



ANALYSIS & RESULTS OF CCIC/ICN SURVEY ON POLITICAL ACTIVITIES

Canadian Council for International
Co-operation (CCIC)
November 9, 2016

POLITICAL ACTIVITIES

The Canadian Revenue Agency ([CPS-022](#)) presumes an activity to be political if a charity:



- **explicitly communicates a call to political action** (that is, encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country)



- **explicitly communicates to the public that the law, policy, or decision** of any level of government in Canada or a foreign country should be **retained** (if the retention of the law, policy or decision is being reconsidered by a government), **opposed**, or **changed**



- **explicitly indicates in its materials** (whether internal or external) **that the intention of the activity is to incite, or organize to put pressure on**, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country

SURVEY OVERVIEW & PARTICIPANT PROFILE



97

ORGANIZATIONAL RESPONDENTS

78

ENGLISH

81

CHARITIES

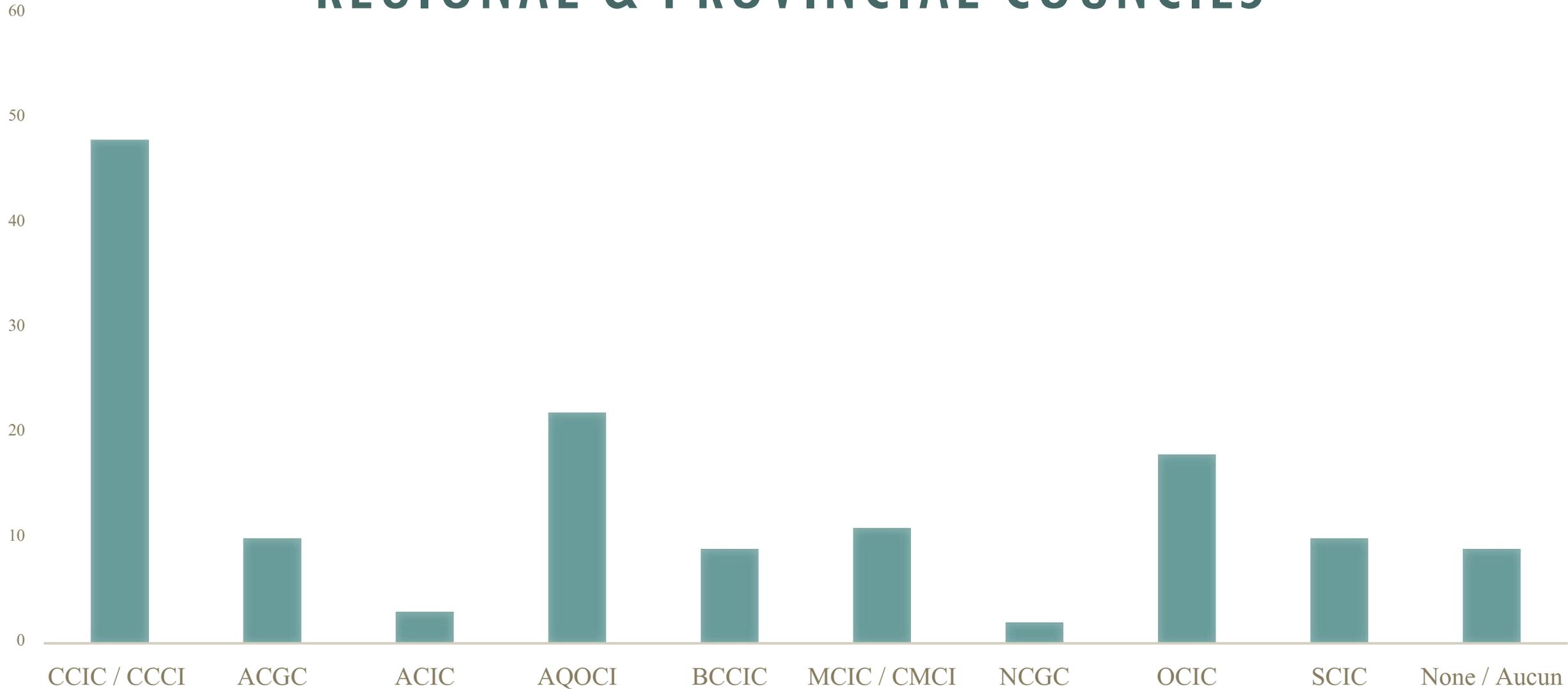
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FRENCH

