

Cultures of Giving Country Profile

Russia

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Vladimir Potanin Foundation

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About WINGS

WINGS is a network of more than 180 philanthropy associations, networks, academic institutions, support organisations, and funders in 58 countries around the world whose purpose is to strengthen, promote and provide leadership on the development of philanthropy and social investment.

About this report

This report has been prepared for the WINGS Cultures of Giving Working Group by [Roman Sklotskiy from the Center for Philanthropy Development of the Vladimir Potanin Foundation](#). The WINGS Cultures of Giving Working Group explores and shares the many different types and ways philanthropy exists in the WINGS network as well as the diverse cultures of giving around the world.

The members of the Cultures of Giving Working Group have created a series of country profiles that provide a general overview of the culture(s) of philanthropy in different countries. While this report may include a historical backdrop, the information included reflects a snapshot in time. The author draws on multiple sources, which may include secondary literature, surveys and/or information gathered from colleagues in the sector. Given the challenges of preparing such a broad overview, this publication should not be construed as either definitive or exhaustive. The contents of this report and any opinions expressed are the authors own. They should not be taken to reflect the views of WINGS, the Cultures of Giving Working Group, or any others who supported WINGS in this project.

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Section I: Country context



Social data

Indicator	Description
Total Population	146.8 million
Capital	Moscow
Largest City	Moscow
Administrative Divisions (States/Districts/Provinces)	8 federal districts, including: 46 oblasts (regions), 22 republics, 9 <i>krais</i> (territories), 4 autonomous <i>okrugs</i> (autonomous districts), 1 autonomous <i>oblast</i> (autonomous region), 3 federal cities ¹
Government Structure	<p>The Russian Federation is a democratic federal law-bound State with a republican form of government.</p> <p>The names 'Russian Federation' and 'Russia' shall be equal.</p> <p>The state power in the Russian Federation shall be exercised on the basis of its division into legislative, executive and judicial power.</p> <p>The state power in the Russian Federation shall be exercised by the President of the Russian Federation, the Federal Assembly (the Council of the Federation and the State Duma), the Government of the Russian Federation, and the courts of the Russian Federation.</p> <p>In the Russian Federation local self-government shall be recognized and guaranteed. Local self-government shall be independent within the limits of its authority. The bodies of local self-government shall not be part of the system of bodies of state authority².</p>
Major Alliances	<p>Commonwealth of Independent States (CIS)</p> <p>Union State (Belarus-Russia)</p> <p>Eurasian Economic Union</p> <p>Collective Security Treaty Organization</p> <p>BRICS (association of major emerging national economies: Brazil, Russia, India, China and South Africa)</p> <p>Asia-Pacific Economic Cooperation</p> <p>Shanghai Cooperation Organisation</p> <p>Organization for Security and Cooperation in Europe</p> <p>Council of Europe</p> <p>G20</p> <p>United Nations</p> <p>United Nation Security Council</p> <p>World Trade Organization</p> <p>International Monetary Fund</p>

¹ *The Constitution of the Russian Federation*, [no date]. <http://www.constitution.ru/en/10003000-01.htm>

² *The Constitution of the Russian Federation*, [no date]. <http://www.constitution.ru/en/10003000-01.htm>

Governance data

Indicator	Description
Total Population ³	146.8 million
Population Density	8.6/km
Major Ethnic Groups ⁴	Russians 80.90% Tatars 3.87 % Ukrainians 1.41 % Bashkirs 1.16 % Chuvashs 1.05 % Chechens 1.04 %
Major Languages ⁵	Russian 99.41% Tatar 3.09 %
Literacy Rate ⁶	99.7 %
Largest Religious Groups ⁷	Orthodox Christianity 41% Spiritual but unaffiliated with any religion 25% Atheism 13% Islam 6.2 %
Life Expectancy ⁸	72.9 years
HDI [human development index] or life expectancy rate ⁹	0.816

³ Federal State Statistics Service, [no date], <https://www.gks.ru/folder/12781>

⁴ Federal State Statistics Service, [no date], https://gks.ru/free_doc/new_site/perepis2010/croc/Documents/portret-russia.pdf

⁵ Federal State Statistics Service, [no date], <https://www.gks.ru/folder/12781>

⁶ Federal State Statistics Service, [no date], <https://www.gks.ru/folder/12781>

⁷ 'Research service', Sreda, [no date], <http://sreda.org/arena>

⁸ Federal State Statistics Service, [no date], <https://www.gks.ru/folder/12781>

⁹ UNDP, 'United Nations Development Programme Human Development Reports', UNDP, 2018, http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update_ru.pdf

Economic data

Indicator	Description
GDP (PPP) + Rank ¹⁰	\$ 4,050,785.54 (2019)
GDP (per capita PPP) + Rank ¹¹	\$ 27,147.3 (2019)
Unemployment rate ¹²	4.4 % (2019)
Population below poverty line ¹³	12.6 % (2019)
Inflation Rate ¹⁴	3.8 % (Oct 2019 to Oct 2018)
Debt ¹⁵	\$ 53 935.7 million (Nov 2019)
Deficit ¹⁶	RUB 3 071.4 billion (Oct 2019)

Note: Average exchange rate: 64.92 RUB/USD in Jan-Oct 2019

¹⁰ World Bank Open Data, [no date], <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD>

¹¹ World Bank Open Data, [no date], <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>

¹² Federal State Statistics Service, [no date], https://www.gks.ru/labour_force

¹³ Federal State Statistics Service, [no date], <https://www.gks.ru/folder/13397>

¹⁴ The Central Bank of Russian Federation, [no date], <https://cbr.ru/>

¹⁵ Ministry of Finance of the Russian Federation, [no date], https://www.minfin.ru/ru/performance/public_debt/external/structure/

¹⁶ Ministry of Finance of the Russian Federation, [no date], <https://www.minfin.ru/ru/statistics/fedbud/>

Section II: The philanthropic landscape in Russia

Key players

Despite its relatively young age, the Russian philanthropic sector is characterised by a great variety of players, as well as forms and activity areas. The forces and institutions that influence the development of the sector were emerging and developing at different times. However, all of them are already key players in Russian philanthropy in terms of their impact on the overall agenda and their contribution to the growth of key industry indicators. Outlined below is a brief overview of each of these players and the role they have played in the development of philanthropy in Russia.

State

The government plays a significant role in the development of the non-profit sector in Russia. The development of all types of philanthropy in Russia is closely bound up with government attitudes, positive and negative¹⁷. The major role is the regulatory one, but also the state is an important funding source for the sector.

