

The 2022 Global Philanthropy Environment Index Kuwait

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Firm

Edited by the Indiana University Lilly Family School of Philanthropy

QUICK FACTS

Legal forms of philanthropic organizations included in the law: Associations, Nonprofit Companies, Endowments

Five main social issues addressed by these organizations: Health and Medical Research, Religion, Energy, Education, Relief

Average time established by law to register a philanthropic organization: 0-30 days

Average cost for registering a philanthropic organization: USD 0

The Associations Law does not impose any registration fees.

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio- Cultural Environment	Overall Score
2022 GPEI	3.33	3.40	3.70	3.75	4.00	4.00	3.70
2018 GPEI	3.33	3.00	3.20	3.00	N.A.	4.00	3.31

Source: Indiana University Lilly Family School of Philanthropy, 2022 Global Philanthropy Environment Index

Key Findings

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 3.	0
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The main law governing the formation of philanthropic organizations (POs) and institutions in Kuwait is the Public Benefit Associations Law. In accordance with Article 4 of this law, any group of no less than 50 persons may apply for the formation of a public benefit association to provide services or carry out social, cultural, religious, or sports activities on a voluntary basis without profit, as well as to manage philanthropic societies. The founding members of the association are required to be Kuwaiti citizens not less than 21 years of age and with a clean criminal record.

Incorporating associations and foundations requires the approval of the Ministry of Social Affairs (MoSA). In accordance with Article 8 of the Public Benefit Associations Law, the application for registration of an association shall be submitted to MoSA pursuant to Ministerial Decree No. 61 of 2005.

The application shall be accompanied by:

- A) Two copies of the articles of the association, approved by the founders;
- B) A copy of the minutes of the meeting of the Constituent Assembly, in which the members of the Board of Directors were appointed;
- C) Disclosure of the names of the members of the Board of Directors; and
- D) A certificate of no objection to any of the founders from the Ministry of Interior.

The Public Benefit Associations Law does not require minimum capital requirements to register associations, nor does it impose registration fees. The registration of an association shall be considered at MoSA within 30 days of the application.

While MoSA can decline an application within a month of its submission with an indication of the basis of refusal, it is ambiguous as to whether it is required by law to reply. At least one case has been reported recently of an application that was pending for a period of 60 days. Applicants can file an appeal against a rejection or amendment with the Minister of Social Affairs or the committees it appoints; the rejection decision of these authorities is final and can only be appealed in court.

Overall, the increasing number of newly formed associations indicates the swiftness of the process.

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

Score: 3.0

MoSA oversees the periodic meetings of the associations' General Assembly. This meeting is not considered legal unless the Ministry is notified of the date and place of the Assembly at least 15 days in advance, and its representatives are in attendance.

Article 14 of the Public Benefit Associations Law specifies what the association must submit to the competent Ministry with the invitation to the General Assembly:

- A) Report of the Board of Directors;
- B) The budget and most recent accountability report audited by an auditing office appointed by the association and legally recognized by MoSA;
- C) Proposals of members submitted at the time specified by the Bylaws;
- D) Minutes of the election of the members of the Board of Directors; and
- E) Draft budget for the following year, to be submitted to MoSA no later than one month after the end of the fiscal year of the association.

In accordance with Article 30 of the Public Benefit Associations Law, the association may not join or participate in any association based outside Kuwait before obtaining a license from MoSA. Organizations registered as public charities and non-charitable public benefit associations are considered to have public benefit status, and therefore are allowed to raise public funds only if they have the approval of MoSA (Article 14 of the Ministerial Resolution 48/2015 on Regulation of Public Charities).

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

Score: 4.0

The Public Benefit Associations Law specifies cases in which the Assembly may be dissolved either by the General Assembly or by MoSA. Article 16, (paragraph e), establishes that the extraordinary general assembly can dissolve the association; Article 28 stipulates that an "association may be dissolved voluntarily by a decision of an extraordinary general assembly attended by more than half of the members and with the approval of the majority of those present, and that MoSA should be notified of the date and place of this assembly at least fifteen days" In advance.

