

Filantropia în contextul pandemiei COVID-19 în Republica Moldova



The Philanthropy and Sponsorship in the Covid- 19 pandemic situation



Contents:

Introduction

1. Philanthropy and sponsorship activities in the context of the COVID-19 pandemic
2. The fiscal mechanism in the Republic of Moldova on philanthropy and sponsorship
3. Examples of good practices on philanthropic activities during the COVID-19 Pandemic

Conclusions and recommendations

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Introduction

In 2019, the European Union fully recognized the complementary and innovative value that philanthropy can bring to social cohesion by promoting human values. Thus, with the call for the creation of an environment favorable to philanthropy, in accordance with fundamental freedoms and rights, through which philanthropic activities and civic actions can be encouraged, private donations in favor of causes of public or social interest have increased considerably.

At the moment, philanthropic activities take different forms, depending on historical and cultural differences, economic and political conditions, as well as legal norms in force.

Presently, philanthropic activities are a form of social commitment and commitment to the public good, solidarity and active citizenship. Individuals are at the basis of philanthropic activities: they are free to contribute their own private resources to causes of public interest, by supporting or setting up organizations to act by virtue of the principles of transparency and social responsibility. They would also be interested in philanthropic activities and legal entities by introducing favorable financial instruments. The philanthropic sector in the world is made up of various types of donors and philanthropic entities.

According to the CAF World Giving Index Study, the USA has been the most generous state in the last 10 years, followed by Indonesia, New Zealand, and by the United Kingdom in Europe¹. The given Index takes into account cash donations, immigrant aid and volunteer activities.

A study published in 2017 by the European Philanthropic Research Network provided an overview of donations made by households, corporations, public interest foundations and charitable lotteries in 20 European countries (19 EU Member States and Switzerland), based on data for 2013. For these 20 countries, philanthropic contributions are estimated to be at least € 87.5 billion a year in Europe (lowest estimate).

In the current context, the spread of COVID-19 virus is a severe public health emergency for citizens and businesses with infections in all countries of the world. Some being deeply affected, others less so. The COVID-19 pandemic is also a major shock for both global economies and the national economy.

In these pandemic conditions, philanthropic activities have been and still are an integral support for medical institutions and individuals affected by the COVID-19 pandemic, as well as its consequences: poverty, access to education, etc.

The purpose of the study is to determine and document how to carry out philanthropy and sponsorship activities in the Republic of Moldova in crisis situations, including in terms of researching the fiscal provisions of the legislation in this field during the emergency situation.

1. Philanthropy and sponsorship activities in the context of the COVID-19 pandemic

The COVID-19 pandemic is a global health crisis, but as each country undergoes it, it has the potential to create devastating social, economic and political crises.

The decline in the fundamental areas of human development is felt in most rich and poor countries. The combined impact of these shocks could be the biggest reversal of human development. The decline of human development could be felt more in developing countries that are less prepared to deal with the social and economic impact of the pandemic compared to developed countries.

In addition to its health effects, the COVID-19 pandemic will have significant negative social and economic consequences. The economic blockade has led to constraints on the labor market in the

¹ https://www.cafonline.org/docs/default-source/about-us-publications/caf_wgi_10th_edition_report_2712a_web_101019.pdf

Republic of Moldova, knocked out local businesses, mainly small and medium-sized businesses, significantly affected vulnerable groups of the population.

The pandemic caused by COVID-19 is unprecedented, requiring an urgent response, based on national and international solidarity.

Philanthropy in times of crisis (or state of emergency) can be a catalyst for human solidarity, as well as, a possibility to resolve the current situation with or without the involvement of state institutions.

Everyone needs support in times of crisis without discrimination: medical institutions and medical staff and other categories of people exposed at increased risk of infection, people in vulnerable groups, people who have lost their jobs due to the crisis, children who do not have access to education due to the lack of digital devices, business and agriculture due to the lack of the market and the closure of exports, etc.

The accumulation of philanthropic funds could provide support for solving vital and momentary problems, for example: food for people on the brink of poverty, specialized devices and medicines for medical institutions needed to fight the Pandemic COVID-19, feeding the homeless, etc.