In the course of preparation of this material, on November 15, 2019, the Government of the Russian Federation approved the Concept of assistance to the development of charitable activities in the Russian Federation for the period up to 2025. According to the document, the key tasks of promoting the philanthropy development are:

- Expansion of the scope of charitable activities by citizens and organisations
- Assistance in increasing the efficiency of charitable organisations;
- Regulation improvement of charitable organisations' activities;
- Ensuring the effective unlock of charitable organisations;

¹⁷ C. Hartnell. 'Philanthropy in Russia: A working paper', *Philanthropy for Social Justice & Peace in association with CAF Russia, WINGS and Alliance*, 2018, <http://www.psjp.org/resources/philanthropy-in-russia/>

- Support for self-organisation and self-regulation of philanthropic actors, including dissemination of best practices.

The Concept was developed by the Ministry of Economic Development of the Russian Federation with the active participation of experts and representatives of non-profit organisations (NPOs), as well as business representatives, on behalf of the Chairman of the Government of the Russian Federation. A previous regulatory document, the Concept of assistance to the development of charitable activities and volunteerism in the Russian Federation, was approved by the Government of the Russian Federation in 2009 and covered the years 2009-2010.

In particular, the new document provides for the development of the following measures:

- Granting additional tax incentives with regard to donations from legal entities and individuals.
- Exemption from profit tax on income for restricted funds placed on bank deposits.
- Inclusion in the system of mandatory deposit insurance in commercial banks of the Russian Federation.
- Providing property support on a priority basis.

These measures will be applied to charitable organisations, which will be established with a special status to confirm their compliance with the requirements for transparency and employee qualification. According to the Concept, a list of such requirements is to be developed. In particular, it will include a procedure for validating non-profit staff qualifications.

In terms of legislative regulation, among other things, the following is envisaged:

- Regulation improvement related to the endowment formation by NPOs.
- Ensuring effective prevention and suppression of fraudulent activities carried out under the guise of collecting charitable donations.
- Eliminating the need for charitable organisations to submit duplicate reports to government authorities.

The development of the personnel training system includes, among other things, the introduction of philanthropy and endowment topics into higher education programs, basic vocational training programs and additional educational programs, as well as the involvement of representatives of NPOs in the implementation of such programs.

The document provides for the implementation of a number of measures aimed at:

- Developing the practice of assessing efficiency of charitable programmes.
- Developing and disseminating the best practices in the non-profit sector.
- Developing interaction mechanisms between charitable organisations, government authorities, and media.

Among other things, the document provides for:

- Expansion of tax incentives for participation in charitable activities.
- Possibility for citizens to transfer the social tax deduction received from the state on charitable donations to charitable organisations.

- Simplification of the procedure for making recurring donations through bank accounts.
- Dissemination of the practice of transferring part of the inherited property to charitable organisations.

Finally, the Concept provides for a number of measures to be implemented:

- Tax incentives for the participation of legal entities in charitable activities.
- Development of philanthropy culture.
- Increasing media attention to charitable activities and developing the institution of social advertising.
- As well as the promotion of international activities and the development of infrastructure in the philanthropic sector.

Individuals

The dynamics of participation of the Russian citizens in charitable activities over the last ten years is extremely positive. What was impossible to imagine just a few years ago is now a common part of the philanthropic landscape of Russia. The philanthropy culture in the country is rapidly developing due to a number of external and internal factors: the efforts of the philanthropic community itself, the active involvement of celebrities, modern technologies and social media, the growth of civic awareness in general, and the attention of all key stakeholders to the promotion of charitable activities in its various forms.

According to CAF Russia's research¹⁸, in 2019 (during the 12 months prior to the research, to be precise), almost half of the Russians made cash donations to NPOs or to the church, and one in five Russians volunteered. Another survey, the CAF World Giving Index 2021¹⁹ (in which Russia ranks 67th out of 114), revealed that 28% of Russians donated to NPOs, 14% of Russians volunteered, and 57% helped strangers during one month prior to the survey.

At the same time, according to the Centre for Studies of Civil Society and Nonprofit Sector at the Higher School of Economics²⁰, in 2019, 63% of Russians made charitable donations (this includes alms on the street and donations directly to strangers), and 67% volunteered in 2017 (meaning here any activity outside the family and relatives).

Despite the diverging results of the studies, the dynamics are generally positive. More and more people are donating to charitable organisations, signing up for recurring payments and volunteering. To a large extent, this is due to the active coverage of charitable activities on state TV channels and in the media, including social advertising. In addition, online access of non-profit organisations and promotion of their themes/issues on social networks, as well as development of convenient and technologically advanced online donation platforms, have had an impact. For example, in 2017, more than 400,000 Russians made donations through online platforms (see *below for more details*). International technologies that have appeared in Russia in recent years also have a positive impact. The global movement Giving Tuesday is one example which came to Russia in 2016 to involve people in philanthropy by uniting charities, businesses, government agencies, initiative groups and individuals. A second example is the concept of Giving Circles, which is innovative for the country and is

¹⁸ 'Research on private donations in Russia', *CAF Russia*, 2021, <http://cafrussia.ru/chastnye-pozhertvovaniya-v-rossii.html>

¹⁹ 'CAF World Giving Index', *CAF*, 2018.

<https://www.cafonline.org/about-us/publications/2021-publications/caf-world-giving-index-2021>

²⁰ 'Monitoring on the state of civil society', *Centre for Studies of Civil Society and Nonprofit Sector at the Higher School of Economics*, 2019, <https://grans.hse.ru/mirror/pubs/share/298462496>

gradually becoming widespread. Another notable example is the Centre for Philanthropy and Social Activism Development Blagosfera, which opened in Moscow in 2016. Blagosfera is a public centre for citizens, activists, non-profit organisations, businesses, and state representatives with thousands of visitors a month.

Civic engagement in general has increased significantly in recent years and has even proved to be effective, especially in matters that are not politically sensitive. People unite in informal groups to defend their interests, which usually concern their territory (house, district, city, etc.). This may involve logging or landscaping issues, or it may be protests against landfill management. In some cases, such groups have demonstrated the ability to reconnect after a matter has been resolved to address new problems. Sometimes the vector of activity of civilian groups may not coincide with the goals and objectives of NPOs, which may lead to serious opposition. It is also worth noting the high mobilisation capacity of the general population and their active participation in the aftermath of technological and natural disasters.

Russian participation in public activities still remains somewhat traditional. According to a survey conducted by the Levada-Center²¹ in the autumn of 2019, Russians named voting at the elections (67%), appealing to the executive authorities (47%), and signing open letters and petitions (43%) as the most acceptable forms of civic participation to change life for the better. The least attractive forms of participation include participation in street actions and rallies (20%), own nominations for elections of various levels (11%), and support of public or political organisations with money (9%).

²¹ Levada-Center, 2019, <https://www.levada.ru/2019/11/12/21751/>

Levada-Center is listed by the Russian Ministry of Justice on the register of NGOs performing the functions of a foreign agent as of June 2021.

Business and corporate social responsibility

Corporations also play a significant role in the development of the Russian philanthropic sector, carrying out charitable activities both through companies and corporate foundations. The exact number of the latter is not known, but hardly exceeds a few dozen.

