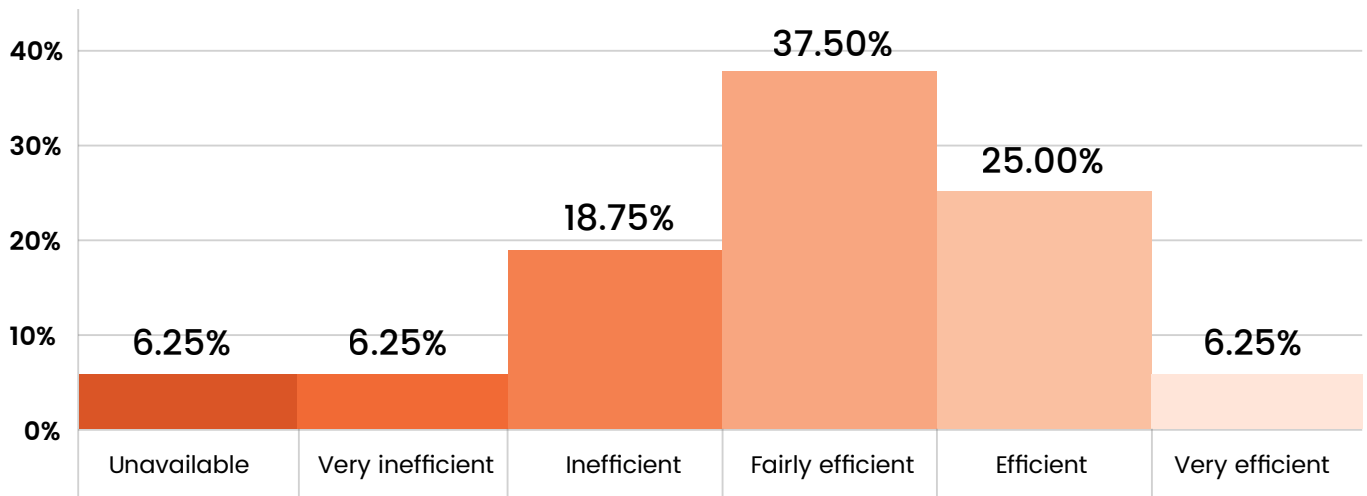


**Figure 4: Frequency of registration renewal of organisations**

Studies have shown that digital integration of registration processes proves convenient and efficient. Practitioners were asked if online facilities for registering organisations were available. The majority, 81% of the respondents stated that online registration was not available and that people had to register in person. When asked to rate the efficiency of in person registration, most of the respondents 38% indicated that it was fairly efficient while a few, 25% combined, indicated that it was either inefficient or very inefficient.



Percentage of Respondents



**Figure 5: Rating of in person registration**

On the question of decentralisation of registration to other towns and regions, the majority of respondents (88%) indicated that registration was not decentralised, and people had to travel to major cities to register organisations. That poses as an impediment to making registration easier. Based on these results, Lesotho's operating environment with regards to registration is quite favourable. The Societies Act of 1966 does not pose hurdles when it comes to registration and compliance issues.

Another area organisations need to comply with is with the banking sector. In a multiple-response question asking what the banks need to ensure compliance, most respondents, 81% indicated that for organisations to open accounts with them, they had to have at least three signatories. Others, 75%, indicated that the bank required for them to declare their sources of funding.

### 3.3 Taxation and incentives for giving

There are various ways of promoting giving and providing incentives is one way of encouraging people to give. The study sought to understand if Lesotho has tax