Moldova's support on behalf of development partners

Thus, UNICEF delivered a batch of medical and personal protective equipment for health workers, weighing over 700 kg, to support the response of the Government of the Republic of Moldova to the COVID-19 pandemic. ***The total value of the products in the lot is USD 116,000.*** The cargo was over eight cubic meters with the goods purchased by UNICEF through its Global Supply Center in Copenhagen, and was prepared in accordance with the assessment of our country's needs made together with the World Health Organization and the Ministry of Health, Labor and Social Protection of the Republic of Moldova².

On April 3, 2020 the United Nations Entity for Gender Equality and Women's Empowerment (UN WOMEN) with the support of Sweden and the United Nations Population Fund (UNFPA) in Moldova provided a batch of basic necessities for about 250 women victims and survivors of violence, including with young children, who are the beneficiaries of care centers in the country. Protection products were also provided to workers in organizations active in the field of preventing and combating domestic violence.

The aid packages contain protective masks and disinfectants, but also other basic necessities, such as staple foods, detergents, baby diapers. The centers were also equipped with useful information resources so that women know how to better protect themselves from the risk of COVID-19 infection.

The data presented are only a small part of the donations in which the International Emergency Funds got involved, funds that are accumulated from donations from individuals and legal entities around the world.

Measures taken by the authorities of the Republic of Moldova on the collection of donations during the crisis

The government has launched a fundraising campaign in the form of donations to combat the COVID-19 virus. In this regard on March 17, the Ministry of Finance opened three bank accounts in Moldovan lei, US dollars and euros.

The Ministry mentions that individuals can also make donations through the Government Electronic Payments Service MPay with the indication of INDP, while legal entities may transfer

² <https://www.unicef.org/moldova/articole/unicef-moldova-livrat-un-lot-de-echipamente-medicale-%C8%99i-de-protec%C8%9Bie-individual%C4%83>

donations to one of the transaction accounts attached to the press release. In both cases, the statement Payment Destination must be indicated: Donations to combat COVID-19.

There is no other campaign or additional information publicized and promoted regarding the Government's initiative on fundraising. This indicates that the campaign submitted by the Government has not been promoted sufficiently and qualitatively.

In fact, with the launch of the fundraising campaign, the Government could further develop a mechanism of fiscal facilities for individuals and legal entities that have donated in the crisis situation.

Thus, for the next year, legal entities have assumed the risk of receiving fines for not declaring the correct financial statements or for not calculating tax deductions for the submitted donations.

On June 11, 2020, the Ministry of Finance presented a press release informing that in the accounts opened by the Ministry of Finance for donations intended to combat COVID-19, at the moment, funds were collected in the total amount of 25,384,558.03 lei, of which: 25,072,551.29 lei, 3,560 euros and 13,298 US dollars.

In strict accordance with the Law on Public Finance and Fiscal Budgetary Responsibility, the above-mentioned financial means were transferred to the Government Intervention Fund.

Thus, by the Government Decision of April 10, 2020, it was ordered the allocation from this fund of the amount of 5,864 million lei for the purchase of 51,428 protective suits, as well as the granting of single allowances amounting to 16 thousand lei for 29 beneficiaries from 8 public health medical institutions and a budgetary institution, who became infected with COVID-19 at work.

Also, by the Government Decision of April 17, 2020, it was ordered the allocation from the Government Intervention Fund of the amount of 6 million lei for granting single allowances for 375 employees in the medical system who were infected with COVID-19.

Likewise, by the Government Decision of May 13, 2020, it was ordered the allocation from the Government Intervention Fund of the amount of 6.544 million lei for granting single allowances for 409 employees in the medical system who were infected with COVID-19.

The Chisinau City Hall in turn opened a bank account for the fundraising campaign for medical institutions involved in treating patients with COVID-19, and according to the report the amount of **2 million 684 thousand lei³** was accumulated from individuals and legal entities, which was subsequently transmitted to the medical institutions subordinated to the public administration depending on the needs detected.

The local public administrations of level I and II are also in situations of difficulty, especially the localities where the quarantine state has been declared. Austere budgets of local governments are struggling or unable to deal with the consequences of the COVID-19 Pandemic. Some of them have been rescued by non-governmental organizations or civic activists who have developed fundraising campaigns to help rural communities.

Such accounts were opened by several of the local public administrations of level I and II, as an example: the administration of Cimișlia district and the Soroca District Council, which accumulated the amount of 811,519.00 lei.

The Ministry of Health, Labor and Social Protection has prepared and officially posted a report on donations sent to medical institutions since January 1, 2020 and distributed throughout the pandemic period (April 2020), with the total amount of donations equivalent to – 336,864,353. 2 lei.