The research of the Donors Forum ‘All about Leaders of Corporate Philanthropy 2018’²² studied 47 Russian and international companies with a total turnover of more than RUB 100 million in 2017, carrying out their charitable activities in Russia. Expenditures on social and charitable projects in 2017 were disclosed by 41 participants. Based on the data provided, they spent more than RUB 50 billion on charity and social support. The respondent companies belonged to a wide range of industries, and the number of their employees ranged from 300 to 140,000 people. At the same time, according to the estimation of the Wealth Transformation Centre at the Moscow School of Management SKOLKOVO²³, charitable expenses of the largest Russian oil and gas companies amount to RUB 100-120 billion per year, whereas charitable expenses of other Russian companies amount to RUB 60-100 billion per year.

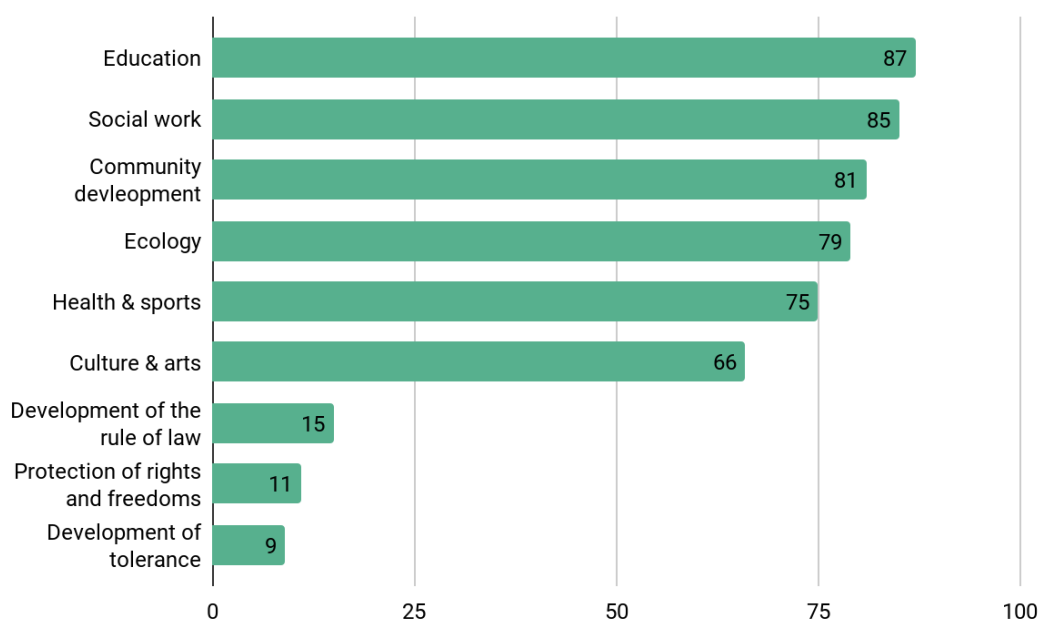
The results of the research conducted by the Donors Forum show that many companies have formalised philanthropic strategies, which are reflected in their respective internal documents. However, these strategies are not always an integral part of higher-level strategies, and the goal-setting is not always quite clear. Expenditures on charitable activities are generally increasing, and budgets are mainly formed based on fixed amounts.

²² ‘All About Leaders of Corporate Philanthropy’, *Donors Forum*, 2018, http://www.donorsforum.ru/wp-content/uploads/2018/12/Lider2018_web.pdf

²³ ‘Report: Russian philanthropist’. *Wealth Transformation Center, Moscow School of Management SKOLKOVO*, 2018.

The most popular support directions are education (87% of respondents), social work (85%), community development (81%), ecology (79%), health and sports (75%), culture and art (66%). In turn, such areas as development of tolerance (9%), protection of rights and freedoms (11%), development of the rule of law (15%) are of the least interest to companies. On the one hand, such a distribution can be considered as natural. The most supported directions are mainly related to the satisfaction of primary, basic needs of society. As long as these needs are associated with acute social problems, the need for higher level benefits is overshadowed. On the other hand, this general pattern does not deny the necessity of complex solutions of interrelated problems faced by society, especially within the framework of global efforts to achieve the UN Sustainable Development Goals.

Graph 1. Popular directions of support in business and corporate social responsibility



Source: All About Leaders of Corporate Philanthropy, 2018, Donors Forum²⁴.

²⁴'All About Leaders of Corporate Philanthropy', *Donors Forum*, 2018, https://www.donorsforum.ru/wp-content/uploads/2018/12/Lider2018_web.pdf

The research also highlights the relative importance of various forms of charitable activities. First of all, there is a high popularity of corporate volunteerism (92% of participating companies), which has become a real ‘hit’ of corporate philanthropy. In addition to corporate volunteerism, the respondent companies widely use the provision of free goods and services (66%), pro-bono services (49%), socially-oriented marketing (36%) and support of social entrepreneurship (28%). Companies also collect private donations from employees (79%) and other individuals and organisations (32%).

However, it should be noted that the survey sample was very narrow, so the results are unlikely to reflect the full picture of corporate philanthropy in Russia, which is to be studied and supplemented in the future. According to a recent study by the Centre of Philanthropy and Business at the Higher School of Economics and Management of the Ural Federal University,²⁵ the corporate segment accounts for about 50% of institutional spending on charitable and social projects. According to the Centre’s estimates, the total amount of external social investments²⁶ of the companies included in the authoritative Russian rating of RBC-500 in 2018 is RUB 197-250 billion a year. Among large companies’ priority areas for external social investments are expenditures on sports, education and cultural heritage. For companies in the extractive industries, a major item of expenditure is also investment in the infrastructure of local communities in the areas where they do business. The majority of large extractive companies, which are widely represented in the top 100 largest businesses, do not have their own corporate foundations. The study also showed that the share of net profit spent by large Russian companies on social programs is, on average, significantly higher (2.7%

²⁵ ‘Contribution of Russian business to philanthropy development’, Center of Philanthropy and Business social programs research at the Higher School of Economics and Management of the Ural Federal University (supported by the Presidential grants foundation and Smart Environment charitable foundation), 2019.

²⁶ In this case, external social investments are understood as expenses to improve the general and social infrastructure in the regions where companies operate; expenses for sports and cultural events at the local, regional and federal levels, which are attended not only by employees of the company itself; expenses for charitable programs, research and educational projects addressed to a wider audience than the company’s employees, implemented both by the companies themselves and in cooperation with charities and foundations.

for the 50 largest and most profitable companies) than that of other companies in the BRICS group²⁷.

Private foundations

It is difficult to name the exact number of private foundations, but in general their number in Russia is constantly growing. As philanthropy becomes more widespread, high-net-worth individuals are increasingly establishing private foundations, and many of them are distributing significant amounts of funding in the form of grants²⁸.