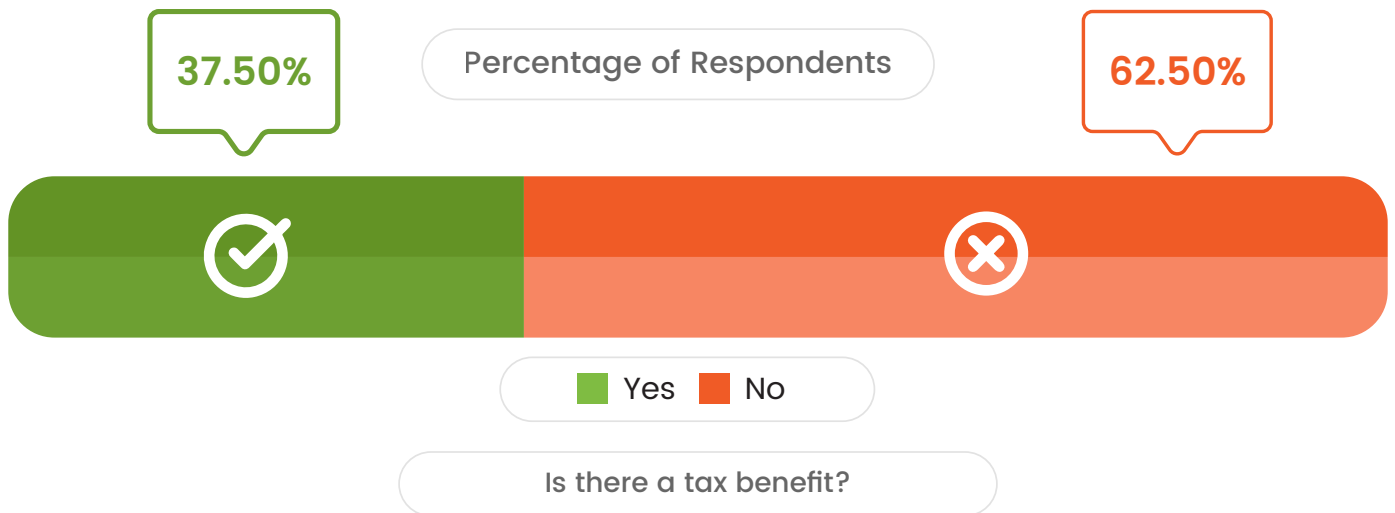
exemptions for organisations and individuals who donate to charity. It also investigated if there are any other form of incentives in place for those giving to make the practice popular in the country. Most respondents, 75%, reported that there is a specific tax code for philanthropy in the country while 25% indicated otherwise.

Further questions sought to understand the tax regimes available that affect philanthropy. 75% of respondents indicated that they were exempted from paying Value Added Tax. Others also indicated that they were exempted from paying Income tax (38%), Tax on transfers (31%) and Customs duty (31%). On the question of rate of taxation, Pay as You Earn (PAYE) had the majority (50%) indicating that the rate of taxation was high, above 20%. PAYE is taxed on employees working in the philanthropy sector just like any other sector.

**Table 2: Rate of taxation**

	Exempt		0-5%		5-10%		10-15%		15-20%		Above 20%	
	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count
<b>Value Added Tax (VAT)</b>	75.00%	12	0.00%	0	0.00%	0	18.75%	3	6.25%	1	0.00%	0
<b>Pay-As-You-Earn (PAYE)</b>	12.50%	2	0.00%	0	0.00%	0	25.00%	4	12.50%	2	50.00%	8
<b>Customs duty</b>	31.25%	5	18.75%	3	0.00%	0	18.75%	3	12.50%	2	18.75%	3
<b>Tax on transfers</b>	31.25%	5	37.50%	6	12.50%	2	6.25%	1	0.00%	0	12.50%	2
<b>Income Tax</b>	37.50%	6	6.25%	1	6.25%	1	25.00%	4	12.50%	2	12.50%	2

Practitioners were also asked if there is a specific policy for philanthropy and giving practices in the country. The majority (56%) indicated the policy existed while 44% indicated that there is no such policy. Of those who indicated that the policy existed, they were asked if the policy made provisions for incentivising philanthropy and giving practices, 67% indicated it did provide incentives while 33% indicated that it did not. Furthermore, all the surveyed practitioners were asked if there was a tax benefit for individuals or corporates giving towards philanthropy organisations. The majority, 63% indicated that there were no benefits while 37% indicated there were benefits.



