

SUMMARY REPORT

OECD netFWD

Africa Philanthropy Day



OECD CENTRE ON PHILANTHROPY
Data and analysis for development



Foreword

This paper builds on the first ever OECD Africa Philanthropy Day. The event took place on 30 October 2023, back-to-back with the 22nd edition of the OECD African Union Commission International Economic Forum on Africa. It was organised by the OECD Network of Foundations Working for Development (netFWD) in partnership with the African Capacity Building Foundation, the African Climate Foundation and the Agence Française de Développement.

This report brings together some of the main insights shared as part of the event and contextualises them within a broader review of the literature on philanthropic activity as part of a thematic approach. Specifically, it examines the characteristics of African philanthropy, how to encourage giving in Africa, how to move beyond grants and how to promote partnerships for development. Key examples of how philanthropic foundations are contributing to the fight against climate change, the achievement of the Sustainable Development Goals and Agenda 2063 are integrated throughout. The report also includes recommendations for the different actors seeking to leverage philanthropy for Africa's sustainable development transformation.

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Executive summary

Africa's economic and development potential is growing. However, the continent's sustainable financing gap to achieve the Sustainable Development Goals (SDGs) is an estimated USD 1.6 trillion by 2030. At the same time, there is growing global momentum around the need to support deeper engagement from philanthropy and the private sector to support cross-cutting climate and development goals. To address the sustainable financing gap, Africa needs to diversify sustainable financing sources and address systemic challenges linked to persistent poverty, inequality, rising conflict and job scarcity.

Data reported by 40 large foundations to the OECD Creditor Reporting System (CRS) indicate that cross-border funding from international philanthropic organisations to Africa is rising. Flows from these organisations increased from USD 2.5 billion in 2019 to USD 3.8 billion in 2021. 14% of this international philanthropic funding was directed towards a broad region or spanned multiple countries. The top individual country recipient was Nigeria, with USD 835 million. The top international donors include the Gates Foundation, which accounted for nearly half of all philanthropy to Africa in 2019; Mastercard Foundation, which steadily increased its presence in Africa over to the 2019-2021 period and the Bezos Earth Fund, which became third largest provider of philanthropy to Africa one year after its founding in 2021. Sectoral analysis indicates that international donors primarily direct their support to health and reproductive health, alongside education and environmental concerns.

OECD Centre on Philanthropy data also show that domestic philanthropy across Africa reached around USD 40 million per year between 2016 and 2019. The most recent edition of the OECD Private Philanthropy for Sustainable Development report revealed that the largest domestic funders were the DG Murray Trust (DGMT) in South Africa and the Sawiris Foundation for Social Development in Egypt. Additional, country-specific surveys in Nigeria and South Africa covering the years 2013-18 revealed that funding from 12 domestic philanthropic organisations in Nigeria amounted to USD 89 million, and funding from 31 organisations in South Africa amounted to approximately USD 454 million. In both countries, philanthropy was highly concentrated, with a select number of foundations providing most of the funding. The top priority for domestic foundations was education, accounting for 62% of all funding 2016-19.

However, Africa's highly complex and diverse philanthropic landscape remains under-documented and under-reported. As such, OECD data on philanthropic flows both to and within Africa provide only a limited snapshot of the overall picture. In this context, the first OECD Africa Philanthropy Day sought to establish a more robust understanding of the nature of both cross-border international and domestic philanthropy in the region. Specifically, to (i) discuss the existing data trends on domestic and international giving, (ii) shed light on the philanthropic architecture across Africa, (iii) identify financing and capacity building needs and opportunities across the continent and (iv) emphasise the role of foundations in forging new coalitions and partnerships with development actors in pursuit of development and climate objectives.

During the event, participants discussed how both international and domestic philanthropic foundations can work together with policy makers and development practitioners to better support Africa's inclusive and sustainable development.

Building on discussions among panellists and participants, this report attempts to reframe the language and conceptual understandings of philanthropy in Africa and practice greater cultural sensitivity. Using this lens, analysis reveals that philanthropy in Africa refers to a broad range of terms and practices associated with giving, which are often informal and horizontal in character. Philanthropy in Africa also spans a broad range of actors. In addition to both cross-border and domestic foundations, there are development agencies, development finance institutions, a growing number of African High-Net-Worth-Individuals (including 18 billionaires worth an estimated average of 4.1 billion in 2022), ordinary citizens, diaspora populations and philanthropic support actors¹.