Article 27 of the Public Benefit Associations Law stipulates that MoSA may dissolve an association if:

- A) Its membership has decreased to less than 50 members;
- B) It deviates from its objectives or commits a serious violation of its statutes;
- C) It becomes unable to meet its financial obligations; or
- D) It violates the provisions of the law.

The Public Benefit Associations Law, in the case of its dissolution, adjudicates the disposition of funds and documents only by a decision of MoSA.

Also, Article 27 bis 1 of the Public Benefit Associations Law stipulates that MoSA may dissolve the association's board of directors and appoint a board of directors or a temporary director for a limited, renewable period to assume the powers vested in the board of directors in the following cases:

- A) If an association violates provisions of this law or the statute of the association;
- B) If the number of members of the Board of Directors becomes insufficient to hold it properly; or
- C) If required by the interest of the members or the social goals of the society.

A grievance may be made against the dissolution decision before the Council of Ministers within 30 days from the date of its issuance.

According to Kuwait News Agency (2018), MoSA stated that it dissolved three associations, in addition to 17 mabarras. However, in a display of the rule of law, ministerial decrees dissolving associations have been challenged in court. The most recent cases are detailed below according to data collected by the country experts.

Name of Association	Date of Official Proclamation	Date of Ministerial Decree	Official narrative for cause of dissolvement	Current Status
Al-Thaqalain	2006	2018	Offering loans, wiring overseas money transactions through unofficially designated channels, and launching projects without prior approvals	Frozen
Al-Bunyan	2015	2016	Executing development projects abroad with local counterparts without acquiring prior approvals	Reinstated (2020)
Al-Salam	2016	2018	Cash fundraising, security and diplomatic memos, and launching projects without acquiring prior approvals	Reinstated (2020)

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 3.4

Despite recent political discussions around the urgent need to implement value added tax (VAT) and other forms of taxation in the Gulf Cooperation Council countries, the State of Kuwait still does not have an income tax system, and, therefore, neither individuals nor corporations receive tax exemptions. However, major corporations listed on the stock market are required to pay a 1 percent

zakat either to the government or to a nonprofit organization. The Ministry of Finance obligates the shareholding companies to extract 1 percent of their annual net profits for philanthropic works. The money is submitted to the Ministry or directly to official governmental charities (Law No. 46 Concerning zakat and Contribution of Public and Closed Shareholding Companies in the State's Budget). According to the ICNL report on Kuwait (International Center for Not-for-Profit Law, 2017), the tax code offers some tax deductions primarily to foreign corporations for "philanthropic activities that the tax authority deems charitable, including donations made to the government."

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

Score: N.A

Since Kuwait does not have an income tax system, donations received by an association, from either MoSA or persons, entities, wills, donations, or subsidies, are not subject to taxation. In addition, no other fees or payments substitute for taxes on POs.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

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

Score: 3.4

The Council of Ministers' decision No. 867 of 2001 authorized the Central Bank of Kuwait to establish the mechanisms and necessary methods in order to monitor external financial transfers carried out by public benefit associations and public institutions for charitable activities. However, the Ministerial Resolution 48/2015 on Regulation of Public Charities establishes that "charitable societies may not receive or send any donations from or outside the State of Kuwait unless the prior written approval of the Ministry is obtained in coordination with the relevant governmental bodies" (Article 19). The Council of Ministers' decision No. 867 also requires that associations obtain the approval of the Ministry of Foreign Affairs regarding any plans or programs proposed by the Assemblies to be implemented outside the country, according to an appropriate working mechanism to be agreed on by the Ministry and the associations.

There are no restrictions on sending charitable funds abroad from the Kuwaiti side, but some restrictions may arise because of situations in the receiving countries, such as crises and conflicts, which may cause banks to close and prevent money transfers, for example. In such situations, the Ministry issues an approval letter to transfer the funds through money exchange offices instead of bank transfers. Some countries that receive Kuwaiti charitable contributions may also incur certain taxes or fees.

The Ministry of Foreign Affairs' (MoFA) influence on aid and charity is displayed in its supervision over the transfer of funds originating from associations and its guarantee that they end up in the right hands. Moreover, it has set up an online portal regulating the registration of local counterparts overseas. Kuwaiti associations are allowed to cooperate with solely MoFA-approved counterparts. Transfer approvals are issued to transfer the funds, either from the Kuwaiti charity account to the organization's account outside Kuwait, through the account of the Ministry of Foreign Affairs, or through money exchange offices. These procedures exist to protect charitable work from the risks pertaining to money laundering and terrorist financing.