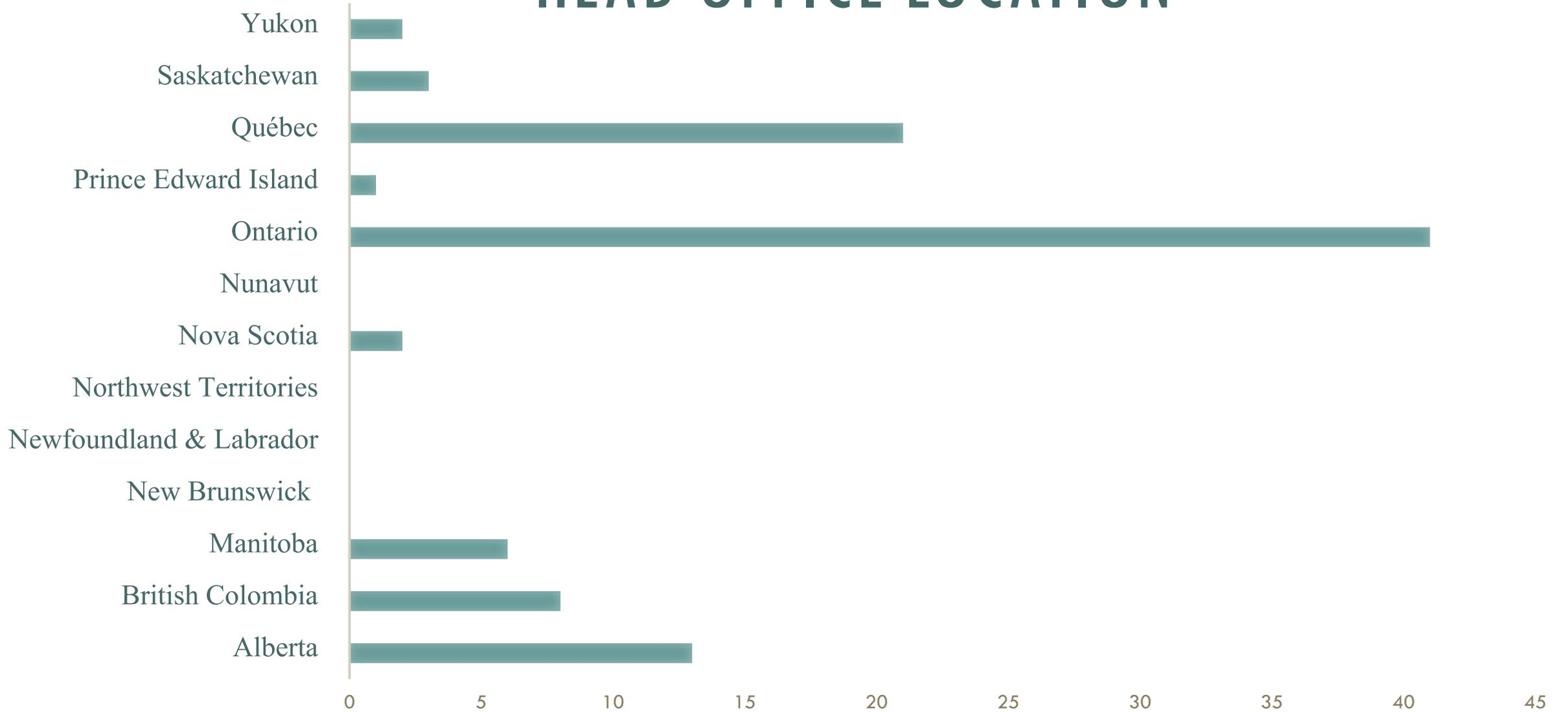
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NOT-FOR-PROFITS

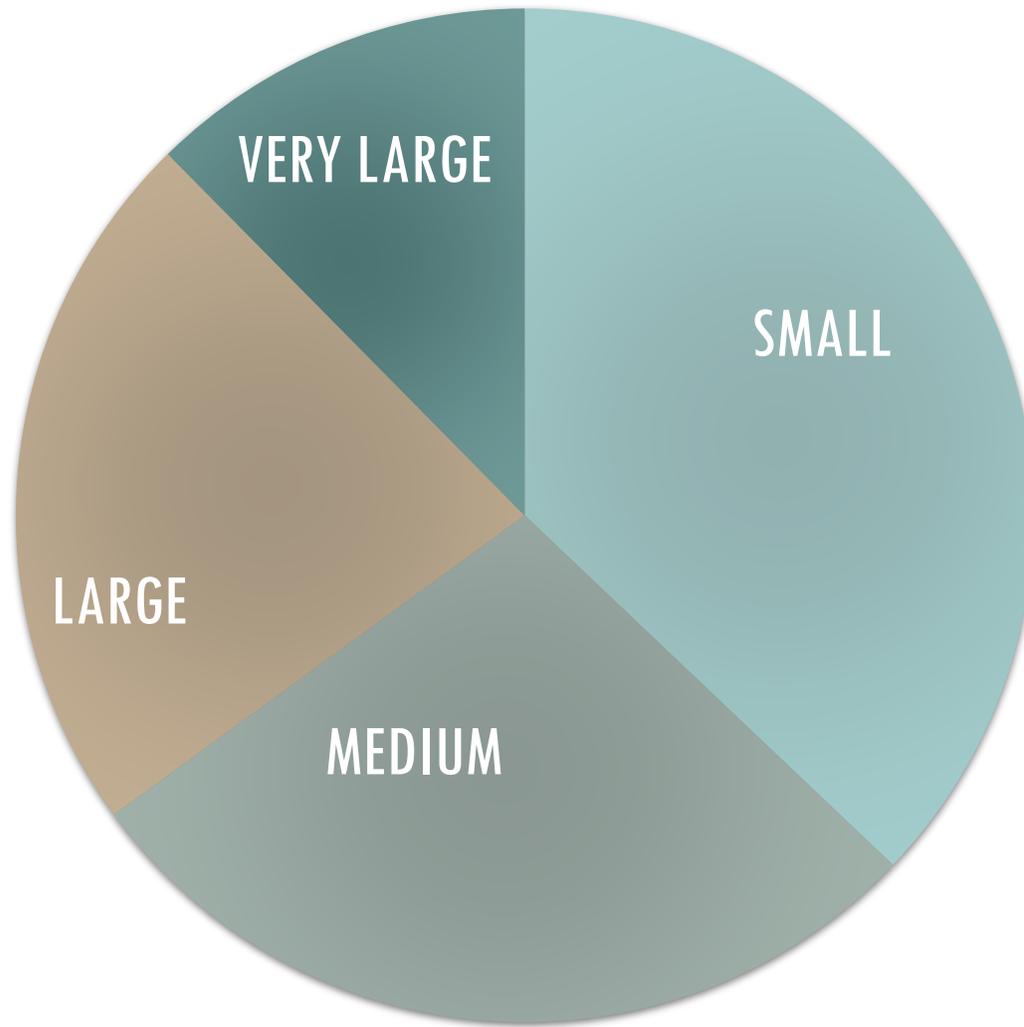
MEMBERSHIP : REGIONAL & PROVINCIAL COUNCILS



HEAD OFFICE LOCATION



SIZE OF ORGANIZATION



■ Small (Budget of below \$500,000)