There are multiple ways to accelerate diverse forms of giving from these different actors. Examples include working together to address the poor legal and regulatory enabling environments across the continent through simplified registration requirements, tax incentives and the development of a broader policy framework. Analysis also explores how the different actors can build greater trust in the sector by (i) building the capacity of local actors to conduct effective impact evaluations and generate more impact data, (ii) aligning with community needs and (iii) leveraging new technology.

Innovative approaches like flexible funding and blended finance can be employed in the African context to engage a more diverse set of actors to support sustainable development transformation. Flexible funding approaches hold promise as an approach through which cross-border international foundations can practise greater cultural sensitivity by building trust and empowering local grassroots organisations across the continent. Blended finance structures also represent a method through which philanthropic organisations can partner with other development actors – such as development finance organisations – to attract greater private sector investment in strategic development and climate sectors.

Throughout, partnerships between actors emerge as a critical driving force in unleashing the full potential African philanthropy.

Philanthropic organisations and development co-operation actors should work together to:

- Amplify voices and the potential of African philanthropy to contribute to Africa's sustainable development in key multilateral events.
- Fund local networks to map local stakeholders' efforts and practices to decolonise philanthropy and build a full understanding of the spectrum of African philanthropy from within.
- Improve data coverage of the region, particularly in West Africa where there is a dearth of information.
- Encourage national, regional and global governance systems to improve the ecosystem for philanthropy across the African continent.
- Strengthen philanthropic actors' capacities to measure and monitor their impact.
- Move beyond traditional grant making and explore innovative approaches such as flexible funding and blended finance structures to incentivise local giving.

¹ Philanthropic support actors include but are not limited to development agencies, co-operative societies, faith-based organisations, local non-governmental organisations, international non-governmental organisations, associations, networks, academia and media

1 Introduction

The path to Africa's sustainable development transformation

The time is ripe for the African continent to forge a new development path, harnessing the potential of both its resources and its people. However, several important development challenges need to be addressed to boost the economic rise of this extremely diverse region. These include a downward trend in the growth rate, persistent poverty, rising conflict and job scarcity. At the same time, the current poly-crisis context – characterised by climate-related issues, the COVID-19 pandemic, and mounting conflicts – has increased the risk of debt distress.

Since the turn of the millennium, Africa has consistently boasted the world's second highest economic growth rate after developing Asia. Real gross domestic product (GDP) growth is estimated to return to the levels before COVID-19, at 3.7% in 2023, compared to 5% in developing Asia and 1.6% in Latin America and the Caribbean (AUC/OECD, 2023). This strong and sustained economic performance, coupled with demographic megatrends like its status as the youngest continent – with a median age of 19, compared to 30 for Latin America and the Caribbean and 31 for developing Asia – and projections of a nearly 2.5 billion-strong population by 2050 (AUC/OECD, 2023), has contributed to the “Rising Africa” narrative (Coulibaly, 2017).

Despite this potential, structural and emerging challenges linked to global crises like the COVID-19 pandemic, climate-related issues and mounting conflicts threaten hard-won development gains. This results in persistent poverty and inequality across the continent. For example, in sub-Saharan Africa, the rate of extreme poverty is projected to continue rising through to 2030. Further to this, around 20 per cent of the region's population faces hunger, 22 percent lack basic drinking water services and 54 per cent lack basic sanitation services. These trends also serve to exacerbate inequalities between urban and rural areas, wealth inequities and gender (United Nations, 2023). The World Bank estimates that a shift towards global reshoring to high-income countries and the People's Republic of China could drive an additional 52 million people into extreme poverty, more than 80% of them in Africa (Brenton, Ferrantino, & Maliszewska, 2022).

Africa's sustainable financing gap to achieve the SDGs is USD 1.6 trillion by 2030 (USD 194 billion annually) – equivalent to 7% of Africa's GDP (AUC/OECD, 2023). African countries are disproportionately affected by climate change, and climate financing needs across the continent have consistently not been met. Between 2019 and 2020, just USD 11.4 billion of Africa's total climate financing went to adaptation – almost five times less than the USD 53 billion per year set under the nationally determined contributions of the Paris Agreement (Global Center on Adaptation, 2022; AUC/OECD, 2023).

The scarcity of domestic resources has been exacerbated by recent crises. The latest edition of the joint African Union Commission/OECD annual report on *Africa's Development Dynamics* notes that government revenues decreased due to the COVID-19 pandemic. For example, in 2020, Africa's average tax-to-GDP ratio declined by 0.3 percentage points to 16%. At the same time, debt levels have risen across Africa, with the cost of debt service rising from 3% to 5% of gross national income over the 2010-20 period (AUC/OECD, 2023). As of February 2023, the International Monetary Fund considered 8 African countries in debt distress and 13 more at high risk of debt distress (IMF, 2023; AUC/OECD, 2023).