**Figure 6: Tax benefits for giving**

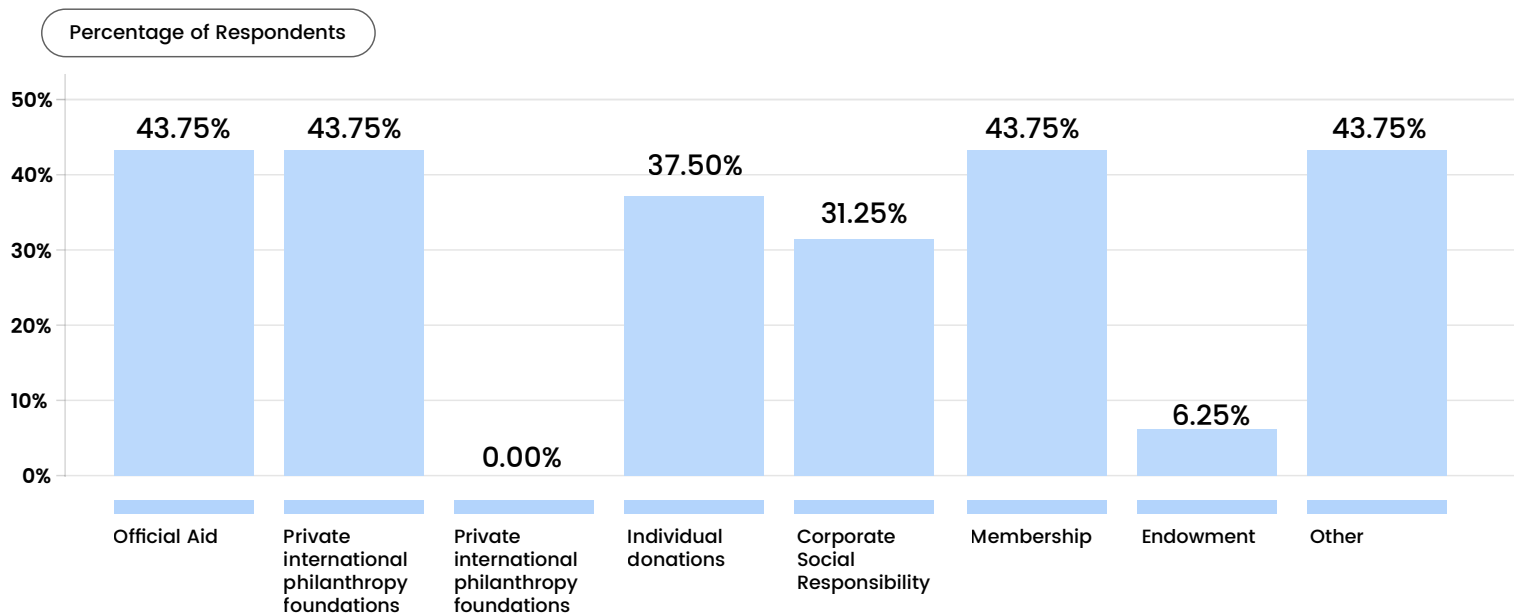
Of the 37% that indicated there was a tax benefit, there were mentions of tax benefits on gross income indicated by 3 practitioners while the other few mentioned that there were tax exemptions on donations to a certain limit.

### 3.4 Giving and wider national development

Like most countries in the SADC region, there is no philanthropy promotional agency in Lesotho. All the respondents attested to the fact which matches the reality on the ground.

### 3.5 Raising and moving monetary resources

Philanthropy organisations rely mostly on monetary donations therefore it was important to understand where they receive their funds from and also to understand the ease of moving the funds within Lesotho and across its borders. According to the results from a multiple-response question, equal numbers (44%) indicated they receive funding from official aid such as the European Union, private international philanthropy foundations and membership subscriptions. None of the respondents indicated they receive from private African philanthropy foundations (see figure below).



