

CHINA



REDINESS LEVEL

MEDIUM

China's private philanthropy sector has grown significantly in recent years. Although cross-border giving represents only a fraction of total domestic giving, China's global agenda in business expansion and international cooperation coupled with the fast-rising wealth in the country could spark China's rise on the global philanthropic stage as an important donor country.



CROSS BORDER GIVING INDEX

SCORE
2.00

The majority of philanthropic giving in China focuses on domestic issues. While total philanthropic contributions in China reached US\$23.4 billion in 2018, cross-border outflow was estimated at US\$20 million, accounting for 0.0002% of the country's GNI.¹

China has potential to increase philanthropic giving, particularly cross-border giving, due to the large concentration of high net-worth individuals. In 2018, China had 819 billionaires—the most in the world.² Total giving from domestic and foreign sources rose from 2015 to 2019, from US\$17 to 24 billion, 45% of which came from foundations.³ Young donors, particularly those who studied overseas, are increasingly interested in giving abroad and looking for opportunities to build meaningful legacies beyond China.

The China International Development Cooperation Agency was formed in 2018, signalling the Chinese government's interest in expanding its influence in international development.⁴ Private philanthropists and corporations could be expected to join the government in this effort.

China is a major recipient country. Among overseas NGOs registered in China to facilitate inbound donations, over half came from the U.S., Hong Kong, and Japan. The cross-border inflows focus on trade, education, youth, health, and poverty alleviation.⁵



REGULATORY INDEX

SCORE
1.90

Channelling funds abroad has eased but is still strictly regulated. Individuals residing in China can exchange and remit up to US\$50,000 per year.⁶ Larger cross-border charitable donations need to go through a national foundation or a nonprofit and require government approval and bank reviews.⁷ The Ministry of Civil Affairs and the State Administration of Foreign Exchange approve overseas giving on a case-by-case basis.

Philanthropic inflows to China have seen tightened government oversight. In 2017, China introduced the Overseas Non-Governmental Organisation (ONGO) Law that has provided two main pathways for international donors who wish to make grants into mainland China:

- An Overseas NGO can apply for Temporary Activity Permits (TAP) to facilitate foreign donations to the intended recipients in China. The process requires case-by-case approval of activities for a fixed timeframe and is limited to a specific city.
- An Overseas NGO may establish a Foreign NGO Representative Office under the purview of the Public Security Bureau.⁸ This option provides donors more flexibility with timeframes and geography and is becoming the preferred mechanism for approving charitable activities as it helps build long-term relationships with grantmakers and is seen as less risky.



INFRASTRUCTURE INDEX

SCORE

2.63

China has a growing diversity of ecosystem players but there is room to build in coherence and professionalism in the philanthropic infrastructure.

Advocacy efforts take the form of consulting relationships with the government. The Ministry of Finance and Ministry of Judiciary are leading discussions about lowering barriers to cross-border giving. Private and social actors are consulted when such government bodies deem it relevant.⁹

Influential knowledge providers in the philanthropy sector exist. Despite their focus on domestic issues, these organizations have laid the groundwork for more engagement in

cross-border philanthropy. China Foundation Center, initiated by 35 well-known foundations in 2010, has developed a comprehensive online database of over 7000 registered foundations. Their platform has become an important resource to promote foundation development and facilitate international philanthropic data standards in China.

There is a strong need to professionalize the governance and management process of the philanthropy sector. As the interest in philanthropic giving rises, China will need more intermediary organizations that can offer strategic advice, increase capacity, and help navigate the complex regulatory system.¹⁰

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS	
Research institutions	<ul style="list-style-type: none"> • Institute for Philanthropy Tsinghua University • China Philanthropy Research Institute, Beijing Normal University 	
Philanthropy advisory	<ul style="list-style-type: none"> • China Foundation Center • NPI Foundation 	<ul style="list-style-type: none"> • Non-Profit Incubator
Grantmaking intermediaries	<ul style="list-style-type: none"> • Tencent Charity • Taobao Charity 	<ul style="list-style-type: none"> • Ant Finance Charity • Jingdong Charity
Networks and membership organizations	<ul style="list-style-type: none"> • China Foundation Forum • China Donors Roundtable 	<ul style="list-style-type: none"> • China Effective Philanthropy Multiplier • China Association for NGO Cooperation
Funders of infrastructure	<ul style="list-style-type: none"> • Narada Foundation • Woqi Foundation 	<ul style="list-style-type: none"> • Dunhe Foundation
Philanthropy media	<ul style="list-style-type: none"> • 中华慈善新闻网 China Philanthropy News Network • 新浪公益 Sina Charity 	<ul style="list-style-type: none"> • 公益中国 PUBCHN.COM • 公益时报 CHINA PHILANTHROPY TIMES