The report presents the donations starting with January 1, 2020, which makes it impossible for us to analyze who was the promoter of donations during the crisis, what are the donations offered and the amount of donations accumulated during the official declaration of the State of Emergency (March 15, 2020 – May 15, 2020) in the Republic of Moldova.

³ chisinau.md/libview.php?l=ro&idc=403&id=29011&t=/Presa/Comunicate-de-presa/Distribuirea-surselor-financiare-acumulate-din-donatiile-facute-de-cetateni-pe-contul-deschis-de-Primaria-Chiinau

One thing is certain and it is reflected in the Report that medical institutions receive humanitarian aid and donations regardless of crisis situations, the donors being both individuals and legal entities. The amount of donations by legal entities (public and private) and individuals is divided as follows:

- Commercial organizations - 160;
- Non-profit organizations- 66;
- Individuals, households, individual enterprises - 41;

In fact, the discrepancy between commercial and non-commercial organizations makes the total amount of donations different.

If we add up the donations of commercial organizations and individuals, households, individual enterprises, we notice for sure that corporate donations are not so significant.

No study or questionnaire can reflect exactly why corporate donations are small; we can only analyze and conclude that the fiscal mechanism is not an efficient and applicable one in the Republic of Moldova.

The challenge of the Republic of Moldova in the case of philanthropic activity during the state of emergency is the lack of transparency in the management of philanthropic donations to combat the COVID-19 Pandemic. So far, it is not known what the total amount of donations is, where the money, aid and equipment was redirected, which is the current situation and there is no presentation of a general report on this subject.

We can point out that the above report is based only on philanthropic donations to medical institutions, but other philanthropic activities have not been measured and accounted for, such as: free transportation of doctors, catering services for medical staff, oil for carriers that transported doctors for free, etc.

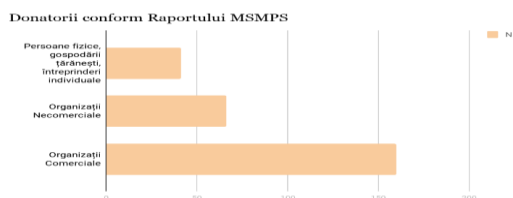
For the management of external resources, the External Assistance Coordination Center to eliminate the consequences of the COVID-19 pandemic was established by the Order of the Commission for Exceptional Situations of the Republic of Moldova no. 15 of April 8, 2020.

According to the Regulation, the purpose of the Coordination Center is: to streamline the targeting and capitalization of external assistance to eliminate the consequences of COVID-19, including by centralizing requests for support, facilitating the exchange of information, communication and participation of all stakeholders in the decision-making process related to the prioritization, coordination and monitoring of external assistance to COVID-19. In this respect, one of the basic tasks is the reception and analysis of external assistance requests to combat COVID-19 from central and local public administrative authorities, public institutions, the business environment and the associative sector.

At present, no reports are submitted on the amount of total donations received by the External Assistance Coordination Center to eliminate the consequences of the COVID-19 pandemic.

Basically, both the Government of the Republic of Moldova and the local public administration provided support from accumulated donations only to medical institutions.

For legal entities, small entrepreneurs and / or social or insertion enterprises, the Government of the Republic of Moldova has proposed a series of measures, such as: Subsidy Regulation (also valid for non-commercial organizations) of legal entities, size and diversification of the Population Support Fund to increase the number of social benefits that can be granted to families in difficulty, amendment of the Labor Code, Fiscal Code, size of unemployment benefit, etc.



Philanthropic activities of the associative and private sector

The associative sector was actively involved in combating the COVID-19 Pandemic with philanthropic donations, procurement of medical equipment, catering services, transport, free oil, etc.

METRO Cash & Carry Moldova donated 1,000,000 lei to support the medical system in the fight against the new coronavirus - for the purchase of medical equipment and remuneration of medical staff in the country. Through this contribution, METRO joined the initiative of the Government of the Republic of Moldova to raise funds to combat the COVID-19 epidemic. In fact, the METRO team supports calls for joint effort and is continuously mobilized to provide support to society through various initiatives:

- food donations for socially vulnerable families, through the organization “The Moldova Project”;
- help to those without whom we cannot win the fight against the pandemic - medical staff - METRO provided the necessary medical equipment to the Institute of Emergency Medicine, in collaboration with the European Business Association, within the fundraising campaign launched by EBA and CCF / HHC Moldova;
- provision of food products for the elderly or socially vulnerable, through the Social Assistance Department of Chisinau City Hall;
- financial donation to the “Together for you!” Project, which provides medical staff with food and consumer products;
- providing food for the group of volunteers “Together against COVID-19”;
- donation of food packages to elderly and socially vulnerable people through the Ministry of Internal Affairs;
- donation of food and hygiene products for the Clinical Hospital in Bălți, etc.