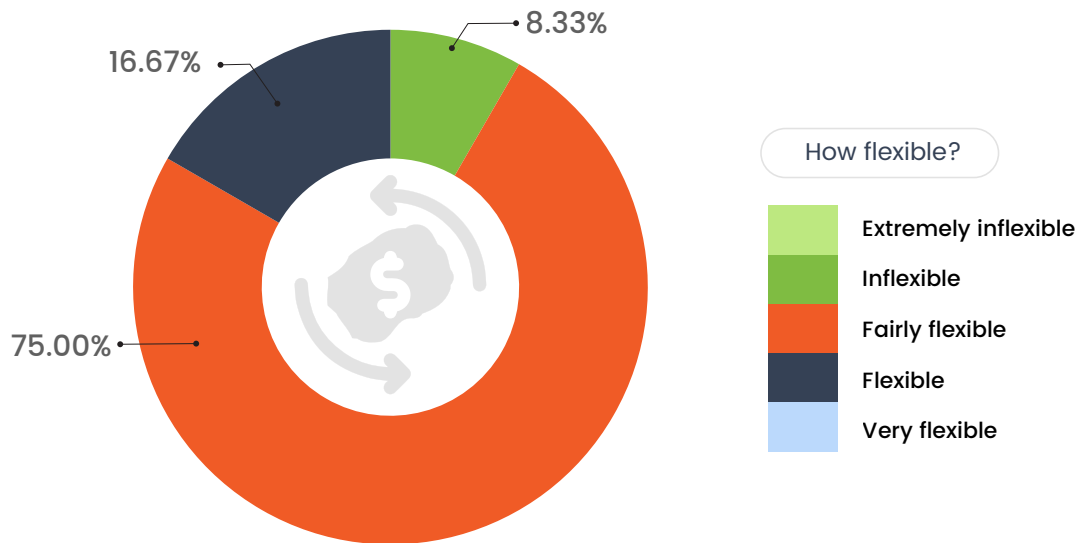
**Figure 7: Sources of funding**

### 3.5.1 Movement of money across borders

Especially in light of the anti-money laundering and terrorism financing discourse, the study sought to understand how organisations are being affected by measures to curb the crimes. Respondents were asked about their knowledge of the laws that govern the movement of money across borders and most (75%) knew that such laws existed but were not aware of how many laws affected this area while the rest (25%) were not aware of the existence of such laws. Of those who indicated they had an idea of the existence of the laws, they were asked how flexible the laws were from a practitioner's point of view and 75% indicated that they were fairly flexible while a small number indicated that the laws were not flexible as shown by Figure 8.



### Percentage of Respondents



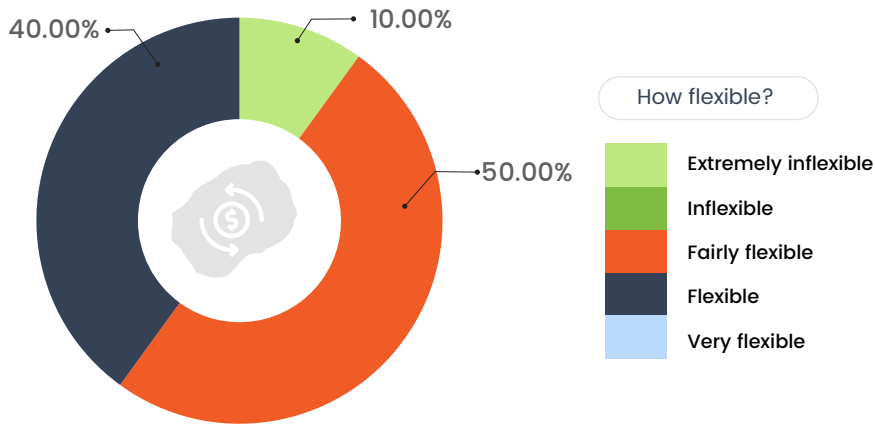
**Figure 8: Flexibility of the laws affecting the movement of money across borders**

The respondents also felt that charges to make transfers across borders were high as indicated by 56% of the respondents while 44% thought they were fair. With regards to receiving money from outside the country, 56% indicated that they could not retain the money in the currency of the donation, for instance United States dollars, hence of those, 67% indicated that the money was liquidated upon arrival.

### 3.5.2 Movement of money within Lesotho

With regards to the movement of money within Lesotho, respondents were asked if they were aware of the existence of any laws. They were asked to state the number of laws governing the movement of money within Lesotho. Similar to the movement of money across borders, respondents either didn't know of the existence of the laws or they had an idea but just didn't know the number of laws that existed. 10 respondents (63%) knew the laws existed but did not have knowledge of the number of laws while 6 respondents (37%) did not know of such laws.

Those who indicated that the laws existed but did not know how many were asked to rate the flexibility of the laws. The majority stated that the laws were flexible as shown in figure 9 below. Only 10% indicated that the laws were extremely inflexible.