■ Medium (Budget of \$500,001 to \$2 million)

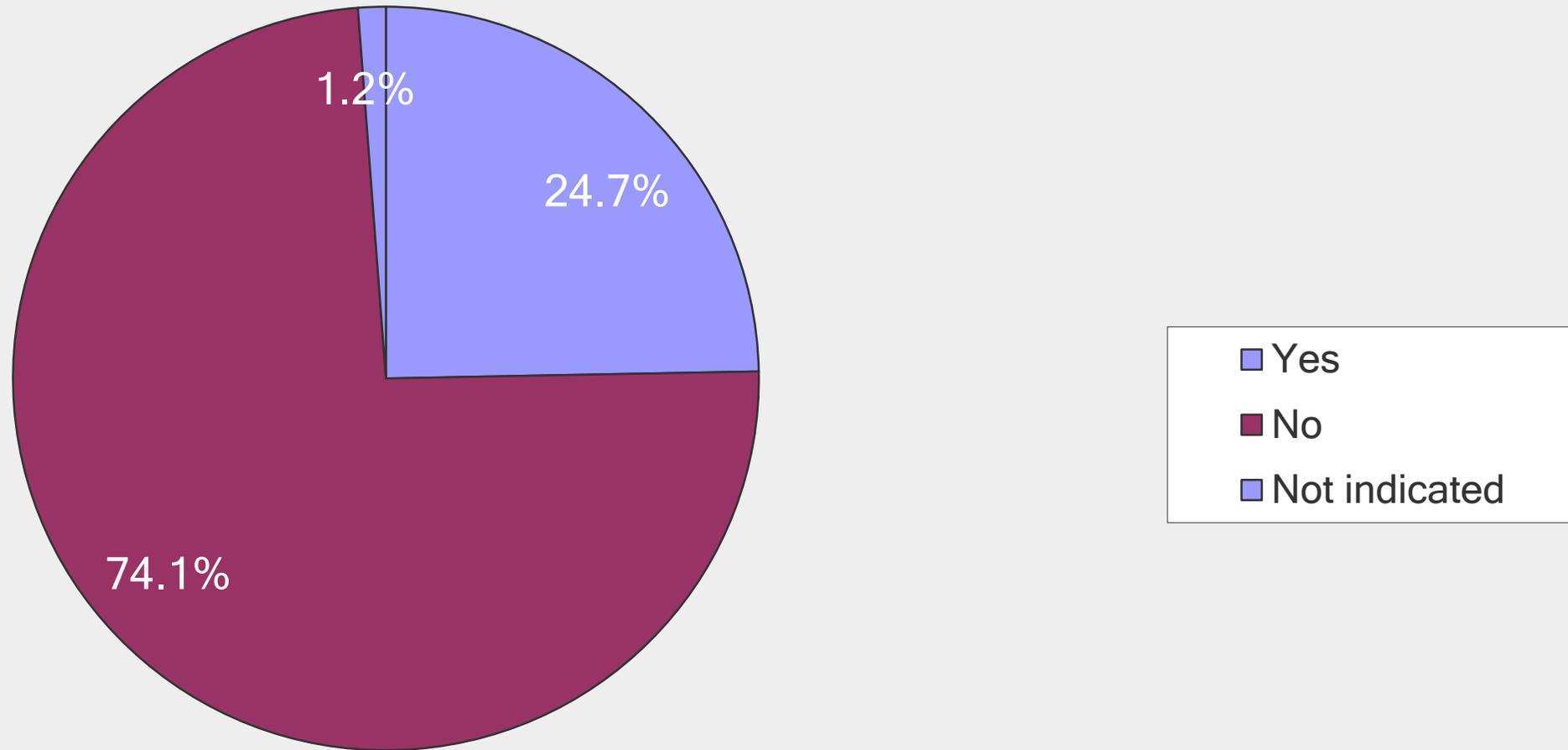
■ Large (Budget of \$2,000,001 to \$15 million)

■ Very large (Budget of more than \$15 million)

CANADA REVENUE AGENCY

AUDIT

Has your organization been audited by the CRA since 2010?