In the context of the crisis situation, generated by the COVID-19 pandemic, Kaufland Moldova within the “Together for you!” Campaign, initiated by the Moldova AID Association, supported the Ministry of Health, Labor and Social Protection with a donation of **1,077,000 MDL**. From the financial support provided, some of the medical equipment and consumables needed for the COVID-19 Center in Chisinau were purchased.

In total, Kaufland Moldova provided support worth over **2 million lei** to national and municipal institutions, which are fighting in the front line against COVID-19, for the purchase of medical equipment and consumables. At the same time, Kaufland Moldova donated a batch of 5,000 tests for detecting COVID-19.

Several hospitals in the Republic of Moldova will be equipped with advanced medical equipment and medical utilities necessary in the process of treating patients infected with COVID-19, thanks to a donation made by “Purcari Wineries Group”, within the “Together for You” campaign, launched by MAD-AID and civil society representatives. The donation made by “Purcari Wineries Group” aims to support the medical system in the Republic of Moldova and the citizens of the country in order to more easily overcome the difficult times and uncertainty we are going through.

From the donation of 1 million lei, which “Purcari Wineries Group” has offered to the MAD-AID organization, a state-of-the-art Swiss fan “Hamilton C6” will also be purchased. It provides an ultra-modern regime of assisted lung ventilation, being intended for children, including newborns, but also for pregnant women and adults.

Moldova Agroindbank decided to donate the amount of 500,000 lei to the Clinical Hospital for Infectious Diseases “Toma Ciorbă”.

Victoriabank, part of the Banca Transilvania Group, also decided to support the population of the Republic of Moldova during this period of stalemate, created by the COVID-19 virus. Therefore, the bank’s management decided to donate 250,000 lei in support of the Clinical Hospital for Infectious Diseases “Toma Ciorbă”.

The “Family Market” store network, the “SALAT” restaurant network and the “Mezellini” sausage factory donate 150,000 lei to the Clinical Hospital for Infectious Diseases “Toma Ciorbă”. The company could not remain indifferent and decided to donate this amount of money for the purchase of equipment and materials needed in the context of the Coronavirus epidemic in our country.

The company “Rogob”, specialized in the production of sausages, decided to make a donation of 100,000 lei to the Clinical Hospital for Infectious Diseases “Toma Ciorbă”. The donation comes in the context of the COVID-19 epidemic, which the Republic of Moldova is currently facing.

The Iute Credit team decided to support the medical staff and the patients affected by the COVID-19 virus, by offering a donation worth 100,000 lei to the IMSP Republican Clinical Hospital “Timofei Moşneaga”.

AZART Outlet Company donated bed linen, towels, pajamas and diapers to the “Toma Ciorbă” Clinical Hospital for Infectious Disease.

On March 16, the itaxi Company announced that it offers 900 taxis, free of charge, in solidarity and respect for medical staff to get easier to the Clinical Hospital for Infectious Diseases “Toma Ciorbă”, the Republican Clinical Hospital or CNSMPU Emergency Hospital, Municipal Clinical Hospital of Contagious Diseases for Children.

The examples listed above are philanthropic donations that have been publicized, but there are also a number of small and medium enterprises, individuals who have donated money and provided help in the complicated situation in which the Republic of Moldova has got into.

The gestures of solidarity of the associative sector allowed the accumulation of funds on the accounts opened by the Government and the Public Administrations and the granting of the support of the medical institutions and the medical staff.

We reiterate that the consequences of the COVID-19 Pandemic are reflected on each person, and people in vulnerable groups are the most affected at the moment, remaining without the necessary food essentials. In this regard, social non-governmental organizations and community civic activists have provided significant support by providing food and involving volunteers in the distribution of food.

In this regard, in the Republic of Moldova NGOs organized fundraising campaigns, employees donated a day’s salary, promoted and entered into partnerships to help alleviate the consequences of the COVID-19 Pandemic by donating food packages to people in difficulty.