Initially, new foundations focused primarily on patronage of the arts and the Orthodox Church, support for orphanages, children's health, universities, and museums. Over time they have extended the causes they support, funding education and scientific research, for example, and supporting non-governmental organisations (NGOs)²⁹. Yet the analysis of the work of private foundations shows that most organisations are involved with education, children and culture³⁰.

In addition to extending the causes they support, foundations have changed the way they work. They are taking a more systematic approach, and a lot of philanthropy funds are no longer limited to allocating financial means but are also helping their grant recipients and partners grow their organisational capability and become stronger. There are two major types of private foundations in Russia: operating ones (who operate their own programs) and grantmaking ones (who distribute grants through different grantmaking programs).

²⁷ Note: average annual exchange rate: 62.93 RUB/USD in 2018, 58.30 RUB/USD in 2017

²⁸ 'How philanthropy develops in Russia', *Philanthropy*, 2018, <https://philanthropy.ru/analysis/2018/01/30/60168/>

²⁹ C. Hartnell. 'Philanthropy in Russia: A working paper', *Philanthropy for Social Justice & Peace in association with CAF Russia, WINGS and Alliance*, 2018, <http://www.psjp.org/resources/philanthropy-in-russia/>

³⁰ O. Pavlova, '20 Best private foundations of wealthiest people in Russia', *Forbes (Russia)*, 2019, <https://www.forbes.ru/milliardery-photogallery/200-bogateyshih-rossiyan-2019375027-20-luchshih-blagotvoritelyh-fondov?photo=1>

There are also several examples of foundations that were established as private foundations with their major donors investing into capacity building and organisational development at initial stages and later on switched over to a fundraising model attracting funds from individuals and corporations.

In 2019, Forbes Russia, with the participation of leading experts in the field of philanthropy, for the first time ranked the top 20 private philanthropic foundations in Russia³¹. Three criteria were used to assess the effectiveness (70% weight). They were 1) Strategy: Following the chosen model and having a system for measuring results, including social impact, 2) Team: Participation of foundation managers in thematic activities (expert councils, events, etc.), 3) Transparency: Availability and completeness of information about the work of the foundation (financial indicators and reports). The criteria were later refined and now include systemic approach, management efficiency, transparency and availability/types of grant competitions. The size of the budget (30% weight) is the second component of the evaluation. The top five foundations for the year 2020 include The Vladimir Potanin Foundation (est. 1999), Elena & Gennady Timchenko Foundation (est. 2010), Art, Science and Sport Foundation by Alisher Usmanov (est. 2006), Basis Foundation by Oleg Deripaska (est. 2016) and Absolute-Help Foundation by Alexander Svetakov (est. 2002).

Endowments

In 2006, the Russian Federation adopted a law allowing (and regulating) the formation and use of the endowment of a NPO, initiating the development of a new and important institution for Russia. Thus, the recent history of Russian endowments has already

³¹ O. Pavlova, '20 Best private foundations of wealthiest people in Russia', *Forbes (Russia)*, 2019, <https://www.forbes.ru/milliardery-photogallery/200-bogateyshih-rossiyan-2019375027-20-luchshih-blagotvoritelnyh-fondov?photo=1>

crossed a ten-year milestone. Leaders and interesting tools have emerged, and endowments are increasingly being integrated into spheres of education, culture, health care, sports, and social support.

Endowments as an institutional form are developing thanks to the activities of the Vladimir Potanin Foundation, which since 2012 has been implementing a two-year advance training course 'Endowment Growth Strategy'. In 2019, the Foundation with the participation of the Ministry of Economic Development of the Russian Federation supported the establishment of five Knowledge Centres on Endowments in Russia in order to promote the endowment model among NPOs and to shape a professional community interested in further philanthropy development in Russia.

Analysis of various sources revealed³² that as of February 2019, 156 operating funds owning at least 186 endowments were registered in Russia. During 2007, which became the first year of endowment regulation, 15 endowment funds were established. The largest number of endowment funds, 24, was established in 2014.

More than half of the funds (that is 90, one of which is in the process of liquidation) use the income from the endowment in the field of education; most often such organisations exist at higher education institutions. The second area in terms of the number of endowments is social support. Revenues in this area are used by 21 funds. For the use of income for cultural development 17 funds have been formed. The remaining areas of income use are less widespread: 12 funds use the income from the endowments in science, seven in the arts, five in physical education and sports, and four in health care. In Moscow and St. Petersburg, the largest Russian cities, 89 endowment funds have been registered, which is more than half of all endowment funds in Russia.

³²V. Klimanov. 'Endowments in Russia: development outlooks in Russia', *Vladimir Potanin Foundation*, 2019, <https://www.fondpotanin.ru/library/analytics/tselevye-kapitaly-perspektivy-razvitiya-v-rossii/>

The asset value of the six largest endowment funds in Russia exceeds RUB 1 billion (as of 2017). These are: the Skolkovo Institute of Science and Technology Endowment, the Endowment Fund of the Russian Cultural Foundation, the Foundation of European University in St. Petersburg, the Endowment Fund of the Russian Military Historical Society, the MGIMO Development Fund, and the Development Fund of St. Petersburg State University.

According to the current legislation, the process of endowment investing should be carried out by professional management companies. In order to form an endowment of a NPO, it is necessary to transfer at least RUB 3 million to the management company.

One of the acute problems of forming an endowment fund, was the fact that the capital in the amount of not less than RUB 3 million should be formed within one year from the date of establishment of the fund. Funds, especially regional ones, consider this term to be too short. In 2020 amendments to the law were adopted, allowing for an increase in the term of the endowment formation, if more than 50% of RUB 3 million were collected in the first year. In addition, for new funds that do not have a significant endowment, respective administrative costs may be high. The main problem related to attracting donations to endowments from legal entities is lack of tax incentives and benefits for donors. If there is a benefit for individual donors (the funds transferred by them to the endowment fund are to a certain extent exempt from the personal income tax), there is no similar benefit of profit tax for donors represented by legal entities. The exception is donations transferred to state and municipal institutions operating in the field of culture, as well as to NPOs (foundations) that have endowments to support the above institutions.

Despite these and other problems that hinder the widespread use of endowment funds in Russia, more than a decade of endowment development in Russia shows the

stability of this form of raising funds for the solution of specific problems in the philanthropic sector and contributes to the development of a full-fledged civil society in the Russian Federation³³.

Wealthy individuals

Private philanthropic activities of wealthy people in Russia are poorly studied. On the one hand, this is due to the fact that in many cases large donors prefer not to advertise their activity for moral and other reasons. On the other hand, for many wealthy people it is a new territory, where they do not always feel comfortable and therefore prefer to support organisations or people they trust personally. This excludes them from the professional community and is a barrier for assessing the scope, directions, and motivation of their involvement in philanthropic activities.