The African Climate Foundation summarises Africa as “predominantly constrained by a lack of affordable, reliable and sufficient finance, juxtaposed with a debt crisis in certain nations and compounded by extreme vulnerability to climate change” (The African Climate Foundation, 2023). This trend, together with a drop of 7.8% in ODA flows to sub-Saharan Africa in 2022 in real terms (OECD, 2023) has led renewed calls to diversify sources of financing for Africa’s development.

The rise of philanthropy as a major development actor in Africa

Addressing Africa’s substantial financing requirements for resilient growth requires a complete re-evaluation of development finance strategies. For the first time, the adoption of the Sustainable Development Goals (SDGs) in 2015 acknowledged the need for non-state actors like the private sector to contribute to sustainable development. SDG 17 “Partnerships for the Goals” seeks to revitalise the global partnership for sustainable development through partnerships between governments, public finance the private sector, and civil society (United Nations, 2015).

In recent years, multilateral summits like the New Global Financing Pact Summit (Paris Pact for People & the Planet) in June 2023 have shed new light on how philanthropy works to provide funding, technical assistance, and innovative support towards the achievement of SDGs— complementing traditional development co-operation efforts. During the Summit, 19 philanthropies signed a communiqué² that outlines how philanthropic actors can leverage their expertise to support climate and development efforts. The communiqué highlights growing international recognition of philanthropy’s potential regarding sustainable and resilient development. Although philanthropic actors alone cannot fill the current development financing gaps, they can work together with other stakeholders through Public-Private-Philanthropic Partnerships to achieve international development goals.

During the last decade, domestic and international cross-border philanthropic organisations have emerged as a growing source of funding and support for Africa’s sustainable development. Country-specific surveys conducted by the OECD Centre on Philanthropy in Nigeria and South Africa in 2013-18 showed that funding from 12 domestic philanthropic organisations in Nigeria amounted to USD 89 million (OECD, 2022) and from 31 organisations in South Africa to approximately USD 454 million, averaging USD 76 million annually (OECD, 2022). In parallel, sub-Saharan Africa received USD 5.5 billion from 2016-19, from international philanthropy – the largest fraction of international cross-border philanthropic financing (OECD, 2021) Although the amounts remain modest compared to other international financial flows, private philanthropic organisations’ contribution extends to sharing expertise, helping to develop innovative practices, and supporting the growth of local ecosystems. Indeed, philanthropy serves as a bridge between the resource constraints experienced by the public sector (governments) and the profit-driven endeavours of the private sector.³

As this report discusses, Africa’s exponential economic growth and expanding middle class is helping drive this increase in giving. For example, the Africa Philanthropy Network (APN), a continental network of organisations and individuals in Africa and its diaspora that promotes the culture of philanthropic giving, estimates giving by wealthy individuals at USD 2.8 billion per year, with a potential of USD 7 billion. In this context, several anglophone countries like Kenya or Rwanda and regional bodies like the African Union

² “Contribution of private Philanthropies to the Summit for a New Global Financing Pact”, <https://www.oecd.org/development/networks/events/communique/Communique%C3%A9%20philanthropies%20vf.pdf>.

³ “Interview: Mamadou Biteye, Executive Secretary of the African Capacity Building Foundation,” available at <https://www.alliancemagazine.org/interview/interview-mamadou-biteye-executive-secretary-of-the-african-capacity-building-foundation/>

Commission (AUC) have officially acknowledged the power of domestic philanthropy to help meet the Sustainable Development Goals (SDGs) and Agenda 2063.

The COVID-19 crisis – although it exerted a prolonged negative impact across African economies – reinforced the importance of leveraging local expertise and philanthropic giving. A report conducted by Dalberg and the African Philanthropy Forum found that local insights and expertise were “key” in responding to the crisis (Dalberg/African Philanthropy Forum, 2020; Travail Ensemble Consulting, 2022). A Bridgespan study on large-scale giving in Africa from 2010-21 found that the number of large gifts (USD 1 million or greater) from African philanthropists in 2020 was seven times the average annual number over the previous ten years, while the annual total volume more than doubled from USD 103 million on average in 2010-19 to USD 269 million in 2020 (Siyasanga, Holland, Andrian, & Schwier, 2021).⁴ The pandemic also produced a rapid advancement of new tools and vehicles for giving, engaging the full spectrum of African philanthropy actors.