AUDITS

20%

Of audited organizations have been audited twice in the past five years

56%

Indicated that **political activities** had been part of their audit

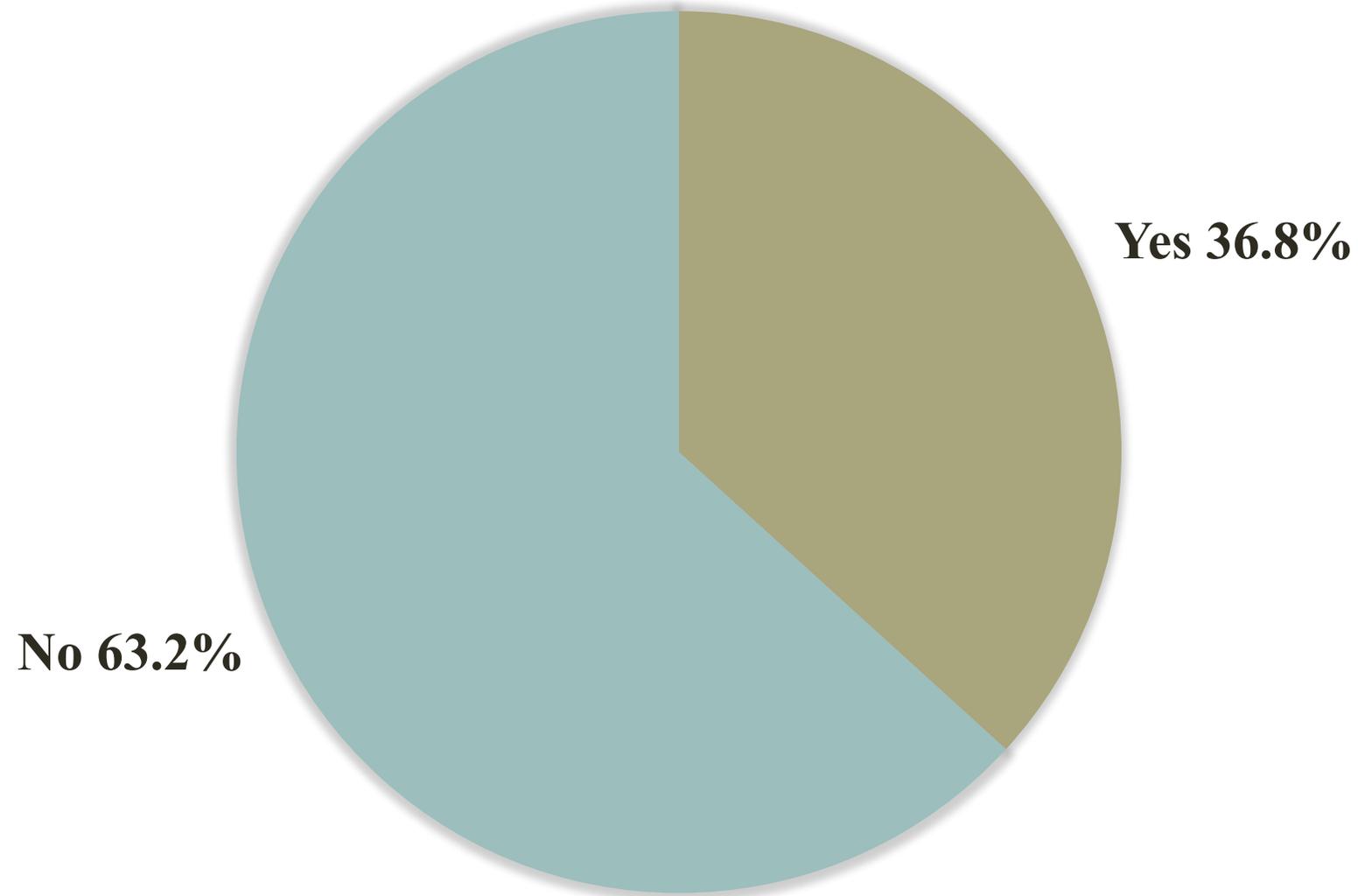
72%

Indicated **direction** and **control** was included.

17%

Of audited organizations **currently** have an **audit underway**.

HAVE THE POLITICAL AUDITS PROGRAM OF RECENT YEARS HAD SOME “CHILL” EFFECT ON THE ORGANIZATION?





**KNOWLEDGE
OF
CRA RULES**

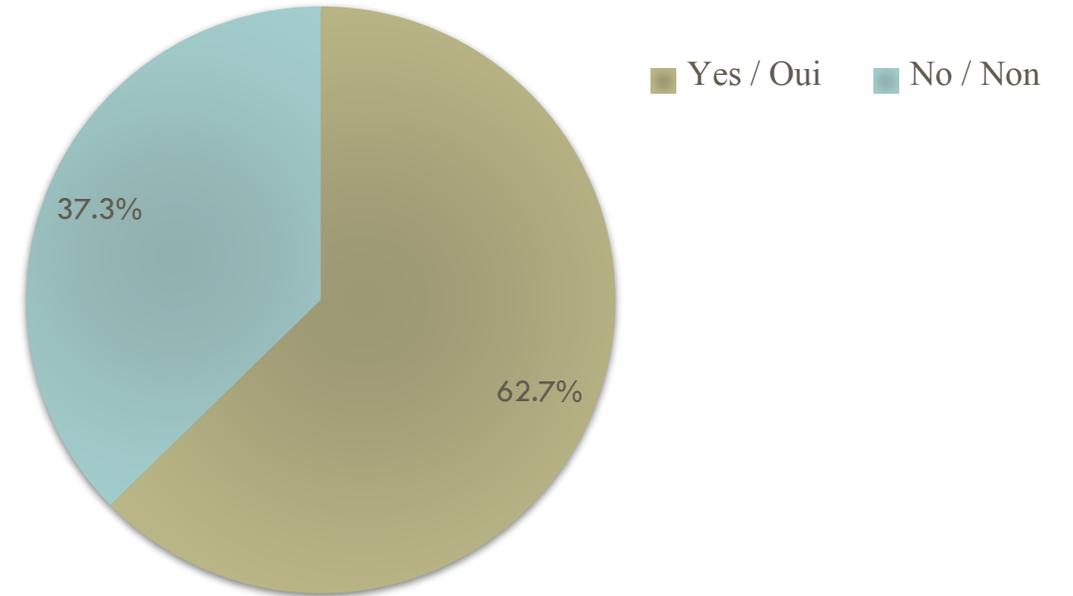
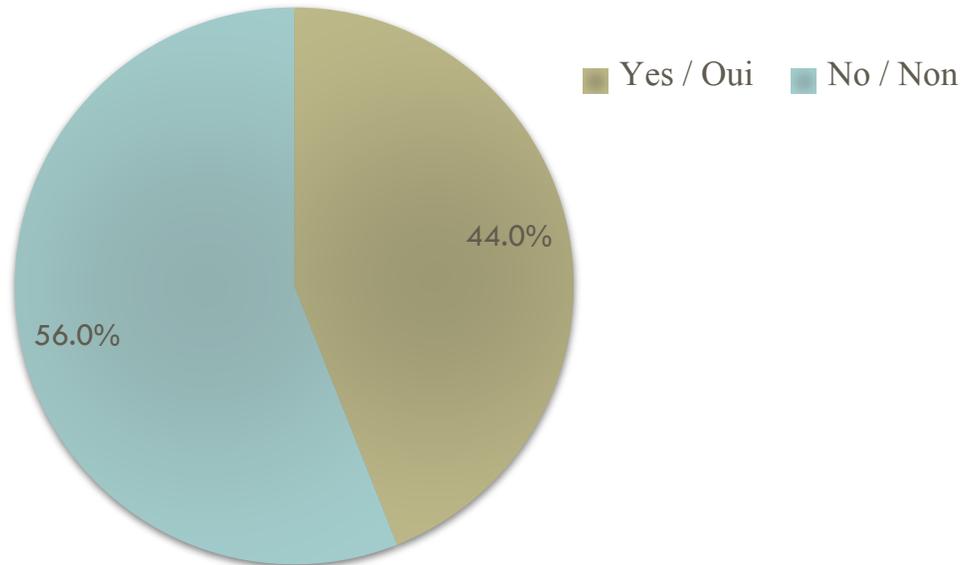
KNOWLEDGE OF CRA RULES ON POLITICAL ACTIVITIES