Until 2014, Coutts³⁴ evaluated large donations, including private ones, exceeding USD 1 million per year, but since then the data on Russia has not been updated. During September-October 2017 the Wealth Transformation Center at the Moscow School of Management SKOLKOVO conducted an online survey of capital owners and top managers of federal-level companies in order to learn about the degree of the participation and their preferences with respect to charitable projects.

In addition, an auxiliary telephone survey was conducted among owners and managers of small and medium-sized businesses with the authority to make financial decisions in the company³⁵. The survey showed that the level of involvement of Russian capital owners in philanthropy is almost twice as high as that of the general population: more than 90% of the capital owners in the previous 12 months took part in certain

³³ Note: average annual exchange rate: 62.93 RUB/USD in 2018, 58.30 RUB/USD in 2017

³⁴ '2015 report: Russia', *Coutts*, 2015, <https://philanthropy.coutts.com/en/reports/2015/russia/findings.html>

³⁵ 'Report Russian philanthropist', *Wealth Transformation Center, Moscow School of Management SKOLKOVO*, 2018.

charitable activities against half of the population as a whole. The average amount of the capital owner's donation was several orders of magnitude higher than the national average. As a result, the role of high-net-worth individuals and ultra-high-net-worth individuals (capital owners) in providing funds for charitable purposes is much higher than their share in the population.

According to CAF Russia³⁶, the average amount of individual donations is about RUB 8,258, and the median (the most typical value) is RUB 2,000, while the average amount of donations among top managers and owners of small and medium businesses exceeded RUB 76,000 (with a median of RUB 8,500). The average amount of support for charitable projects among the capital owners sampled by SKOLKOVO exceeded RUB 3 million (with a median of RUB 230,000).

The undisputed leader in terms of popularity among the topics financed by wealthy people is assistance to children. Projects on this topic were supported by three quarters (73.9%) of the surveyed wealthy people. The next three most popular topics are: assistance to the poor (47.8%), church and religion (28.3%) and higher education and science (17.4%). Interestingly, these topics are generally similar to the preferences of the population as a whole, as well as the results of a survey of top managers of small and medium-sized businesses.

Support of charitable projects by capital owners is systematic: at least 60% of the donations made by almost half of them have a planned character. Less than half of the funds donated by respondents passed through independent NPOs; most of the funds were directed either straight to final recipients or through their own foundations established specifically for this purpose.

³⁶ Research on private donations in Russia. CAF Russia, 2019.
<http://cafrussia.ru/chastnye-pozhertvovaniya-v-rossii.html>

In addition to monetary support for charitable projects, wealthy Russians also actively provide various forms of non-financial support. Three of the most popular forms of non-financial support have proved to be the provision of free expert and advisory support, assistance in finding necessary contacts and establishing partnerships, and participation in the work of the organisation's Board of Trustees. Also, about 20% of respondents do not rule out a negative impact on the size of charitable donations in connection with recent tightening of NPO and tax regulation - both legislation on 'foreign agents' and 'anti-offshore' legislation. However, 80% said that they did not expect such a negative impact.

As in the case of corporate philanthropy, this segment of players will have to be studied further in terms of the volume of their charitable activities, formats of participation, areas of support, as well as incentives and limitations affecting the extent of their participation.

Social enterprises

Social entrepreneurship in Russia³⁷ is in its infancy. Systematic development began in the second half of the 2000s, first of all, due to a number of strong system private players in Russia, developing infrastructure, stimulating social entrepreneurs, and developing and promoting the theoretical base. The leading role here belongs to the billionaire Vagit Alekperov's foundation 'Our Future' ('Nashe Budushee'), a non-profit organisation founded in 2007. Since the beginning of the 2010s, social innovation centres (SICs) have been established in Russia, providing training in social entrepreneurship methods and supporting existing projects. It is also worth mentioning the strong efforts undertaken by Impact Hub Moscow and SAP (Russia) aimed at developing and supporting social entrepreneurship.

³⁷ 'Social Entrepreneurship in Russia', *Wikipedia*
https://ru.wikipedia.org/wiki/Социальное_предпринимательство_в_России

It is estimated that the popularity of social entrepreneurship in Russia remains low. No more than 1% of Russian entrepreneurs are engaged in social business; their contribution to the country's GDP in 2015 was 0.36%. More than half of Russian social entrepreneurs are women aged 30-60.

In 2019 amendments were made to the Federal Law 'On the development of small and medium-sized enterprises in the Russian Federation', which enshrined the concepts of 'social entrepreneurship' and 'social enterprise'. Small and medium-sized enterprises will now be able to claim the status of a social enterprise. For this purpose, the main conditions are: a company's business has to be aimed at achieving socially useful goals and contributing to the solution of social problems. According to the law, the state is obliged to provide a social enterprise with property (in particular, subsidies), information, and other support. The advantages of doing business in the form of a commercial organisation are the simplified registration of the company and the lack of reporting on the use of property, expenditure of funds and implementation of programs.³⁸

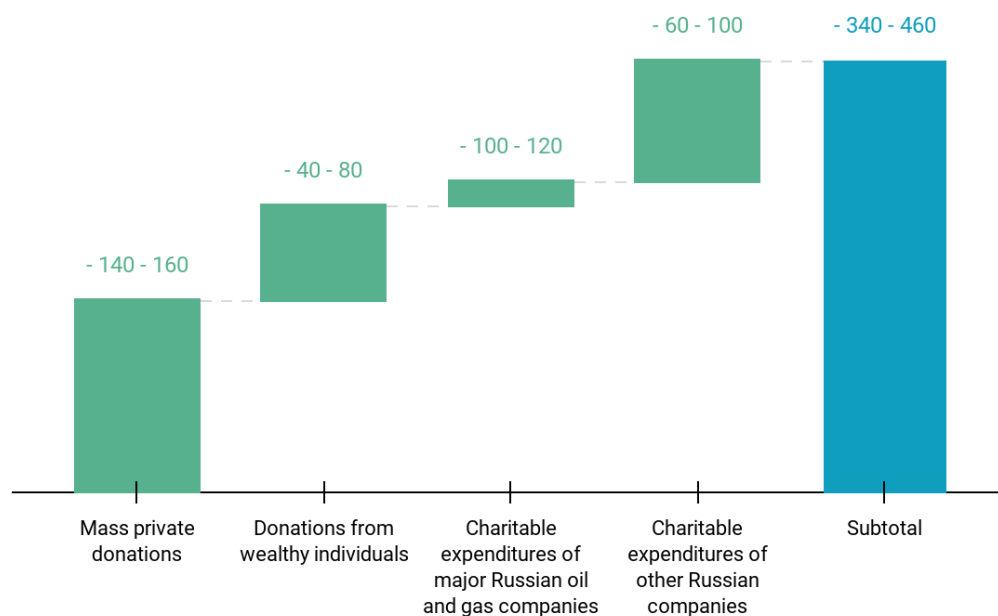
Major sources of philanthropic funding: A comparative analysis

There is no aggregated and accurate data on the size of the Russian philanthropic sector, but there is data and expert estimates on particular funding sources for the sector. Key sources worth mentioning are: corporate donations, public funding (federal, regional and municipal grants and subsidies), mass individual donations and large private donations. In addition, NPOs receive funds from foreign sources, as well as from their own income-generating activities.