While officials and documented policies encourage a local focus, such directives are not enforced through a binding law. However, facing the COVID-19 pandemic has led authorities specifically to express their preference. This measure is a precedent as authorities' involvement in shifting the aid and charity industry's focus internally was limited. Instances included cases in which the country was receiving a foreign official on a visit from a country where Kuwaiti associations work, and their representatives were invited to meet the guest, organizing a nationwide fundraising campaign under the patronage of HH the Amir, and setting precautionary restrictions on aid trips due to security reasons. Accordingly, the associations were expected to contribute to support healthcare and security government agencies. Later, on the occasion of Eid al-Adha, the Cabinet instructed MoSA to take measures toward limiting the distribution of sacrifice meat abroad and instead focusing on fulfilling local needs (AlJarida.com, 2020). AlShayji (2020) reports that critics foresaw this step as an intrusion and an attempt at manipulation. He also warns that donors might seek refuge in what he calls "black market charity" rather than spending within legal and official paths, as they prefer helping those outside Kuwait.

It is worth noting that according to Kuwait's Humanitarian Report (Sunbulah and Ministry of Social Affairs, 2017), 84 percent of the donations collected by associations were funneled toward projects outside the State of Kuwait.

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

Score: 4.0

Article 18 of the Public Benefit Associations Law specifies the allowable income sources for donations and subsidies to associations. Article 19 obliges associations to deposit the money in their name in a Kuwaiti bank. Article 22 of the law allows associations to fundraise once a year to achieve their goals, complying with the conditions stipulated in the law.

The law does not prohibit associations from directly or indirectly receiving or collecting money or benefits in the form of contributions or subsidies of any kind from a person, association, or body based outside the State of Kuwait. However, MoSA must grant the permission. The decision of the Council of Ministers, in resolution No. 867 of 2001, requires all associations to include in their general budgets all revenues and expenses of their affiliates.

As a main oil exporting country, Kuwait is also a major humanitarian donor. According to the World Bank (2019), its GDP is equivalent to USD 134 billion. Kuwaiti associations generally aim to spend donations received from overseas elsewhere. Such donations are almost exclusively from

individuals, and they are made through links on the Internet, as "philanthropic organizations cannot receive direct contributions from philanthropic organizations outside Kuwait except in the form of formal transfers, and with official approval from the Kuwaiti authorities."

It has been a common practice for POs to "market" their projects through social media influencers. With followers in numerous countries, significant funds are generated globally, creating unique examples of receiving cross-border donations. For instance, the Direct Aid Society, one of Kuwait's most powerful associations, reports that its cooperation with YouTuber and Gamer Hassan Suleiman (AKA: AboFlah) has attracted tens of thousands of donors from 68 different countries.

Additional tools for receiving cross-border donations are online platforms, such as <u>give.org.kw</u>, "a non-profit company which aims to improve the process of donating. [It] connects donors with registered charities in Kuwait. It is free for charities to join the platform and 100 percent of the donation amount goes to the charities" (Give, 2021).

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 4.0

The political system recognizes the role and importance of charitable associations and encourages them, promoting public benefit associations to provide services or carry out social, cultural, religious, or sports activities on a voluntary basis without profit, as well as to manage charitable societies. The Ministerial Resolution No. 867 of 2001 compels the provision of unconditional charitable donations through the adoption of committees for several public service projects, such as building mosques, schools, or hospitals, thus marginalizing the public benefit associations that deal with recreation or spiritual matters.

The governmental support for Kuwaiti philanthropic activities is reflected in many ways, and POs are considered to be partners in development and a manifestation of the country's foreign policy and relationship-building with other countries. This support greatly contributes to the institutional and organizational advancement of Kuwaiti charitable work, its global spread, and its international reputation, which culminated in 2014 with the United Nations naming the late Amir as a "humanitarian leader" and Kuwait as a global center for humanitarian work. On the domestic level, Kuwaiti charitable societies have actively engaged in development, sponsoring and caring for the less fortunate in Kuwaiti society. They also work at building strong partnerships with official authorities in order to face the emergency crises facing Kuwait, as demonstrated recently with the role of Kuwaiti charities in fighting the COVID-19 pandemic (Abu Rumman, 2020).