Thus, during the Pandemic the Diaconia Religious Mission developed several social responsibility partnerships with Iute Credit Moldova and Kaufland to donate food packages to the elderly who are most vulnerable to the COVID-19 Pandemic.

The Caritate.md platform posted the civil initiative to support the heroes involved in the fight against the COVID-19 pandemic, accumulating the amount of 46,563 euros.

Non-governmental organizations have shown solidarity and provided various types of support: free consultations and trainings for children, telephone assistance, psychological counseling for people subjected to domestic violence, development of online education, volunteering in times of crisis and many other proposals and opportunities to re-address the crisis situation.

Of course, the most affected were the non-governmental organizations that provide social and medical services, the amount of expenses being considerably increased, keeping employees on the site on the front line (mobile teams), providing additional equipment and delivering hot lunches at home.

Likewise, the civil society was hit by an economic and social crisis, projects were frozen indefinitely, other projects were redirected to provide support in the fight against COVID-19, calls from the Government and local public administrations of level I and II minimized the possibility of raising additional funds through donations.

In this context, civil society got in a position to be the promoter of important changes: moving to distance work, continuing online activity, applying to additional projects to donors abroad, organizing

social partnerships to cover additional costs, including civic initiatives involving the diaspora, large companies (retailers) and including state institutions of the Republic of Moldova.

Philanthropic activity is a proof of involvement and social solidarity. But, first of all, it is necessary to create a space for legislation and regulations that promote this form of social involvement in the Republic of Moldova. In this regard, in the context of tax justice, there is a need to provide incentives for private donations in favor of public interest causes. It is necessary to take into account the facilitation of participation with social innovation tools and the creation of strategic partnerships with actors involved in philanthropic activities. We can maximize the impact of private resources on the common good by introducing financial instruments that facilitate philanthropic activities for the benefit of the community.

We are currently in a period of great dynamism for philanthropic activities, and the COVID-19 pandemic requires much faster development of new technologies, including the use of social networks that allow prompt commitment and a rapid and effective impact on directions for informing and promoting rules and principles. Digitization offers new perspectives for philanthropic activities, and the state of emergency through increased online activity maximizes the real possibilities to promote philanthropic activities and to collect and manage effective sources to prevent and combat any consequences generated by another possible COVID crisis - 19.

Public and private sector stakeholders should encourage and develop these initiatives in order to better guide philanthropic activity, strengthening its impact both in times of emergency and in everyday life.

Basic constraints and problems

The negative impact of the COVID-19 Pandemic was felt by the Republic of Moldova quite strongly. With the health crisis, the challenges and inequalities for: the elderly, women, young workers, immigrant workers, the homeless and other vulnerable categories have also increased. If we focus on philanthropy in times of crisis, we have faced a number of problems and constraints:

- The normative framework in force is not adapted for crisis situations. Existence of an additional Government Decision (or any other normative act) for the exemption of certain taxes in case of philanthropic donations in crisis situations.
- Lack of qualified staff to prepare fundraising campaigns and for their proper management;
- Failure to conclude Government-Civil Society-Trade Organizations partnerships that could develop and promote philanthropic donations in times of crisis and including the correct management of accumulated funds;
- Lack of transparency on behalf of the Government and local public administrations regarding the amounts collected and where the collected money was redirected;
- Lack of official data on the number of philanthropic donations of any kind that took place during the crisis. The involvement of all and the social solidarity in the given period was one with a considerable impact, but without much input.

We consider that the redirection of all philanthropic donations by the Government to medical institutions and medical staff raises many additional questions about the need and effectiveness of the decisions taken.

2. The fiscal mechanism in the Republic of Moldova on philanthropy and sponsorship

Philanthropic activity in the Republic of Moldova is regulated by Law no. 1420 of 31.10.2002 on Philanthropy and Sponsorship, the Fiscal Code of the Republic of Moldova and the Regulation on determining the tax obligations related to the income tax of legal entities and natural persons practicing in entrepreneurial activity, approved by Government Decision no. 693 of July 11, 2018.

