



# Moving Forward Together

Supporting the Sector to be of  
better Service to the Community

Electoral Proposals 2022

Presented by the



Malta Council for the  
**VOLUNTARY SECTOR**

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Supporting the Sector to be  
of better Service to the Community

## Introduction

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The Malta Council for the Voluntary Sector as the entity representative of the VO Sector under the Voluntary Organisations Act is continuously committed to support the Voluntary Organisations working in the various sectors within our community and beyond. The aim of this document is for the consideration of Political Parties with respect to the various issues that need to be addressed to sustain and assist voluntary and non-profit organisations in Malta.

These proposals address various aspects that effect the work of the Voluntary Sector, an integral part of the community structure and key player within the various walks of society, which have been an issue for several years. Now these issues, also in view of the post COVID-19 reality, have become more pressing and need to be addressed urgently since many voluntary organisations have been affected to some or great effect, in some cases putting at risk their operation, if not existence.

The aim the Malta Council for the Voluntary Sector especially in these times, but not only, is to support the development of a more effective and efficient voluntary and community sector in Malta and Gozo through the delivery of a range of support and capacity building services while supporting the development of a more influential and cohesive voluntary and community by facilitating networking and partnership within the sector, and between the same sector and the private and public sectors.

“Support the development of a more effective and efficient voluntary and community sector in Malta and Gozo.”

## Recognition in the Constitution

The Voluntary Sector in Malta has always been recognized not only as the third pillar of the economy but even more as the backbone of our communities. In 2019 the first National Strategy for Volunteering was signed between Government and the Malta Council for the Voluntary Sector, recognizing the contribution of the Voluntary Sector where the value of volunteering is deepening and as recognized as a measure and means to encourage engagement, connectedness, community and social inclusion, and strengthening a sense of belonging so important for society in general.

“Volunteering is an integral part of the social fabric of the Maltese Community.”

**The Malta Council for the Voluntary Sector is recommending that due recognition is given to the Voluntary Sector by a direct reference in the Constitution of the Republic of Malta.** Articles 7 and 8 of the Constitution, Chapter II in the Declaration of Principles the “State recognises the right of all citizens to work and shall promote such conditions as will make this right effective”; and the “State shall promote the development of culture and scientific and technical research.” For this reason, MCVS is proposing that the following Article is added to the Declaration of Principles in the Constitution: “The State promote the development of volunteering as an integral part of the social fabric of the Maltese Community”.

## One-Stop-Shop for VOs

Working in the volunteer sector is voluntary, but not necessarily free. For the development of the sector, it is therefore important to ensure that the funding system is organised in such a way that the voluntary organisations are certain to operate under encouraging conditions. A funding system that, among other criteria, secures the organizations’ independence and sustainability whilst at the same time ensures that government grants are used in the optimum and most cost-efficient way.

Central government aid is provided from different programmes, partly as project grants and partly under Public Private Partnerships (Service) Agreements (PPPs). While due to their nature PPPs are to be managed by the Public Entity requesting the service, project-based funding should be managed by one entity that manages direct public funding for VOs. For this purpose, MCVS is advocating to have the following.

### • 2.1 Central Entity for VO Funding

**There should be one Entity which manages the issue of public funds to voluntary organisations.** MCVS has already proven that it has the capability, transparent systems, and accountability to manage such funding. ([www.vofunding.org.mt](http://www.vofunding.org.mt)) MCVS shall manage public funds specifically earmarked for VOS while the various public entities shall be involved in the planning, priorities and evaluation processes of the specific funds which concern the same public entity.

### • 2.2 Central Registry for VOs

With the enactment of the Voluntary Organisations Act it was established that “the Commissioner shall ... (a) provide(ing) enrolment facilities for organisations which are eligible for enrolment in terms of this Act;” and “(b) monitor(ing) the activities of voluntary organisations.” (Article 7). Through this Act all VOs must enrol with the Commissioner for VOs and provided annual documentation related to their operation. Apart from these obligations voluntary organisations have, in recent years, been obliged to register with other institutions, one of which is the Malta Business Registry (MBR), bringing about, not only additional administrative burdens on the voluntary organisations, but regulations and fines intended for the business sector. **MCVS is advocating on streamlining into one ‘register’ held by the Commissioner for VOs where other public entities may freely access the required information and cooperate in possible investigations.** This would eliminate double, and in certain sectors such as sports and culture even more, of data submission facilitating the administrative work of VOs and be of a lesser burden to administrators of VOs who are generally also volunteers.

“Voluntary work is voluntary, but not necessarily free.”

## Recognition of MCVS as a Social Partner

The Malta Council for the Voluntary Sector (MCVS), which is established under the Voluntary Organisations Act (2018) and the National Strategy for Volunteering 2020 – 2025, is considered as the legitimate representative of the Voluntary Sector in Malta and Gozo. Yet till the present date MCVS is not duly recognized by authorities as the representative of the Voluntary Sector in the various civil society fora and on consultation issues related to the same sector. It is not involved in any manner in the Civil Society Committee, MCESD and the MEUSAC Core Group.