Additionally, there is currently an initiative to prepare special media programs to inform donors of the importance of moving toward the adoption of charitable projects within the country. Changes in economic or political conditions do not appear to pose a threat to the sustainability of the charitable sector, as citizens of the State of Kuwait are accustomed to engaging in charitable work.

In an effort to construct an inclusive and integrated legal capacity, both the Parliament and the government have drafted a new "Humanitarian Work Law." The two versions stress the importance of promoting philanthropy and tackling the risks of money laundering and terror finance. Charitable associations were invited to participate in the dialogue in drafting the law, signaling the openness and transparency of the authorities' approach. However, the drafts have not become legislation yet.

Al-Shaheen (2015) explains that the draft law states that "MoSA must cooperate with the 'competent authorities,' and upon assessing the necessity, to establish humanitarian attachés. MoSA gets to supervise these entities, but without contradicting Law 21/1962. Moreover, Section 7 of the proposed law is titled 'violations, penalties, and sanctions.' As apparent from its title, the section details the possible violations and the consequence of each. For example, unlicensed charity work could land a person in prison for a maximum of three years plus a fine of KD 1000 to 3000 (approximately USD 3,300 to 10,000). The section explicates the formation of a judicial policing unit with jurisdictions to enter and inspect offices of aid agencies and their contents, including data. According to Article 31, spreading negative rumors that could lead to distrust in aid agencies and disclosing their 'secrets' would be severely punishable. Articles 34 and 35 hold the MoSA responsible for both applying governance in its monitoring mechanisms and providing training and resources by establishing an institute for aid workers. The proposed law is to have an executive policy that needs MoFA's approval." (Al-Shaheen, 2015)

On the other hand, Abu Rumman (2018) clarifies that the draft law imposes restrictions on: the acceptance of donations, gifts, and wills; on joining external associations or bodies; and on charitable organizations owning real estate, except to a sufficient extent. Moreover, the draft law, in accordance with Article 8, regulates the POs' approval of volunteer requests, making the Ministry's written approval and ratification of contracts a conditional prerequisite. However, such a requirement could have a negative impact on volunteering and the ability to attract new volunteers. Article 4, item 5, prohibits charities from establishing schools, which deprives them of around 30 percent of their fieldwork.

The suspicions and exaggerated accusations toward POs after the 9/11 terrorist attacks prompted some countries to review the activities of these bodies, restrict a large number of them, and tighten their process of collecting donations. Whether sourced by internal decisions or external dictations, such measures have gravely weakened these organizations' fundraising and constrained their sending of cross-border donations. As a result, POs found themselves almost limited to domestic endeavors (Abu Rumman, 2019). However, AlShaheen (2015) stresses that Kuwait's approach was different from that of certain other Muslim governments, which chose to be firmer, thereby making things very challenging for POs. He asserts that the Kuwaiti policy depended on integrating the associations and adjusting them in certain ways in a process of mutual interest.

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

Score: 3.5

The government supports charities and, to that purpose, established the Higher Committee for Charitable Work. The Committee coordinates the relationships between governmental offices and popular bodies in order to activate charitable work and to direct it to achieve its purposes and desired

goals. It also established a registry of voluntary teams. Moreover, the government does not exert any kind of pressure on how donations must be channeled.

However, charities face some administrative obstacles when dealing with governmental institutions, especially with regard to obtaining permission to raise funds within the State of Kuwait, or when implementing projects outside the country, resulting in delays in the implementation of such projects.

Robert McNamara, the former president of the World Bank, sums up the official side of philanthropy in Kuwait: "Here was Kuwait, a tiny country, until recently among the poorest places on earth, establishing a development fund in the year of its political independence. While welcoming its newfound prosperity it was declaring willingness to share its future wealth with its Arab neighbors" (McKinnon, 1997).