About the OECD Africa Philanthropy Day and this report

A more robust understanding of the nature of African philanthropy – both cross border flows to the continent and domestic philanthropy within Africa – is essential for funders and implementers seeking to expand their strategic engagement in this field and increase their impact through locally-led solutions. Regarding domestic philanthropy in particular, greater understanding of the language, culture and practices associated with giving is critical. However, the highly complex and diverse landscape of African philanthropy remains under-documented and under-reported.

In this context, the first ever OECD Africa Philanthropy Day aimed to shed light on philanthropic activities across the continent and discuss how international and domestic foundations can work together with policy makers and development practitioners to better support Africa’s inclusive and sustainable development. Centring African voices, the event’s objectives were to:

- (i) discuss the existing data trends on domestic and international giving
- (ii) shed light on the philanthropic architecture across Africa
- (iii) identify financing and capacity building needs and opportunities across the continent
- (iv) emphasise the role of foundations in forging new coalitions and partnerships with development actors in pursuit of development and climate objectives.

Organised by the OECD Network of Foundations Working for Development (netFWD) in partnership with the African Capacity Building Foundation, the African Climate Foundation and the Agence Française de Développement, the event brought together senior representatives from philanthropy, academia, development policy and practice. The event took place on 30 October 2023, back-to-back with the 22nd Edition of the OECD/African Union International Economic Forum on Africa, which focused on how the acceleration in the continental integration process can help foster innovation opportunities.

The overarching objective of this report is to provide policy recommendations for funders and implementers – covering international cross-border foundations, domestic foundations, governments, development co-operation agencies and international organisations. As the event was conducted under Chatham House Rules, this report does not attribute outputs to participants, but rather synthesises the insights and concrete examples of good practice derived from discussions. These insights are contextualised within a broader

⁴ The reader should note that this Bridgespan study does not have the same parameters of inclusion as the OECD database on Philanthropy for Development. In addition to limiting the study to gifts over USD 1 million, the Bridgespan study includes not only grants from private foundations, but also data on gifts from private individuals and regranting organisations.

review of the existing literature on philanthropic activity in Africa. Given that the continent spans over fifty countries - each with their own individual cultural and institutional philanthropic identity - this report adopts a thematic approach following the broad logic of the event's Agenda (See Annex A).

The following chapters draw on key elements of the African philanthropic landscape to analyse how funders and implementers can help effectively leverage philanthropy in support of Africa's sustainable transformation. They discuss (2) the characteristics of African philanthropy (3) how to encourage giving in Africa, 4) how to move beyond grants and (5) promoting partnerships for development. Chapter 6 concludes with recommendations. Key examples on how foundations are contributing to the fight against climate change, the achievement of the Sustainable Development Goals (SDGs) and Agenda 2063 are integrated throughout. Each chapter highlights cross-cutting opportunities and challenges for funders and implementers to promote philanthropic giving in Africa.

2 Characteristics of African philanthropy

Interventions during the event highlighted the founding premise of the African Grant Makers Network in 2009: to challenge the deeply flawed narrative around African philanthropy, which is often viewed through a Western lens. Participants challenged whether the narrative change over the past 15 years has been sufficient. The dominant narrative continues to frame philanthropy as external, something that is “done to Africa” (Chipato, 2020). Understanding and analysing the true scope of giving in Africa requires funders and development practitioners to first decolonise language and conceptual understandings, and second, to move towards practising greater cultural sensitivity. In practice, this means “naming and recognising the multiple terms, expressions and forms and nuanced practices of giving that make up that complexity” (Mahomed, 2023).

This chapter examines how African philanthropy’s terms, practices and actors make it different from other regions.

African philanthropy refers to a range of terms and practices

Part of the specificities of African philanthropy is linked to language. Speakers during the OECD Africa Philanthropy Day emphasised that the word philanthropy does not translate easily into African languages. This point has been acknowledged by existing scholars in the secondary literature, and it is for this reason that Halima Mohamed from the Senegal-based foundation Trust Africa compiled an overview of the terms reflected in existing philanthropic studies that express broad sentiments underlying giving (Mahomed, 2023) (see Box 1 below).

Box 1. Words and behaviours referenced in the existing literature on African Philanthropy

- Terms in Swahili such as **kufaana** (to be of help), **kujitolea** (to volunteer or sacrifice) **kusaidiana** (assisting each other) **kutoa** (giving), **kuchangia** (to contribute) and **harambee** (all put together).
- Terms such as **rubatsiro** in Shona and **ncendo** (uncendo) in Ndebele which link help to a broader notion of humanity.
- Arabic terms like **takaful** (mutual social assistance), **al ata al ljtimaa** (social giving) **lillah** (giving for the pleasure of God), or **fard kijaaya** (duties incumbent on the community as a whole).
- Terms like **ubudehe**, a Rwandan practice of collective action and mutual support.
- The Setswana term **letsema** (contributing what you can to one in need).
- Expressions of volunteerism in terms such as **undungu** (brotherhood) and **ujaama**, used in Tanzania.