- Organizations indicated staff knowledge of CRA activities > board of directors' knowledge of political activities.
- When ranked (1-5) staff knowledge was marginally higher (at 3.37) than board (2.85) – but both still at an average level

KNOWLEDGE OF CRA RULES ON POLITICAL ACTIVITIES

Staff : good understanding of CRA rules?

Board of Directors: good understanding of CRA rules?



TO BETTER UNDERSTAND CRA RULES ON 'POLITICAL ACTIVITIES', STAFF & BOARD REQUIRE:

- Additional training (32.2%)
- Clearer CRA guidelines and educational materials (21.8)%
- Educational materials that reflect the realities of organizations working overseas (14.9%)
- More resources to review and understand these rules (11.5%)
- Other 27.6%



ENGAGEMENT

VS.

REPORTING

POLITICAL

ACTIVITIES

ENGAGING IN POLITICAL ACTIVITIES

44%

Of organizations indicated they engage in public policy activities that are **not** classified as “political” by CRA

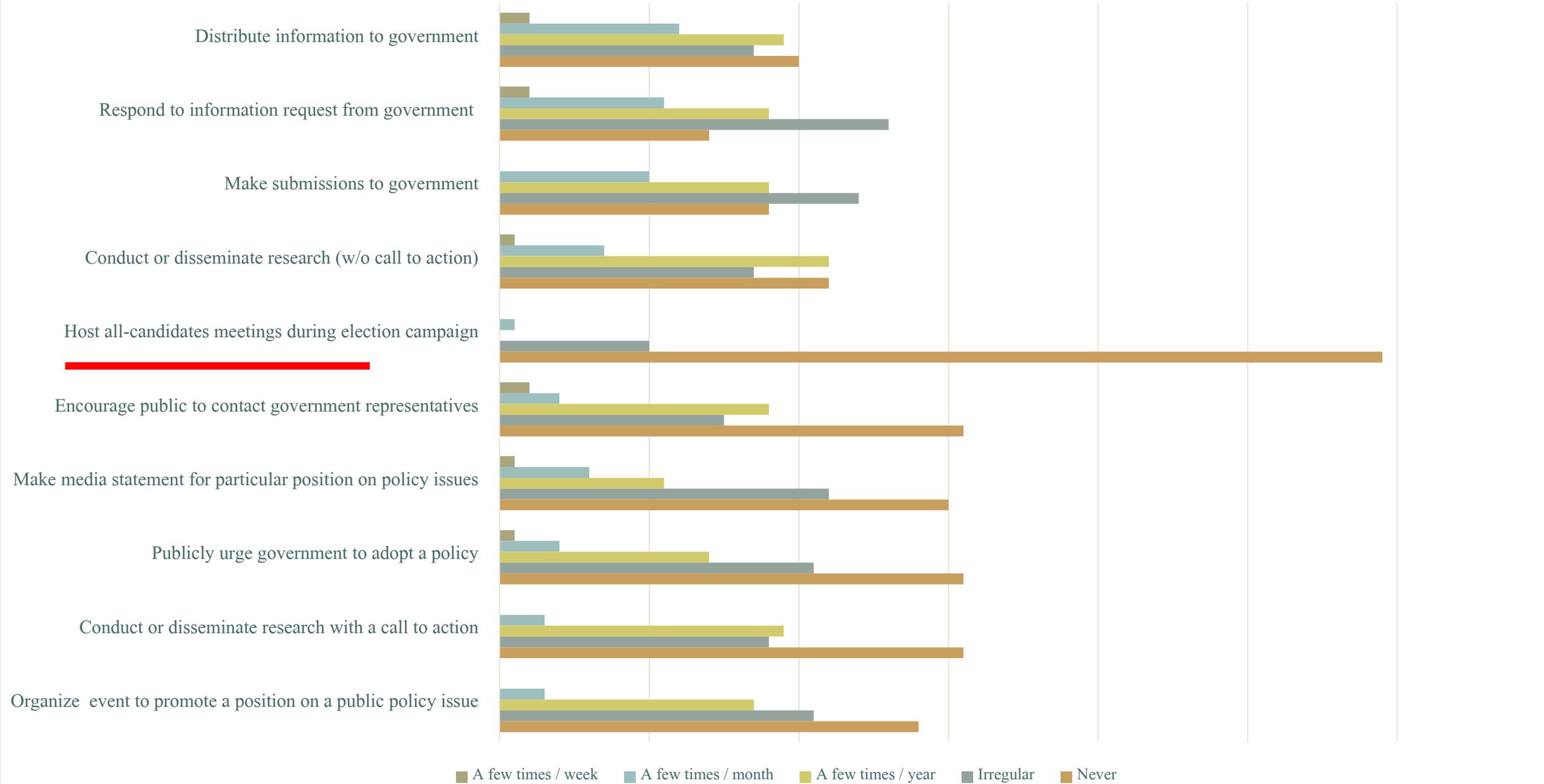
29%

Of organizations indicated that they engage in public policy activities that are classified as “**political activities**” by CRA

1.4%

Of organizations indicated they engage in activities **during election campaigns** (permissible all-party activities)

Frequency with which orgs engage in activities



REPORTING POLITICAL ACTIVITIES

64%

Of organizations indicated that they do not report *any* political activity.