### • 3.1. Representation on MCESD

MCVS has been requesting to have a rightful place at MCESD to represent and voice the position of the Voluntary Sector since 2010. The fact that this has not materialized implies that the sector is not truly respected as otherwise this overdue request would have materialized after more than 10 years asking for its implementation. Only in this manner shall the Voluntary Sector be truly represented on policy issues, budgetary measures and EU related legislation by MCESD. **MCVS requests that it is given its due place in MCESD as legitimate representative of the Voluntary Sector.**

“The opportunity to its voice and position on matters and policies, both local and at European level.”

### • 3.2. MEUSAC Core Group

The MEUSAC Core Group is intended to bring together representatives of Government, the political parties, constituted bodies, civil society representatives and Government together focusing on matters having national implications. **MCVS should be part of the MEUSAC Core Group structure in representation of the Voluntary Sector to facilitate communication with the sector while facilitating consultation processes.**

Until the Malta Council for the Voluntary Sector as the true and legitimate representative of the VO Sector is invited to participate

in such fora, the Sector would remain being barred from voicing its position on matters and policies, both at local and at European level, which is of severe detriment to its operation, if not existence. The Volunteer sector should be given its voice at all levels.

## Support for VOs to open Bank Accounts

For decades the strong and energetic volunteer sector has been one of the most effective mechanisms that the Maltese community counted on and that Government can engage to further a Social Inclusion agenda in Maltese society for the benefit of individuals, communities and government alike. While the work of the volunteer sector is acknowledged and over the years has left its mark within our community, there is the risk that due to the numerous constraints under which the sector currently operates within and the future challenges that it will encounter, its sustainability may be seriously undermined.

Voluntary Organisations (VOs) are encountering various hurdles in their daily operation, one of which is the opening and servicing of bank accounts on behalf of their organisation. For the sake of transparency and full audit trails, which the MCVS has always strongly promoted and strives for, VOs are expected to open bank accounts to enable them to enrol with the Commissioner for VOs as well as to receive both local and EU funding. Yet when VOs are finding it increasingly difficult to open bank accounts with local commercial banks, who are presenting insurmountable obstacles which effectively preclude VOs from opening a bank account. As a result VOs may potentially be losing on their access to local and EU funding which is crucial to their operation. Some VOs may also fail to actually start off as a new VO in areas in which no VO is operating but which may be essential to the community.

**MCVS is recommending that Government enters into an agreement with a private Banking Institution establishing a scheme to assist enrolled voluntary organisations open bank accounts to receive both donations as well as public funding, facilitating the VOs operation while guaranteeing transparency and accountability.** These accounts shall not permit loans. The scheme shall be supported

“VOs may potentially be losing on their access to local and EU funding.”

by a bank guarantee provided by Government and monitored by the Commissioner for VOs.

## Support VOs through Employee Secondment

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Public Entities, through the Office of the Prime Minister, have supported public employees to be released to work with voluntary organisations. Unfortunately, though consecutive Government Administrations have expressed commitment towards their social obligations, expressed through the support towards Voluntary Organisations, the scheme does not facilitate secondment as one might expect but on the contrary it creates obstacles for such secondment. Secondment of employees with Voluntary Organisations is required if authorities are committed to see the sector grow in its capacity to deliver a better service to the community. MCVS is recommending that concrete steps are taken to address this issue and surpass the hurdles in the present system.

### • 5.1 Recommendation on Employee Secondment

A call is issued by the Training and Standards Division (IPDTS) for Public Employees interested in being released to work with Voluntary Organisations, on grounds of public policy, for a period of a maximum of twelve (12) months on a full-time basis, which may be extended.

Employees shall be listed in a database, including their skills and interest. For an employee to be put in this database, IPDTS shall confirm release availability of the employee. Employers in the Public Service/Sector in most cases approve release in cases where employees are in excess, this due to the fact that replacement cannot be requested if release is approved. In order to address this issue Government should budget a sum which would be utilised by the employers to pay for the replacement of a number of employees, thus facilitating quality secondment.

“Government Administrations have expressed commitment towards their social obligations, expressed through the support towards Voluntary Organisations.”

**Voluntary Organisation may request to have employees seconded from this pool through a matching process between the needs of the VO and the skill set of the employee and supported even by MCVS, for instances where training might be required.**

### 5.2 Private Sector Involvement

In the private sector there are a great number of employees who do some volunteering but are hampered from the fact that private entities do not grant secondment of their complement with VOs. **To facilitate employees from the private sector, Government should create a funding scheme where employees seconded on voluntary work have part of their salary with a capping device to work for a number of hours within the sector.**

### Tax Deductibility of Donations

Government must recognize the need that VOs are often dependent upon the generosity of the public and accordingly to assist them. Donations made to voluntary organisations enrolled with the Commissioner for Voluntary Organisations should be deducted from the taxable income of the donating taxpayer. The Commissioner for VOs regularly publishes the list of enrolled VOs, which VOs shall be eligible to issue tax deductible receipts.

“Donations made to voluntary organisations should be deducted from the taxable income of the donating taxpayer.”