- Pooled labour to provide mutual support in agricultural or building activities is referred to as **aaro** in Yoruba, **mrimo** in Tanzania, **lilimo/lilima** in Nguni. In Lilimo, the recipient also provides food and drink.
- In Chitumbuka, **ovwirano** refers to pooled labour during harvesting time and **urimizgo** refers to pooled agricultural support accompanied by the provision of food by the one receiving help.
- **Ukubona** is a Zulu tradition of visiting the ill and, in Islam, this is part of **sadaqah** (charity).
- The Nama in Namibia differentiate between **khobe** or **khubi** (help given for small, everyday needs) and **ihams** (emergency collective contributions - for e.g., in the case of fire or death, but even weddings) and help given to relatives - in times of happiness and sadness - is also referred to as **hama** (in Shona) and **izilobo** (in Ndebele).
- Peer-to-peer rotating savings, credit, insurance and/or investment systems are known by a variety of names from **chamas** (Kenya) to **stokvels** (South Africa) **esusu/etoto/asun** etc. (Nigeria), **tontines** (Senegal), **chipele gunya** (Malawi), **idir** (Ethiopia), **qogelela** (Zimbabwe), **merry go rounds** (Kenya), **ukub** (Eritria) and **ayyuo/hagbad** (Somalia).

Source: (Mahomed, 2023).

African philanthropy comprises diverse actors

Philanthropy is often understood in Western terms, which African philanthropy writer and researcher Bhekinkosi Moyo has argued implies a conscious form of stepping in to help (Moyo B., 2016). In addition, the narrow framing of domestic philanthropy – as structured, institutional and vertical – has arguably placed too much emphasis on the ultra-wealthy giving back, hence the interest in the activities of African High-Net-Worth Individuals (HNWIs). Consequently, the dominant forms of giving in Africa – often informal, community-based and direct – remain overshadowed (Chipato, 2020).

The compilation of terms and practices highlighted in Box 1 support the view that the majority of philanthropy in Africa is “embedded in everyday practices and traditions” (Mahomed, 2023). Academics and practitioners alike now widely acknowledge that “community-based philanthropy and reciprocal collaboration is a pillar across many African societies” (Germay, 2021) and argue that the “dominant thread of African philanthropy is not vertical, but horizontal” (Murisa, 2018).

Speakers asserted that greater appreciation of the horizontal nature of philanthropy in Africa can help contribute to the growth of the sector. At the same time, given its specific challenges, it is critical to take a measured approach with regards to appreciating and acknowledging the horizontal nature of African philanthropy. (Murisa, 2018) highlights the following key elements to consider:

- First, it is even more difficult to accurately capture data on horizontal philanthropy. This is partially linked to the cultural barriers to showing off giving incentives, which one participant summarised with the phrase “what the right hand does, the left will never know”.
- Second, horizontal philanthropy does not necessarily increase community assets and thus livelihoods. A participant in a WINGS study on philanthropic ecosystems in West Africa questioned “what have the results of our traditional and informal giving amounted to? Our informal giving simply caters to the symptoms of the problems we face but does not tackle the root causes” (Travaille Ensemble Consulting, 2022).
- Third, climate-induced crisis contexts are on the rise across the continent (World Meteorological Organization, 2019). The Summary of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) launched in March 2023 calls attention to the high likelihood for global temperatures to rise over 1.5C before 2030. Sudden shocks produced by extreme weather events

hold the potential to wipe out collectively held assets, leaving communities dependent on external aid.

- Finally, when seeking to empower local communities, donors must also take care not to reinforce potentially negative cultural practices (e.g. those linked to patriarchal structures) that further inequalities.

Altogether, philanthropy in Africa is diverse, encompassing giving from individuals to other individuals, individuals to groups, groups to individuals and groups to groups. It involves people across different socio-economic strata, ranging from those with abundant resources to those living in extreme poverty. Philanthropic giving is multidirectional, involving both vertical and horizontal interactions. Types of contributions expand beyond financial support and include non-financial assets such as time, expertise and social capital (Murisa, 2018).