It is clear from numerous official speeches and statements that charity is a value that Kuwait holds dear. A popular quote in the field is the one traced to the late Amir: "Philanthropy is a crown on our heads." The Kuwaiti authorities have included POs in major international conferences held in the country, including "One Humanity Against Hunger," an international initiative to feed one billion humans.

V. Economic Environment

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

Score: 4.0

In an almost welfare state, where oil is the main national export, the general financial status of the citizens is one that does not hinder philanthropy. Home to the world's first sovereign wealth fund and the sixth largest oil reserve, Kuwait has factors such as free of charge education and healthcare that support giving. Individuals with fewer financial burdens to carry are prospective donors.

The World Bank expects Kuwait's economy "to grow by 2.4 percent this year, driven by the oil sector, followed by a rise of 3.2 percent in 2022 and 2023" (World Bank, 2021) so overall and in general, as most countries, the good economic situation in Kuwait makes philanthropy easier.

VI. Socio-Cultural Environment

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

Score: 4.0

Abu Rumman (2020) explains that Kuwait is characterized by a deep-rooted cultural and religious heritage that encourages charitable work, whether it is directed inside or outside Kuwait. Several factors overlap in forming this socio-cultural environment, the most important of which is Islamic culture itself. Kuwait is very close to the Islamic holy sites, which plays a great role in the strength of Kuwaitis' religious feelings, and their association with authenticity and the love of goodness. Another important element is the country's cultural heritage. As Kuwait was historically founded on adjacent housing and alleyways, the first generations were proud of the social solidarity and cohesion between

the people during times of crisis. The social meaning of the "clan" was later embodied in many traditional sayings, such as "Pay its sweetness, push away its misfortune." According to historians, Sheikh Jaber bin Abdullah Al-Sabah (1859–1814), the third ruler of Kuwait, was called "Jaber Al-Aish." Al-Aish means rice in the Kuwaiti dialect, because he prepared tables of food, consisting largely of rice, next to his palace to feed poor people. In 1867, a drought and famine drove large numbers of Persians to flee to Kuwait, which provided money, food, and shelter to the displaced during the three-year drought. Importantly, Kuwaiti society knew poverty and destitution before the discovery of oil, such that giving and the desire to help others is an inherent trait among Kuwaitis.

Kuwaiti society is well accustomed to charitable work, which is considered a religious duty throughout the year, such as the distribution of zakat in helping the poor and orphans. Charity increases during religious occasions, especially in the holy month of Ramadan, and during disasters, such as refugee crises, famine, and civil wars, during which charities raise funds for the relief of the afflicted. For example, the Direct Aid Society collects donations online during these crises. In 12 hours, the organization collected more than USD 8 million for the Somali famine, and in 14 hours nearly USD 4 million for Kenyan orphans (Derwaza.com, 2017).

In 1959, the Law Regulating the Licensing of Money Collection for General Purposes was issued to regulate the collection of money for public purposes and to help refugees.

Charitable activities in Kuwait are regulated and have a law governing them. However, due to the institutionalization of charitable work, the impact of personal or cultural charitable work has decreased.

The communal culture in Kuwait is one that regards benevolence highly. The increasing number of associations creates the capacity and diversity to absorb donations from a wide spectrum of people despite their ideological and theological differences. Moreover, the religious duty of an annual donation (zakat) is a significant source of income for associations despite its restricted spending criteria.

VII. Future of Philanthropy

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

Current state of the philanthropic sector

re are around 50 charitable associations and 88 charitable organizations supervised by MoSA. This suggests that there is a healthy demand for charitable work within the Kuwaiti society, but it remains below the desirable level.

Despite the expansion of philanthropy in Kuwait, the development of the sector requires a database of the voluntary social sector in the country to allow POs access to reliable information so they can plan and develop the much-needed infrastructure for the sector. In Kuwait, in order to use volunteers, POs' management must have specialized training at an institute, which will help associations manage their businesses efficiently through a sophisticated financial and administrative system.

There is also the need for collaboration between charity associations and governmental agencies to prevent the duplication of programs and efforts. Currently, such a collaboration only exists between charities and the Zakat House.