This protocol is already in place for some Sectors since 2018 and for the Malta Community Chest Fund Foundation specifically since 2017. Such categorization of the sector creates a discriminatory opportunity for VOs to tap funds.

### • 6.1 Deduction of donations from taxable income

A taxpayer making a bona fide donation in cash or of property made in kind to an approved organisation, is entitled to a deduction from his taxable income if the donation is supported by the official receipt issued by the organisation clearly indicating the VO Number and that the donation is used specifically for the VO's work.

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### • 6.2 Corporate donation

A Corporate donation is also considered as an expense and therefore deducted from taxable income. (This is already done for sports sponsorships).

### • 6.3 Value in respect of the donation of property made in kind

A taxpayer may claim an exemption on the transfer of property for a donation of property made in kind to a registered VO which has been approved for these purposes. On its part the VO may apply for exemption on Duty on Documents for donations of property received.

## Utility Bills

Many of the Voluntary Organisations have their own premises, either through ownership or lease. One of the major recurrent expenses of Voluntary Organisations is the utility bills incurred. While it is understandable that Voluntary Organisations must support this recurrent expense according to the consumption water and electricity (mainly) used, unfortunately the rates established for such utilities does not factor the third sector. In fact the utility bills are labelled either as residential or commercial. These two pillars do not contemplate the reality of the Voluntary Sector, resulting in the payment of high rates which are addressed to the commercial sector.

**It is being requested that a third pillar of utility rates be introduced specifically applicable to the Voluntary Organisations.** The third rate, referred to as 'Third Sector Rate', should fall between the 'residential' and 'commercial' rates.

*“Utility rates be introduced specifically applicable to the Voluntary Organisations.”*

## Public Fees

In their ongoing work in favour of the community voluntary organisations apply for various services delivered by both Government and Public Entities where in many cases fees are involved. As support to voluntary organisation, it is recommended that enrolled VOs should benefit from either applying with such institutions for free or at a reduced preferential rate. This would release hard acquired funds to be used by these organisations in their valuable work within the community.

## Premises for VOs

Many voluntary organisations have over the years looked for spaces from where to operate and deliver their services. To address part of this problem Government supported the setting up of the Volunteer Centre, giving space for VOs to meet and train. In spite of this the work of a number of voluntary organisations requires that they have their own space to manage and provide their services from.

*“Voluntary Organisations should have a fair access to use of public property.”*

### • 9.1 Access to Government Property

MCVS recommends that **VOs should have a fair access to use of public property which belongs to the state and is managed by the Government Property Division.** Some properties, which are not adequate as living spaces, may accommodate well VOs for the need of their operation.

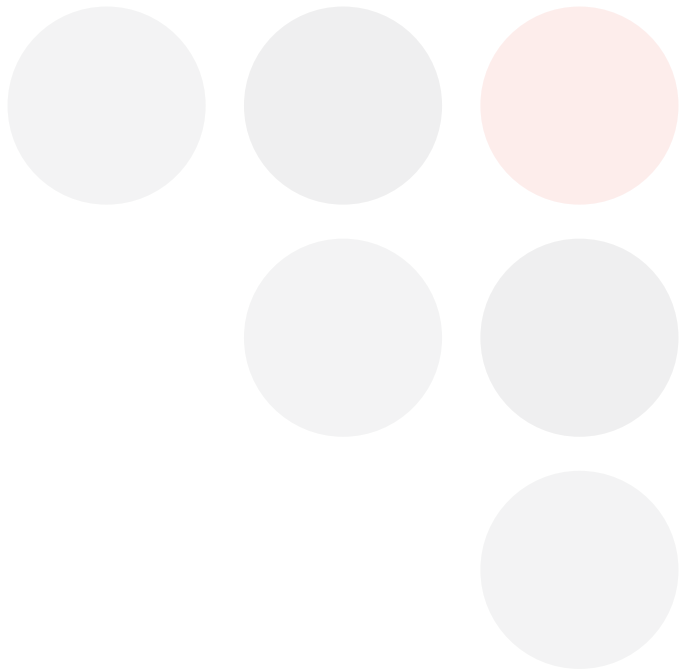
### • 9.2 Rent Support Scheme

While some Government property may be leased to VOs, it is understandable that such availability will not suffice for the space and localities needed. For this reason, **MCVS recommends that a 'Renting Support Scheme for VOs' is launched to subsidize rent for premises leased by voluntary organisation from the private sector.**

## Conclusion

Our community is ever evolving and that we are witnessing to changes and encountering challenges that will call us all to use our resources wisely and respond creatively. Participation, engagement and collaboration are becoming a must. Volunteering is a positive, natural and spirited way to realise meaningful human interaction, collaboration and purposeful contribution. The transformative effect of volunteering on individuals, organisations, communities and society is a portal to active citizenship, social inclusion and solidarity.

For this reason, it is a responsibility put upon Government and all those involved in politics to support the volunteering infrastructure. This means that communities and voluntary organisations in Malta and Gozo have access to support and resources, strengthening the financial and administrative support to VOs, as well as the infrastructure in favour of the same sector.



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