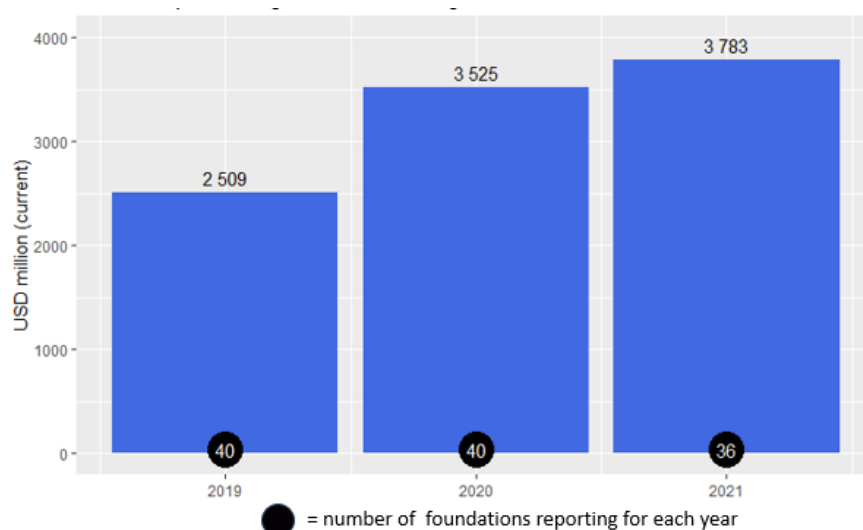
An overview of the different actors and their definitions is provided below to help funders and implementers navigate African philanthropy and accelerate traditional means of giving.

Cross-border philanthropy

The OECD defines international, cross-border philanthropy as when an organisation (and individual or corporation) makes a gift to an entity in another jurisdiction or where a domestic entity operates in another jurisdiction or where a foreign entity operates domestically (OECD, 2020).

This form of philanthropy plays a vital role in supporting the continent's sustainable transformation. Available data collected by the OECD Centre on Philanthropy indicates that two-thirds of private cross-border international philanthropy for sustainable development in 2018-20 targeted African countries (OECD, 2021). Cross-border philanthropy from large international donors has increased substantially from USD 2.5 billion in 2019 to USD 3.8 billion in 2021 (Figure 1).

Figure 1. Philanthropic funding to Africa from large international foundations⁵, 2019-21

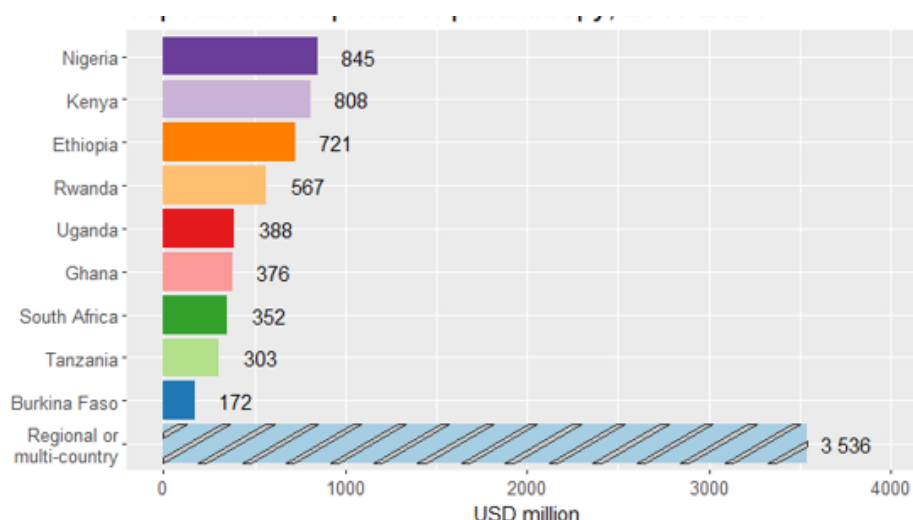


Source: OECD.Stats.

⁵ "Large international foundations" refers to the OECD Creditor Reporting System (CRS) database of about 40 large international foundations. This is separate from the OECD Centre on Philanthropy database that has 200+ foundations of all sizes, many of which are based in developing countries and only work domestically.

Philanthropic flows are mainly directed towards spanned multiple countries (Figure 2). In the 2016-19 period, the largest recipients of international cross-border giving were Nigeria (USD 0.8 billion), Ethiopia (USD 0.7 billion) and South Africa (USD 0.6 billion) (OECD, 2021) but those amounts remained small compared to top recipients from other regions. In the same period, India continued to be the largest recipient of philanthropic financing, with USD 5.5 billion (13%) from both cross-border and domestic sources, followed by the People's Republic of China with USD 3 billion (7%). In Latin America, Peru received USD 2.2 billion (5%), mostly from cross-border financing, while Colombia received USD 1.4 billion (3%) and Mexico USD 1.3 billion (3%) (OECD, 2021).