As the events of the Arab Spring spread over Tunisia, Libya, Egypt, Yemen, Syria, and Iraq after 2010, and as a result of the accompanying displacement of people, killings, and tragic humanitarian crisis in the Arab region, Kuwait developed many philanthropic initiatives, such as donations and sponsorship projects outside its borders. These initiatives will continue to be prominent in areas that are increasingly affected by crisis, such as Syria, Iraq, and Yemen, as well as in populations under distress, such as the Syrian refugees and the Iraqis on the Turkish, Jordanian, and Lebanese borders.

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

- 1) Parliamentary discussions on the draft law to organize humanitarian work.
- 2) Kuwait's hosting of the International Conference for the Reconstruction of Iraq.
- 3) MoSA's organizing, along with the IICO, of a thorough training program for associations' staff. The long-term program was named *tamkeen* (empowerment).

Future development trends in the philanthropic landscape

- Increase online and social media fundraising and donations;
- More organization and accountability efforts in the philanthropic sector due to internal and external demands: and
- Spread of the culture of charitable work in the media, and the use of social media in a fruitful manner, not only to increase donations but also to spread the news about humanitarian and relief work among potential donors.

Three key recommendations to improve the environment for philanthropy

- Allow cash donations in public places, which charities can organize in cooperation with local authorities;
- Apply quality management and transparency policies to POs;
- Facilitate the establishment of POs:
- Stop the politicization of charitable work, as some charitable organizations belong to political parties; and
- Establish umbrella organizations that support POs.

VIII. Philanthropic Response to COVID-19

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

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

While a strict curfew was imposed—mostly in areas dominated by expatriate workers, most of whom are temporary laborers who depend on an unstable and minor source of income—a humanitarian crisis unfolded. Forty-one associations formed a coalition under the supervision of MoSA to provide relief, logistics, and medical equipment. The coalition, called Fazaat alKuwait, meaning "a succor for Kuwait," managed to raise 9 million Kuwaiti Dinars (about USD 30 million) from more than 198,000 people in the public (Kuwait News Agency, 2020).

The crisis prompted a busy season of volunteering, as it recruited former volunteers, raised the demands for current volunteers, and attracted new volunteers. Hundreds of volunteers assisted in food distribution, made calls to quarantined patients, helped people with special needs who were difficult to reach, performed civil defense duties, and assisted those in temporary detention centers for violators of the residency law, who were granted an unconditional approval to leave (Abu Rumman, 2020). In addition, television channels broadcast multilingual media campaigns with the aim of raising awareness among foreigners with regard to protecting themselves and their loved ones from the virus.

In a later phase, the coalition assisted in a historical mission initiated by the late Amir to fly back an estimated 50,000 Kuwaiti students, patients, and travelers from overseas. Associations even worked with the Kuwaiti Embassies and student unions abroad to provide sanitizers and masks for Kuwaitis waiting for their flights home, an initiative commended by the Deputy Minister of Foreign Affairs at the time.

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

The authors witnessed, firsthand, how multiple associations have managed to coordinate well together. Specific tasks were assigned to them to facilitate swift action, as well as to prioritize projects. A central "situation room" was formed, and both virtual and physical meetings were held regularly with government agencies in attendance. Among the new initiatives was promoting children's education by providing books and other forms of literature to compensate for the effects of school shutdowns.

Impact of COVID-19 on the philanthropic environment

In times of crisis, with the increase in tasks and challenges, the need for a larger role of philanthropy in various sectors is the greatest, and thus there is a justification for the intervention of a particular sector in the work of others. The pandemic proved that governments, no matter how wealthy, cannot replace the pivotal role of the charitable sector. A sector that properly utilizes its energies can reduce the burden of other parties and state resources whose capabilities may be overwhelmed.

The authorities' narrative asserted the necessity of philanthropic spending focused inward. The suffering of migrant workers and stateless people due to the interruption of their livelihoods supported the official narrative. The public was introduced to firsthand accounts of tragedies that were no longer taking place far away, but rather in their own small homeland.

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

- An increasing focus on medical and health aspects.
- A decrease in giving capabilities due to economic and financial complexities.
- The widespread use of digital solutions and distance communications.
- The search for sustainable sources of income.
- POs may see themselves pushed to prioritize direct relief rather than long-term development.

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