³⁸ K. Vorobyev, 'New law on social entrepreneurship: professional analysis', *Philanthropy*, 2019, <https://philanthropy.ru/analysis/2019/08/23/79136/>

According to the estimates of the Wealth Transformation Centre at the Moscow School of Management SKOLKOVO³⁹, the size of the Russian philanthropic sector in monetary terms is about RUB 340-460 billion per year. On the one hand, it is not a large sum in relation to the country's GDP (about 0.4%-0.5% of GDP). On the other hand, this amount is comparable with government spending in certain areas: for example, federal budget spending on health care in 2017 amounted to about RUB 400 billion, and spending on culture and sports – a total of about RUB 200 billion. Even if we subtract from the overall assessment the charitable expenditures of the largest oil and gas companies (since there may be doubts as to whether they can be considered charitable rather than quasi-government expenditures), we get an amount of money that is significant on a national scale.

Graph 2. Estimate of charitable expenditures in Russia, RUB billion



Source: 'Report: Russian philanthropist'. *Wealth Transformation Center, Moscow School of Management SKOLKOVO*, 2018.

³⁹ 'Report: Russian philanthropist'. *Wealth Transformation Center, Moscow School of Management SKOLKOVO*, 2018.

It is also important to count the federal budget allocations for the support of Socially Oriented NPOs (SONPOs), which are monitored by the Ministry of Economic Development of the Russian Federation⁴⁰. Federal allocations were increased by 59.3% in real terms, from RUB 21.8 billion in 2018 to RUB 34.7 billion in 2019, including those through the Presidential Grants Foundation. In 2019 the Foundation distributed subsidies from the federal budget in the amount of RUB 7.7 billion among 3,772 NPOs. Also, financial support in 2019 was provided by the executive authorities of the constituent entities of the Russian Federation and local governments.

In 2018, the constituent entities of the Russian Federation continued to implement a set of measures aimed at ensuring phased access of SONPOs to budget funds that are allocated for the provision of social services to the population in five main areas: social protection and social services, education, culture, public health, physical education and sports.

The total amount of funds transferred by the constituent entities of the Russian Federation to SONPOs for the implementation of these areas in 2019 amounted to more than RUB 44.5 billion. These funds were distributed among 5,800 SONPOs, whose services were provided to more than 19 million people⁴¹.

⁴⁰ ‘Report on activities and development of social purpose organisations in Russia’, *Ministry for Economic Development of the Russian Federation*, 2019, https://www.economy.gov.ru/material/file/8be0adaa07fd23125c4920afe40e8757/Doklad_NKO.pdf

⁴¹ Note: average annual exchange rate:
64.62 RUB/USD in 2019
62.93 RUB/USD in 2018
58.30 RUB/USD in 2017

The culture of philanthropy in Russia

The formation of modern Russian philanthropy takes place in the years following the collapse of the Soviet Union. The first stage of the industry formation covers the 1990s and early 2000s. It is featured by the adoption of key federal laws regulating the non-profit sector. It is also a period of intensive transfer of foreign technologies and non-profit practices to Russia; a generation of young non-profit leaders with up-to-date management skills and access to best international practices emerges. The number of NPOs is growing rapidly.

Historical overview

Since the beginning of the 2000s, Russian businesses have become more active in making social investments. This happens partly under the influence of the CSR (corporate social responsibility) concept and partly under the pressure of federal and regional authorities. Companies are beginning to fund certain public initiatives and/or organisations that perform functions of social support and social security at a larger scale.

At the same time, there has been a notable growth of infrastructure organisations in the philanthropic sector. According to a recent study by the Center for Philanthropy Development at the Vladimir Potanin Foundation⁴², which examined more than 100 infrastructure organisations, about 20% of them were established between 2001-2005, and about 25% between 2011-2014.

The state policy towards the non-profit sector began to acquire more defined and structural features by the end of the 2000s. A law on endowments was adopted, some tax benefits for private philanthropists were introduced, and the government's Concept

⁴² 'Study of the infrastructure of the Russian non-profit sector', *The Vladimir Potanin Foundation/Zircon*, 2019.

of assistance to the development of charitable activity and volunteerism in the Russian Federation was developed and approved in 2009 with the active participation of the professional philanthropic community. At the suggestion of the President of the Russian Federation, the State Duma adopted a law on support for SONPOs in 2010.

During the 2008-2009 financial and economic crisis, the demand for social services from socially vulnerable groups increased, which not only encouraged NPOs to seek out new donors, but also created incentives for them to use the energy of ordinary citizens (volunteers) more actively. It is in the post-crisis period that the number of volunteers, small individual donations, and various civil initiatives increased dramatically.

On the one hand, the Russian philanthropic sector is still in its formative stage, but on the other hand, its activities are becoming increasingly institutionalised and professional. Various professional associations are gradually developing. The NPOs are becoming more specialised, which, among other things, leads to strengthening their role in solving important social problems; various attempts are undertaken to develop industry standards; the quantitative growth of the sector continues; the demand for professional non-profit managers and specialists is increasing.

Traditional or informal giving models

One of the most popular forms of informal assistance is direct material support to people, including alms to beggars and other people in need. Traditional places of giving alms to the needy are churches, as well as train and metro stations in major cities. This tradition creates opportunities for pseudo-charity fundraising, which is used by fraudsters offline and online. As a response to this problem, the initiative 'All Together Against Fraudsters' has emerged, calling on non-profits not to raise funds on the streets, as well as not to collect donations on personal bank cards of non-profit

representatives. According to various estimates, more than 50% of Russians provide material assistance to strangers on their own, without turning to intermediaries.

As for donations to NPOs, Russia's distinctive feature is the rather high popularity of text messages (SMS) to dedicated numbers of mobile operators, which are either promoted by the organisations themselves or are integrated into popular TV shows and programmes. In addition, there is still a popularity of donation boxes, which are usually branded as a targeted support for specific people.

At the same time, online donations are developing very dynamically, including specialised platforms for online donations. They take a leading position among individual donors in terms of popularity. See below for more details.

Unique cultural features

The emergence of various services for online donations has led to a significant increase in their volume. According to CAF Russia⁴³, from 2013 to 2017, all key indicators of online giving platforms have increased at least tenfold. Since 2013, over RUB 1.5 billion has been raised on these platforms to support NPOs. During this period, the volume of donations increased 15-fold, and in 2017 it amounted to more than RUB 350 million. The number of private donors giving money on online platforms has increased 30 times since 2013. In 2017, more than 400,000 Russians donated through these platforms. Over the past years, the number of recurring payments on all platforms has increased significantly. In 2019 alone, the number of recurring payment subscriptions increased fivefold.