Figure 2. Top African recipients of philanthropic flows, 2019-21

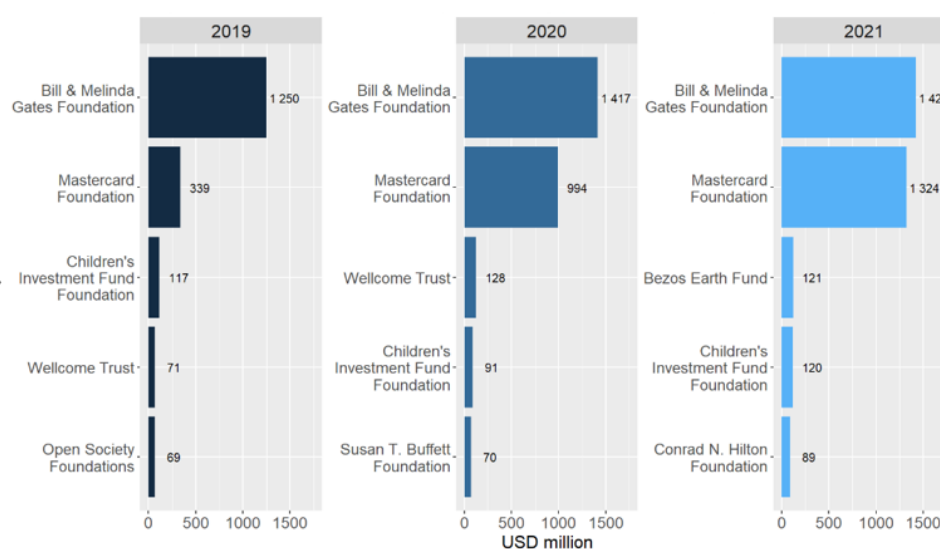


Source: OECD.Stats.

As for grant-making foundations, three-quarters of philanthropy for this region came from just four organisations (Figure 3):

- The Bill and Melinda Gates Foundation accounted for nearly half of all philanthropy to Africa in 2019 (53%), and remains the largest donor
- The second largest donor, Mastercard Foundation, steadily increased its presence in Africa over the 2019-21 period (16%)
- The Bezos Earth Fund, founded in 2020, became the third largest provider of philanthropy in Africa by 2021, with USD 121 million.

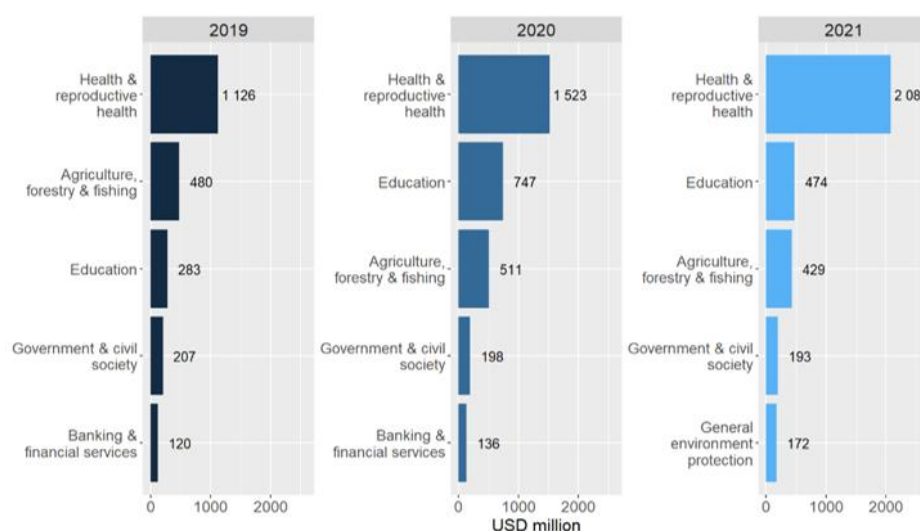
Figure 3. Top international funders of philanthropy in Africa, by year



Source: OECD.Stats.

While climate-related issues attract increasing interest from international philanthropy to Africa, health and reproductive health remain the focus (Figure 4), representing the top sector for cross-border funders in 2021, with USD 2.1 billion. Interestingly, support for education rose significantly in 2020, from USD 283 to USD 747 million, mainly due to additional funding from the Mastercard Foundation (OECD, 2021).