30%

Of organizations report political activities.

WHY DIDN'T YOU REPORT POLITICAL ACTIVITIES?

64%

'Political activity' is not in the mandate of my organization

36%

My organization lacks the financial resources to engage in 'political activities'

27%

My organization has engaged in 'political activities' but these are below the threshold allowed, so we do not report them

23%

My organization lacks the human resources to engage in 'political activities'

DIRECTION & CONTROL

Organizations indicated that they transfer funds under Direction & Control requirements to organizations that:

40%

Seek to change laws and policies at any level of government in their home country(ies).

34%

Issue calls to public action to engage citizens of their countries in efforts to change laws and policies at any level of government

47%

(and/or) participate in coalitions or networks where ‘political activities’ are undertaken



**GUIDELINES
FOR
POLITICAL
ACTIVITIES**

GUIDELINES FOR POLITICAL ACTIVITIES

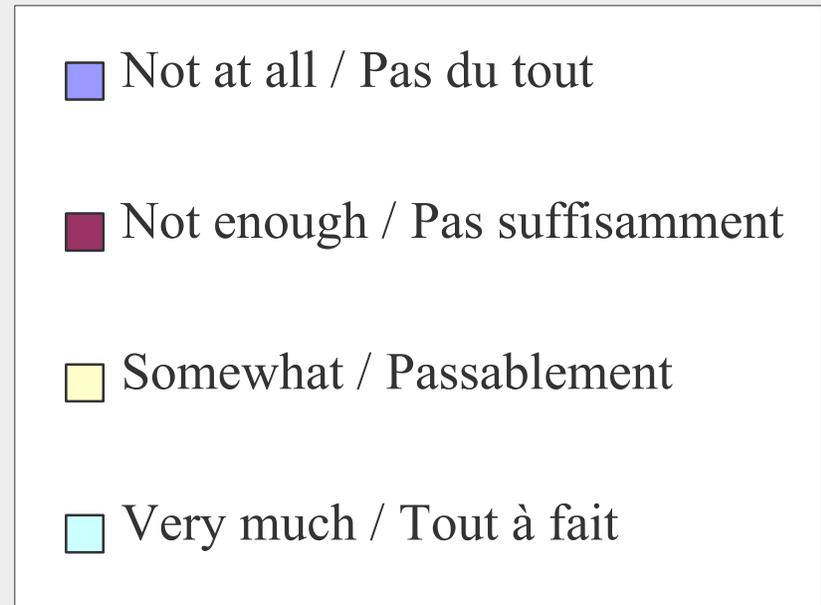
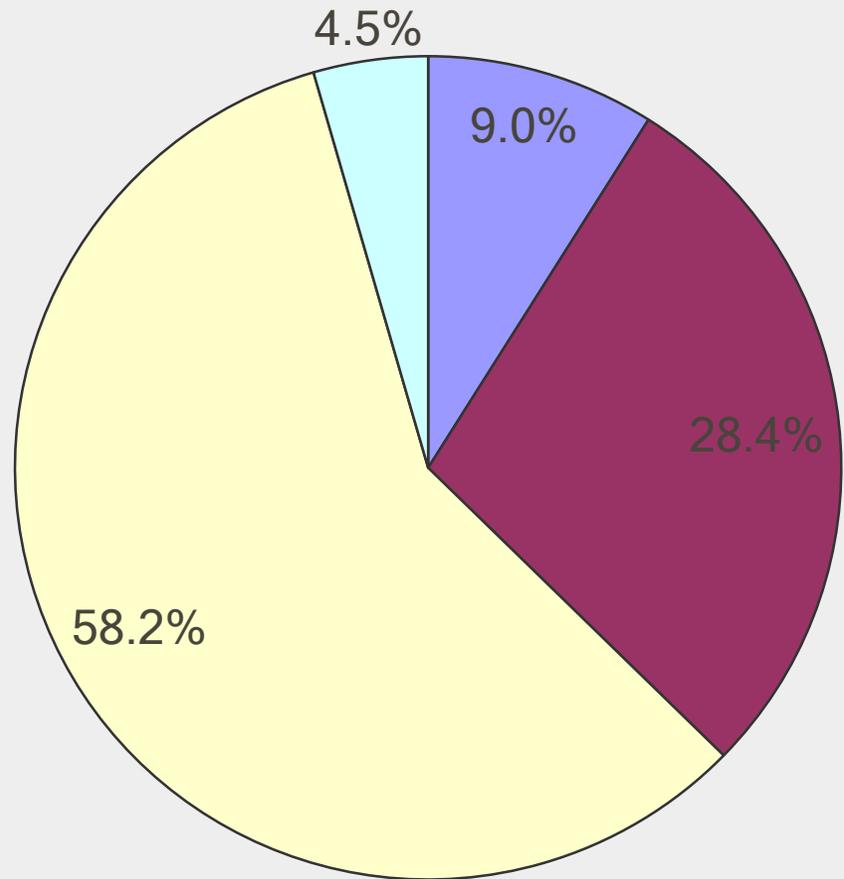
79%

Of organizations indicated that they have consulted the CRA guidelines for political activities.

92%

Indicated the current restrictions on ‘political activities’, which limit charities capacity to issue calls to action and other related work, **hinders** their ability to realize their mission.

Is the CRA's policy guidance on 'political activities' clear, useful, and complete?



HOW COULD THE CRA **IMPROVE** ITS POLICY GUIDELINES?