In accordance with Art. 36, paragraphs (2) and (3) of the Fiscal Code, only donations made for philanthropic or sponsorship purposes in favor of public authorities and public institutions specified in art. 51 of the non-commercial organizations specified in art. 52 paragraph (1), as well as in favor of family-type orphanages, according to the provisions of the Regulation on determining the fiscal obligations related to the income tax of legal entities and natural persons practicing entrepreneurial activity, approved by Government Decision no. 693 of July 11, 2018 can be deducted.

At the same time, according to the provisions of paragraph (1) of the mentioned article, the resident economic agent has the right to deduct any donations made by him during the fiscal period for philanthropic or sponsorship purposes in the amount established in this article.

So, in the case of the COVID-19 Pandemic or any other emergency situation, donations made during this period can be deducted for tax purposes if they were donations under art. 36 paragraphs 2 and 3 of the Fiscal Code, and is calculated for the *entire fiscal management year*.

As mentioned above, we cannot say with certainty what the opinion of legal entities is in this context, although an online questionnaire was sent to legal entities that donated during the COVID-19 Pandemic to let us know if the fiscal mechanism of the Republic of Moldova is applicable and effective for the promotion of philanthropy. Unfortunately there were only 2 responses from donors and no responses from legal entities.

We can only deduce some of the causes that do not stimulate philanthropy on behalf of legal entities.

We support the idea that many companies operating in Moldova and interested in practicing philanthropic activities do not register taxable income. Some of these companies were set up for non-profit purposes; others are in the investment period and will become profitable at a later stage.

These companies are interested in creating a favorable image in the market and often want to launch philanthropic activities. Unfortunately, the legislation in force does not offer them any kind of fiscal facilities, 5% of the taxable income being equivalent to 0 lei. Increasing the deductibility rate to another percentage will not fully solve the problem for these companies. But a mechanism that sets the deductibility limit based on turnover would allow all companies to benefit from tax facilities (including those that do not register taxable income).

At the same time, the deductibility percentage can be set in such a way that budget revenues are kept more or less stable.

The experiences of other countries show us that standard mechanisms can be combined with each other and adjusted to the needs of each state.

At the same time, the Regulation on the determination of tax obligations related to the income tax of legal entities and natural persons engaged in entrepreneurial activity in section 9 Deduction of expenses on donations for philanthropic or sponsorship purposes, provides that “economic agents who have made donations for the philanthropic or sponsorship purposes during the tax period must confirm the expenses incurred in order to be entitled to deduct these expenses”.

This regulation has imposed certain additional obligations to demonstrate the fact of donations and sponsorships made by the accounting of legal persons, and which in many cases in order not to complicate the current activity will renounce the philanthropic activity itself.

In fact, we mention some omissions of the fiscal mechanism in the Republic of Moldova:

1. Pro bono activities by professionals (lawyers, licensed doctors, accountants and any other licensed persons), which would be the incentive for the provision of free services, if the Tax Code provides in the income tax statement a return of only 5% of the financial resources accumulated during the fiscal management year.

2. The possibility of an employee to donate a day's work for philanthropic activities, and according to the fiscal policy of the Republic of Moldova they are not exempted from paying all taxes.

Regarding the tax facilitation mechanism in the case of the COVID-19 Epidemic, we reiterate that there is no special mechanism in case of emergencies, and the tax deductions for private companies that donated will be reflected at the end of the management year.

1. Conclusions and recommendations

Philanthropy needs policies and a normative framework that allows it to realize its full potential. As the current law (from 2002) is old and inapplicable, it needs a complete revision, and the national legislation itself to be updated to the current economic and social realities. We believe that clearer guidelines in the field of philanthropy are needed to ensure that nationally developed policies can be successfully implemented, including those focused on crisis philanthropy.

The state of emergency around the world, including the Republic of Moldova, has shown that philanthropic action can take place and is an impressive success in providing support in areas of intervention in cases of emergency.

We conclude that the need for a normative framework, transparency in the management of philanthropic funds and an efficient fiscal mechanism are 3 pillars that could bring philanthropy to the Republic of Moldova to another level.

Philanthropy in times of crisis managed by the authorities

Philanthropic donations in times of crisis should be a significant financial contribution for public authorities in order to successfully manage the crisis situation.

We welcome the opening of accounts for the accumulation of funds and the creation of an External Assistance Center, but consider that if the philanthropic funds had been managed by a joint group of representatives of trade organizations, civil society and / or civic activists and public authorities in an online format and transparently, the current situation would have been markedly different.