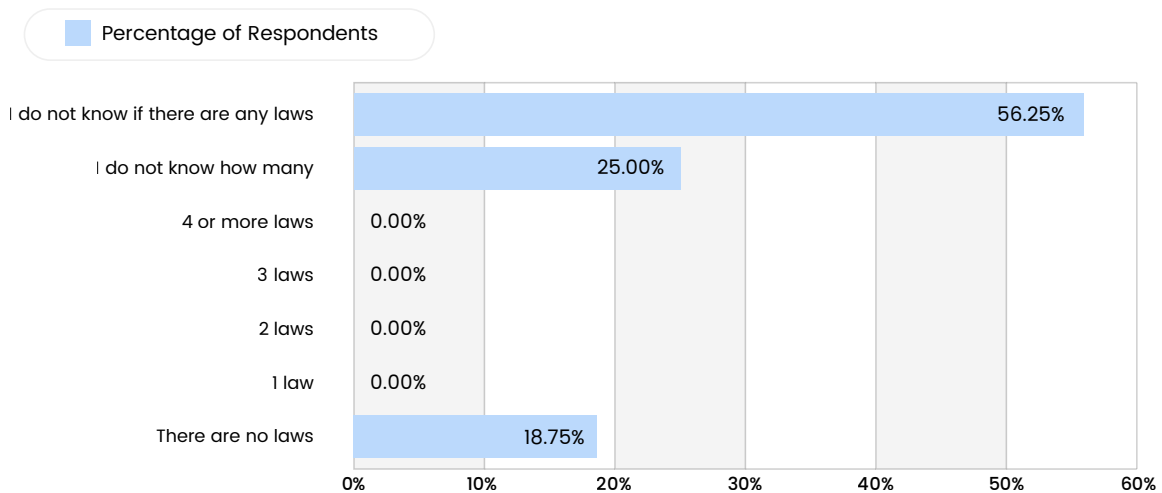


**Figure 9: Flexibility of laws affecting the movement of money in Lesotho**

Respondents were also asked how they viewed the transfer charge rates to send money within the country. The majority, 69% thought the charges were fair unlike for international transfers while 31% thought they were high.

### 3.6 Supporting advocacy-focused work

With the growing restrictions on civil society where some governments are restricting the support of advocacy and human rights focused work, the study sought to understand how open Lesotho was to allowing for organisations to support such work. Respondents were asked about the existence of such laws and results show that a greater percentage, 56%, were not aware of the existence of laws governing the thematic area. Results indicate that practitioners in the philanthropy space are not knowledgeable about their legal operating environment when it comes to the support of human rights and advocacy work.



**Figure 10: Knowledge of laws for supporting advocacy work**



## 4.0 Conclusion

The study has shown that Lesotho has few laws that regulate the philanthropy sector and many things are left in the grey such as the support for advocacy work. However, in practice the country has a fairly flexible operating environment as not many compliance issues are imposed on philanthropy organisations as long they are properly registered. Like most African countries in the SADC region, Lesotho does not have a designated philanthropy regulatory body although various ministerial bodies regulate aspects of the sector. Also, the country does not have a specific philanthropy policy to help organisations thrive and to promote the ease of giving in the country.

In terms of incentivising giving, little has been done outside tax rebates on Value Added Tax for charitable organisations that apply for the rebate. Incentivising giving by corporates and individuals is not popular in the country. Overall, there is a need for the government to make deliberate efforts to promote an enabling environment for giving to thrive in the country.



## 5.0 Recommendations

From the study it is evident that most practitioners are not aware of their legal operating environment, the knowledge that is essential for them to advocate for an environment of best practices regarding the philanthropy sector. There is need for capacity building training on the legal environment for philanthropy in the country for practitioners.

Policy making in the country should consider enacting policies that specifically promote philanthropy in the country since evidence from literature show that the country has benefitted from philanthropy acts especially with the prevalence of diseases such as AIDS and Tuberculosis which ravaged the country not to mention COVID-19. Together with policy formulations to strengthen philanthropy, the country should consider coming up with a designated philanthropy regulatory body and or a philanthropy promotional agency to advocate for an enabling environment for the sector to thrive in the country.



## References

Schwitters, A., McCracken, S., Frederix, K., Tierney, R., Koto, M., Ahmed, N., Thin, K., Dobbs, T., Sithole, S., Letsie, M., Parekh, B., Patel, H., Birhanu, S., Wiesner, L., & Low, A. (2022). High HIV prevalence and associated factors in Lesotho: Results from a population-based survey. *PLoS One*.

Government of Lesotho. (1993). *Constitution of the Kingdom of Lesotho*



## About SIVIO Institute

SIVIO Institute (SI) is an independent organisation focused on ensuring that citizens are at the centre of processes of socio-economic and policy change. It aims to contribute towards Africa's inclusive socio-economic transformation. It is borne out of a desire to enhance agency as a stimulus/catalyst for inclusive political and socio-economic transformation. SIVIO's work entails multi-disciplinary, cutting edge policy research, nurturing citizens' agency to be part of the change that they want to see and working with communities to mobilize their assets to resolve some of the immediate problems they face.

SIVIO institute has three centres/programs of work focused on; (i) civic engagement (ii) philanthropy and communities (ii) entrepreneurship and financial inclusion. In the process SI addresses the following problems:

- » Inadequate performance of existing political and economic system
- » Increasing poverty and inequality
- » Limited coherence of policies across sectors
- » Ineffectual participation in public processes by non-state actors
- » Increased dependence on external resources and limited leveraging of local resources