- Clearer distinction between ‘political activities’ and ‘lobbying activities’ (31.5%)
- Better description of a ‘political activity’ (26.8%)
- Better explanation of charities’ accountability for their use of resources (26.0%)

PRINCIPLES OF POLITICAL ACTIVITIES

95%

Believe important that charities **issue calls to action to engage Canadians in public policy debates** for addressing issues of global social justice, humanitarian assistance and sustainable development

83%

Believe Canadian registered charities should be able **to provide financial support to civil society organizations in developing countries** that are working to **change laws and policies** that block social justice

PRINCIPLES OF POLITICAL ACTIVITIES

79%

Believe laws and policies in Canada need to change so that social justice and improvements in the well-being of poor and marginalized people in developing countries can be achieved.

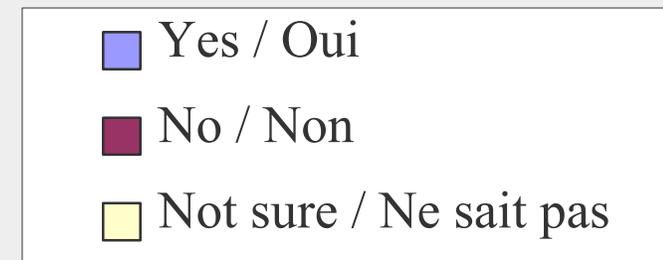
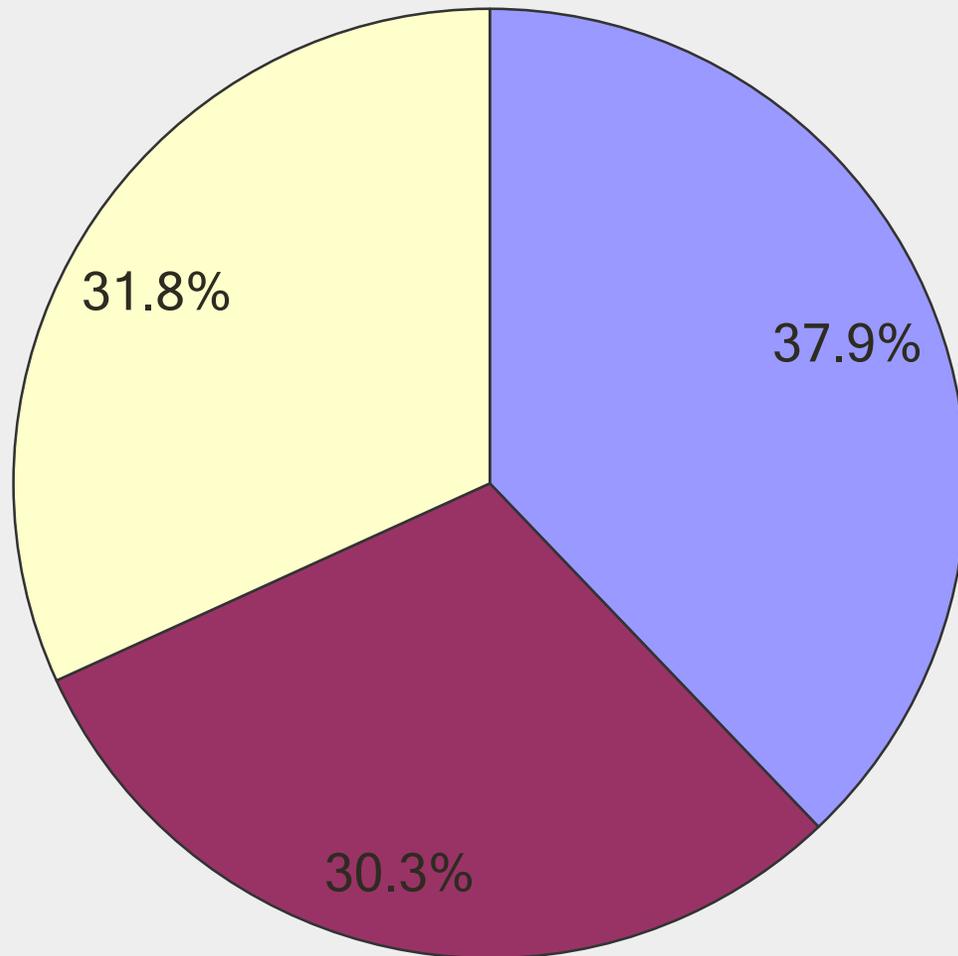
79%

Believe laws and policies in developing countries need to change so that social justice and improvements in the well-being of poor and marginalized people in developing countries can be achieved.