So far, the public authorities have not presented a general report on the financial resources, materials and services that were donated during this period, including where they were redirected and what is the impact of people's solidarity in this situation.

Moreover, the online resources were not used to the maximum by the authorities for the promotion and reporting of the accumulated funds, and the biggest dilemma being the non-application of the principle of transparency in the management of the accumulated resources by the authorities.

Philanthropy in times of crisis - the situation of the private sector

The private sector during the crisis displayed an unprecedented social solidarity in the Republic of Moldova. It's just that the efforts of small and medium-sized enterprises have not been publicized and presented to the general public, although their contribution has been quite considerable at the local level.

The business sector was aware that philanthropic donations and support would minimize the economic effects of the COVID-19 pandemic, thus being interested in re-addressing the situation.

Authorities should continue to be involved in the development and promotion of philanthropy, so that the private sector remains interested in philanthropic donations, including in times of crisis.

Civil society and philanthropy in times of crisis

Philanthropy is not a new notion for the civil society of the Republic of Moldova, only that the development of fundraising campaigns at the level of other states with long traditions, is still quite complicated to achieve for the Republic of Moldova.

In this context, during the crisis, several non-governmental organizations have made efforts to organize fundraising campaigns to support medical institutions and people in difficulty. Some campaigns were successful; others did not accumulate the necessary and planned resources.

We reiterate that the involvement of civil society was in the limits of the possibilities and projects managed, but it was in all areas that required intervention: medical, social, educational, economic, etc.

The situation of non-governmental organizations is more complicated in rural areas, most of which have stopped working, others have taken steps to raise funds locally (in many cases with the support of the local government) to effectively manage the negative effects of the COVID-19 Pandemic in the village.

4.1. Based on the above, we propose the following recommendations:

Recommendations for public authorities:

- Revision and adjustment of the Law on Philanthropy and Sponsorship no. 1420 of 31.10.2002. Review the activities and needs of philanthropic organizations. The inclusion of other forms of philanthropic activities and the inclusion of digital possibilities in the development and promotion of philanthropy.

- Revision of art. 36 of the Fiscal Code and increasing the deductibility rate from the total income, not from taxable income.

- The possibility to modify the fiscal mechanism persists, for example the implementation of the fiscal credit or both mechanisms the deductibility and / or the fiscal credit.

- Development of a viable and effective transparency mechanism for donations received by non-governmental organizations or individuals.

- Transparent mechanism for online crowdfunding platforms.

- Development and implementation of a special mechanism in case of emergencies in all areas: fiscal, transparency and legal.

- Regulation of a simplified (including electronic) procedure for confirmation and reporting of donations by individuals / legal entities;

- Establishment of a transparent, accessible online mechanism for monitoring philanthropic support and sponsorship (including an effective reporting system) in cases of emergency.

- Support by state institutions and promotion of philanthropy at the national level as an example: the establishment of the Year of Philanthropy.

- Facilitating and recognizing philanthropy at the international level and forming cohesion and connections with the national legislation.

Recommendations for non-governmental organizations

- Capacity building and development of a network of performance specialists in the field of philanthropy and fundraising.

- Concluding partnerships with legal entities in order to promote and recognize philanthropy;

- Elaboration and adoption of fundraising and crowdfunding policies, oriented for fundraising from philanthropic and sponsorship donations, with recommendations and action plans in case of crisis;

- Transparency of the organization and reporting in case of fundraising.

- Promotion and reporting using current online possibilities.

- Development of effective advocacy campaigns to change the regulatory framework in force and ensure transparency and efficient reporting in the management of accumulated resources.

Recommendations for the private sector:

- Concluding partnerships with non-governmental organizations or state institutions regarding the granting / collection of donations (in any form);

- Requesting reporting and transparency on financial resources transmitted during the crisis;

- Requesting the development of a fiscal facilitation mechanism in case of emergencies.

Recommendations for donors:

- Supporting the legislative initiatives submitted by the civil society in order to modify the normative framework in force;
- Promoting good practices and experience in developing fundraising campaigns in the Republic of Moldova;
 - Providing support for the development of mechanisms to stimulate philanthropy in order to create a culture of donation in the Republic of Moldova.
 - Promoting and supporting the implementation of financial transparency in the case of fundraising campaigns initiated by state institutions and / or civil society.
 - Supporting the development of philanthropic actions at local level.
 - Providing support for the development of a digitized platform for cross-border and transparent donations (including in times of crisis).