⁴³ 'Online platforms for donations: 10 years in Russia', *CAF Russia*, 2018, <http://cafrussia.ru/platformy-onlayn-pozhertvovaniy-10-let-v-rossii.html#f5d2bdd9>

However, the number of non-profits raising funds through the leading platforms is still insignificant. Between 50 and 140 charities are registered on each platform, and many large and active organisations use more than one platform. In 2016, the first platforms for personal volunteer fundraising appeared. The most famous of them are 'Taking the opportunity' (the project of the foundation 'Help Needed') and 'Sdelai!' or 'Do it!' (private project). These services provide an opportunity for NPOs' active supporters to involve their friends, associates and colleagues in fundraising within the framework of a personal event. Anyone can announce a fundraiser for a non-profit on their birthday, wedding, or any special occasion. On the 'Do it!' platform, people set, in particular, personal sports goals and encourage friends to donate money to charity. Occasions may include participation in a marathon and other personal achievements.

These platforms are particularly attractive for young audiences who are familiar with new formats of volunteering and charity. Volunteers are engaged in promoting their actions in social networks in favor of NPOs, thus, the latter have the opportunity to expand the number of their donors.

Section III: Civil society and community foundations

In terms of official data, there are at least three sources of data on the non-profit sector: official statistics of the Federal State Statistic Service in the system of national accounts, departmental statistics of the Ministry of Justice of the Russian Federation, and departmental statistics of the Ministry of Economic Development of the Russian Federation.

The Ministry of Justice of the Russian Federation gives the largest assessment on the number of NPOs. According to its data, as of mid-2018, approximately 220,000 organisations, or approximately 150 NPOs per 100,000 people, were registered in Russia. This figure has been more or less stable over the past few years. According to the official portal of the Ministry of Justice the number of NPOs in recent years has reduced. In 2016, the registry included 227,000 organisations, in 2017 there were 223,000 organisations, and in 2020, the registry included 210,248 organisations. It is difficult to say to what extent this decline reveals the real situation in the third sector. It is largely caused by the termination of the activities of those organisations that existed only on paper, without even providing annual reports to the Ministry of Justice. In 2017, by a court decision, 4,753 NPOs were excluded from the register, and by a decision of the tax authority, 7,857 NPOs were excluded as well, making for the removal of more than 18,000 organisations in total, including removals for other grounds. During the same period, 14,895 new NPOs were registered.⁴⁴

However, since the Ministry of Justice does not collect or publish data on the scale of these organisations' activities or the amount of funds available to them, it is difficult to use this assessment to estimate the size of the sector.

⁴⁴ 'Report on the state of civil society in the Russian Federation for 2018', *Civic Chamber of the Russian Federation*, 2018, <https://report2018.oprf.ru/en/>

The Federal State Statistic Service in its yearbook 'Russia in numbers 2020'⁴⁵ reveals a lower number of NPOs than the data of the Ministry of Justice, estimating it at about 91,287 at the end of 2019 (or about 62 NPOs per 100,000 population).

The Ministry of Economic Development monitors and accumulates data on SONPOs⁴⁶. In 2018, about 140,000 SONPOs were in operation in the Russian Federation, and their number has increased by 41,000 since 2011. The average number of workers employed by one SONPO is stable over the period 2011-2018 and ranges from 4 to 7 people. Since 2011, there has been a steady growth in the average number of volunteers participating in SONPO activities. In 2011, there were more than 1,146 volunteers, and in 2018 – 2,937 .

At the same time according to the Federal State Statistics Service in 2015 Russia had 140,031 SONPOs, in 2016 – 143,436, and in 2017 – 142,641. The most numerous of them are the organisations engaged in activities in the field of physical training and sports (29,752), education and science (27,331), patriotic, spiritual and moral education of children and youth (18,069), charity (15,914), and 25,129 organisations are engaged in the provision of social services to the population. The number of SONPO employees in 2016 reached 672,000 people, and in 2017 – to 630,000 people.

As seen above, official statistics are not uniform and comparable, the data is very different and there is no unified and transparent methodology for estimating the size of the non-profit sector, which is a significant problem and challenge for all stakeholders.

⁴⁵ 'Official report: Russia in numbers 2020', *Federal State Statistic Service*, 2020.

⁴⁶ 'Report on activities and development of social purpose organisations in Russia'. *Ministry for Economic Development of the Russian Federation*, 2019, <http://nko.economy.gov.ru/Files/NewsDocuments/d55f5717-f368-4219-a1e8-4942da212cd2.pdf>

Section IV: Challenges

Political and/or economic factors

The state takes a whole range of measures to support NPOs in various areas, including financial, property, information and other forms of support, such as access for NPOs to the social service market or tax incentives for SONPOs.

At the same time, there is an increasing control of the state over NPOs and civil society activists. In 2012, the Law on foreign agents was adopted, strengthening control over the NPOs receiving foreign funding and carrying out political activities, nonetheless, the law offers a very broad interpretation of what can be recognised as political activity. In 2019, a law was adopted establishing that an individual can be recognised as a media performing the functions of a foreign agent if he or she disseminates information from foreign media recognised as foreign agents (or Russian organisations established by them), while receiving foreign funding.

Overall, there is an excessive administrative regulation, including reporting to regulatory authorities; imperfect legislative framework, which creates space for different interpretations that may differ from one government agency to another; increased attention to NPOs operating jointly with foreign partners and especially receiving foreign funding; lack of reliable official statistics on the sector generally and on specific topics, on which NPOs could rely in the course of their professional activities; and issues of tax incentives to stimulate philanthropy development.

Fragmented non-profit networks

Coalitions and cooperative relationships among non-profit organisations and groups are very difficult to develop. Quite often activists, especially new ones, are careful to ensure that their reputation does not suffer from public interaction with already established organisations (including NPOs, parties, institutions). They tend to suspect

potential partners of the intention to ‘use’ the new initiative (to absorb institutionally, to attribute their services, to use them for PR purposes), being indifferent to its content, motivation and so on. In addition, a restriction on the formation of coalitions is the lack of established practice of self-regulation in NPOs, which could support the unity through formulated and open rules of access and exceptions for failure to fulfill common obligations. Periodic discussions on self-regulation always rest against the unwillingness of NPO associations to apply strict rules to ‘their’ own.⁴⁷

Trust

Low trust of the population towards charity organisations is pointed out by many leading experts as one of the fundamental problems and challenges for the sector’s growth. There are, however, a number of research studies that provide differing but quite encouraging data:

- 55% of the respondents polled by CAF Russia in 2018 think that NPOs have a positive impact on the situation in Russia as a whole.⁴⁸ According to the same research, 49% of the adult population made donations to NPOs in 2018.
- Regular monitoring⁴⁹ on the state of civil society conducted in 2019 by the Centre for Studies of Civil Society and Nonprofit Sector at the Higher School of Economics says that 59% of Russian citizens trust at least one NPO (65% in 2017) as opposed to only 23% stating that the majority of people in our country can be trusted.