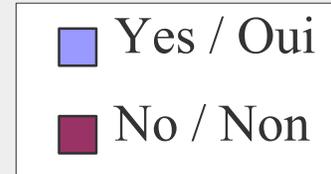
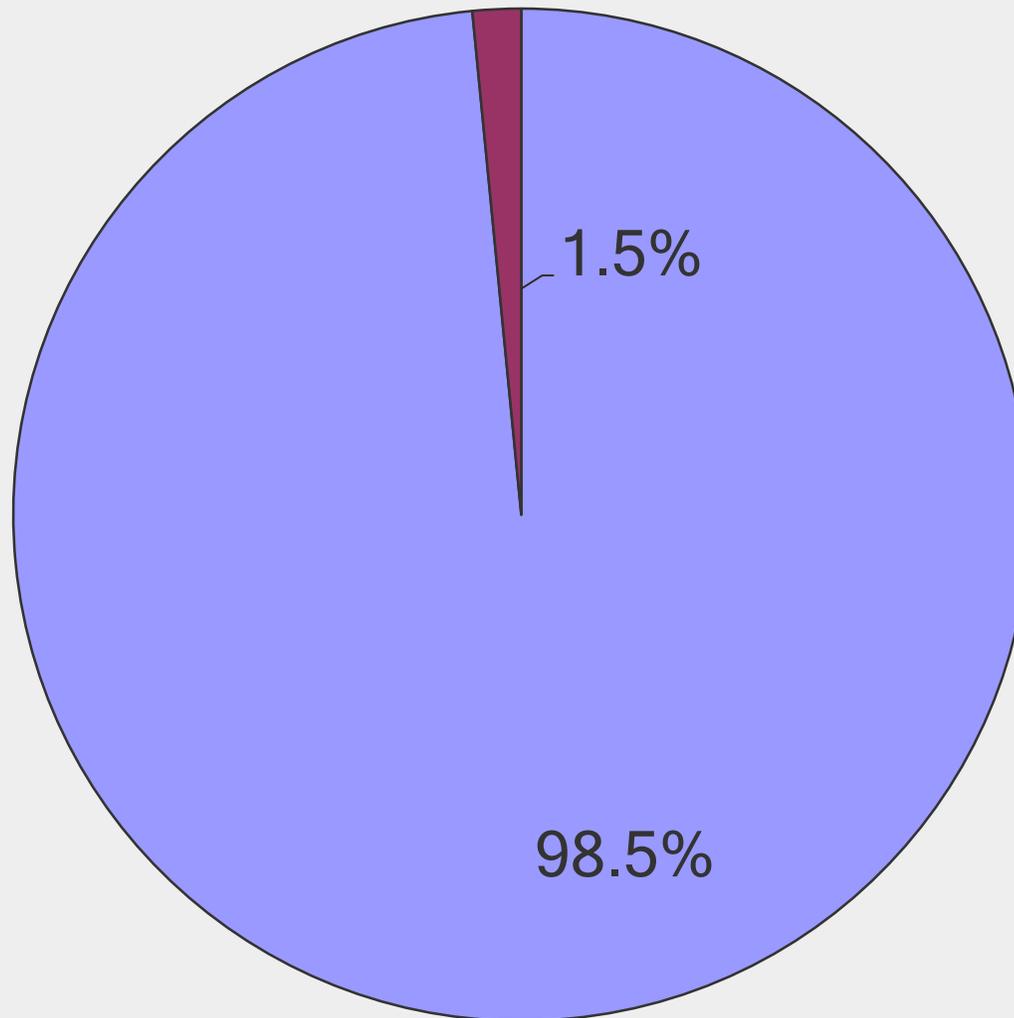
91%

Believe that civil society organizations in developing countries should be able to work to change laws and policies that stand in the way of social justice and improvements in human well-being.

Do you think that charities should be able to pursue 'political activities' without any restrictions?



Do you think *changes* should be made to the *rules governing 'political activities'* by charities or the enforcement of the existing rules by the CRA?



ANALYSIS: HIGH-LEVEL TAKEAWAYS

1. Form should follow function, and principles need to be reflected in practice
2. Civil society organizations are not just service providers
3. Legislation that is restrictive (even if just in perception) is not good, nor sustainable development practice
4. Demands for legislative change are reasonable
5. Incidence of advocacy (and possibly reporting) is low ...
6. ... but this is not surprising (given the lack of clarity, knowledge, resources)



KEY MESSAGES

1. CREATE A NEW LEGISLATIVE FRAMEWORK FOR CHARITIES

CCIC and its members welcome the Minister's mandate to modernize the legislative framework for charities, and in particular to clarify rules on political activities. As Canada positions itself to be a global leader, it needs a new legislative framework for 21st century which address a series of issues such as expanded purposes, re-defining "own activities" and more. Charities are no longer restricted to service delivery organizations. Increasingly, charities are focusing their work on addressing structural causes of poverty and injustice.

- A. In order to create a new legal and regulatory framework for the sector, the Government of Canada needs to ensure adequate timelines and funding for coalitions and umbrella organizations

to carry out participatory and meaningful consultations during this process.

2. SUPPORT CHARITIES' CAPACITY TO ENGAGE IN PUBLIC POLICY PROCESSES

CRA needs to focus on supporting charities' capacity to engage in public policy processes. Current lack of clarity and limitations tend to inhibit, rather than support, charities in this important work – this needs to change given that more, and not less, involvement in public policy is required by the new and future context (ex. SDGs).

3. ADAPT D & C REQUIREMENTS TO REMOVE BARRIERS TO CHARITIES' WORK

The capacity of international development charities to engage in important programmatic and public policy work related to their charitable purposes is hindered by D & C requirements, which are in contradiction to “best practices” in global poverty reduction and the promotion of HRs, principles of dev cooperation, equitable partnership principles, donor expectations and more.

- A. In particular, charities' ability to work collaborative, through participation in coalitions undertaking political activities, with other charities and/or with non-qualified donees, are problematic.

- B. And their capacity to support partners in developing countries doing public policy work.

4. REMOVE LIMITS TO POLITICAL ACTIVITIES TO FACILITATE SOCIAL CHANGE

The international development charitable sector questions the relevance of limiting charities' public policy activities via the current definition of 'political activities'. Given the imperative to tackle root causes of poverty and injustice, there is recognition that social change can only happen if rules and laws are in place that protect basic human rights. Working towards this requires charities to engage in and support a range of public policy activities.

- A. Restrictions on charities should not impede their capacity to influence policy processes, including with respect to the capacity of other sectors (like the private sector)
- B. Need to clarify ‘partisan activities’ especially when they go above and beyond the restrictions of Elections Canada

5. CLARIFY THE EXISTING RULES AND PROVIDE GUIDANCE TO CHARITIES

There is also much that CRA could do to clarify existing rules and provided clearer guidance around PA for charities, which would reduce the risk for charities to engage in public policy activities. This includes using clearer definitions, providing more relevant and sector-specific examples, providing clear advice upon request, making audits more transparent, expanding guidance to include current issues (example social media), etc. However, though these measures would make the current rules more manageable in the immediate term, they would not obviate the need to refresh / modernize these in the foreseeable future.

**THANK YOU FOR YOUR ATTENTION — LOOKING
FORWARD TO YOUR QUESTIONS, COMMENTS AND
A PRODUCTIVE DISCUSSION!**