⁴⁷ S. Makovetskaya, ‘Working material: Selected aspects of the non-profit sector development in 5 years horizon: inertia scenario’, 2019.

⁴⁸ ‘Research on private donations in Russia’, CAF Russia, 2019, <http://cafrussia.ru/chastnye-pozhertvovaniya-v-rossii.html>

⁴⁹ ‘Monitoring on the state of civil society’, *Centre for Studies of Civil Society and Nonprofit Sector at the Higher School of Economics*, 2019. <https://grans.hse.ru/mirror/pubs/share/292218926>

- According to a poll by the Civic Chamber of the Russian Federation, 11.4% of respondents generally trust charitable organisations, 15.1% trust particular organisations, and 39.5% of respondents trust those organisations, whose activities they can personally verify. 16.1% of respondents definitely do not trust charitable organisations.⁵⁰
- A very illustrative data is shown by the Research on institutional trust (2019) by Levada-Center⁵¹. 33% of respondents trust charitable organisations which ranked 5th out of 19 institutions, after the army, the President, security services and the Church.

⁵⁰ 'Report on the state of civil society in the Russian Federation for 2018', *Civic Chamber of the Russian Federation*, 2018. <https://report2018.oprf.ru/en/>

⁵¹ 'Research on institutional trust', *Levada-Center*, 2019, <https://www.levada.ru/2019/10/24/institutsionalnoe-doverie-5/>

Levada-Center is listed by the Russian Ministry of Justice on the register of NGOs performing the functions of a foreign agent as of June 2021.

Section V: Update on philanthropy in response to Covid-19

The outbreak of Covid-19 has definitely had an impact on the Russian non-profit sector and the giving trends of the population in the first several months⁵². Today we can already say that the negative predictions about the non-profit sector in connection with the pandemic have not come true. Civil society and the non-profit sector were mobilised, and state support measures for the sector played an important role, as did the efforts of grantmaking organisations to support NPOs in difficult times.

There are several charities with strong expertise in handling *force majeure* that have taken the lead in providing hospitals and doctors with missing protection equipment and materials. The funding for this extra support is generated by individual donors giving *en masse*. In addition, we can see a rise in activities of self-organised informal civic groups that take control locally, coordinate and provide support to the needed members of their communities or neighborhoods. The same is true for community foundations and charities working with vulnerable segments of the population. There are also some signs of increasing collaboration and coordination between NPOs that result in task-based coalitions, information exchange and resource-sharing. The extra Giving Tuesday event on May 05 (in which Russia participated) was also aimed at attracting additional resources to support non-profits and their beneficiaries in the difficult times.

Private foundations are playing an important role here as well. For example, the Vladimir Potanin Foundation has launched three large-scale initiatives (worth RUB 1 billion⁵³ which is approximately USD 14 million) in 2020 to help non-profits and their beneficiaries to survive the next few months and beyond. The new initiatives are

⁵² Information included in this section reflects the immediate response and impact of Covid-19 on the civil sector in Russia), as of May/June 2020. Because the pandemic and its effects are fast changing, it is likely that such observations will change. We therefore suggest that you seek out additional sources for more up-to-date information.

⁵³ Note: average annual exchange rate:
72.32 RUB/USD in 2020

targeted at infrastructure players and leading NPOs, citizen's action groups, and small and medium charities helping the most vulnerable categories. The Elena and Gennady Timchenko Foundation has also strengthened its support to non-profits working with vulnerable categories of people and has initiated a country-wide non-profit coalition to help elderly people. Corporations and corporate foundations have launched different kinds of supporting initiatives for their clients, partner non-profits, and people in need, though most of the funds are currently channeled to help the healthcare system in fighting the Covid-19.

According to recent polls, the Russians' readiness to help others is relatively high compared to a moderate level of trust towards strangers. It means that people are ready to help, but mostly it refers to their neighbors. Also, an all-Russian initiative #MyVmeste (#WeAreTogether) was launched aimed at helping elderly people, people with disabilities and medical workers during the pandemic. As of the end of 2020, almost 118,000 people have registered as volunteers and over 3,500,000 people have received necessary help. 1,8 billion RUB (appr. 25 million USD) have been raised through this platform as donations. According to a monitoring⁵⁴ (conducted by Nuzhna pomosh) of over 300 Russian non-profits helping people in need, online donations increased by 136% in April 2020 compared to March 2020. However, by June online donations were back to their January 2020 level. The recent research⁵⁵ by CAF Russia revealed that half of all adults in Russia (51%) did good deeds in 2020 under the influence of the Covid-19 pandemic and one in ten Russians (10%) gave to charities more than usual. At the same time, the overall share of adults who participated in at least one type of charitable activity decreased from 67% to 58% since 2019.

⁵⁴ 'NPO Benchmarking: how individual donations changed in 2020', *Nuzhnapomosh*, 2020, <https://tochno.st/materials/benchmarking-nko-kak-menyalis-chastnye-blagotvoritelnye-pozhertvovaniya-v-2020-godu>

⁵⁵ Research on private donations in Russia, *CAF Russia*, 2020, <http://cafrussia.ru/chastnye-pozhertvovaniya-v-rossii.html>

Finally, the Presidential Grants Foundation (an operator of state grants) held an unscheduled grant competition in which 900 NPOs received additional support of RUB 2 billion. Moreover, in 2020 the government has developed a set of measures to support non-profits, including a groundbreaking bill returning tax deductions on donations by businesses (of up to 1% from revenues). This norm was eliminated in early 2000s and is back after 20 years. Though the list of non-profits eligible for the deductions does not cover all types of SONPOs, its return is still a significant step forward that will impact long-term philanthropy development. Among other things, the government formed two registers of NPOs that could qualify for state support in 2020. 1,008 NPOs took advantage of preferential loans to restore their activities worth RUB 2.7 billion; 24,200 organisations received exemptions from paying insurance premiums worth RUB 8.8 billion; and 4,180 NPOs received subsidies for measures to prevent the Covid-19 infection worth almost RUB 1 billion⁵⁶.

Upon exiting the urgent crisis phase, there could be several lines of development that can influence the sector in the next few years, namely:

- increasing role of the state and state-oriented approach by NPOs,
- further weakening of small and unadvanced NPOs that do not have the necessary resources and professional leadership to make their voices heard,
- possible decrease in individual and corporate donations in the mid-term perspective,
- increase in different types of volunteer activities (based on the experience of previous crises),
- stronger local communities,

⁵⁶ 'Report on the state of civil society in the Russian Federation for 2020', *Civic Chamber of the Russian Federation*, 2020, <https://report2020.oprf.ru/en/index.html>

- digitalisation of the non-profit sector,
- development of a collaboration culture.

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