Figure 4. Sectoral focus of international funders of philanthropy in Africa, by year



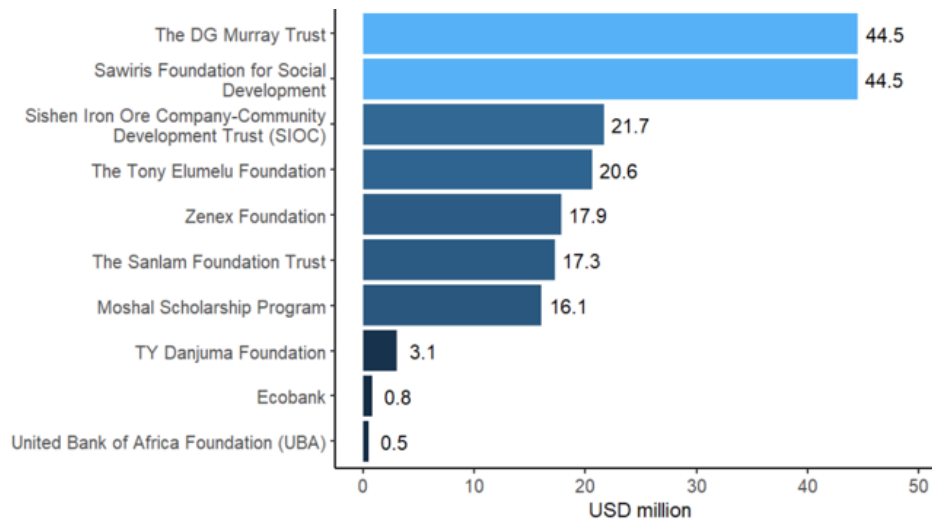
Source: OECD.stats.

Domestic philanthropy (including community foundations)

Domestic philanthropy refers to philanthropic resources that are raised and deployed in the same country. For instance, OECD research on domestic philanthropy in South Africa shows that national giving by 31 major individual, family and corporate foundations who agreed to share their data amounted to around

USD 445 million 2013-18, an average of USD 74 million per year. This represents half of the funding of international foundations in South Africa, which in 2015 amounted to an average of USD 138 million. Domestic funding represents around 8% of the country's average annual net Official Development Assistance (ODA). In Nigeria funding from a smaller group of 12 philanthropic organisations totalled USD 14 million per year, with a heavy focus on improving the access and quality of health services. All in all, largest funders in the 2016-19 period were the DG Murray Trust (DGMT) in South Africa and the Sawiris Foundation for Social Development in Egypt (OECD, 2021) (Figure 5).

Figure 5. Top providers of domestic philanthropy in Africa, 2016-19

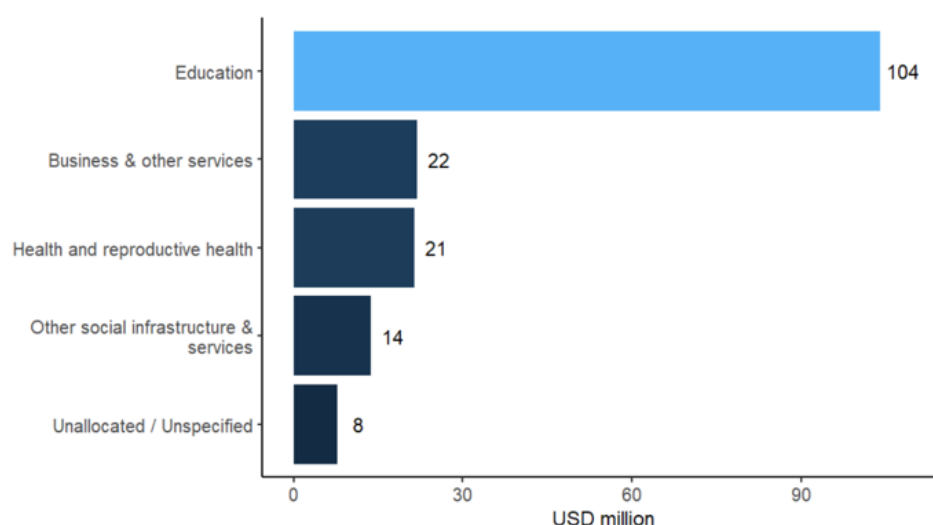


Source: (OECD, 2021).

Community foundations, such as the Standard Bank Tutuwa Community Foundation in South Africa (OECD, 2022) continue to grow rapidly across the continent but remain critically understudied. Building on often ancient cultural and community-led African philanthropic practice, these foundations do not necessarily have their own resources but leverage from others – such as members of the local community or donors in the global north – instead. These organisations help drive development interventions “designed, directed and delivered” by local actors (Chipato, 2020).

Interestingly, while international philanthropy to Africa focuses primarily on health and reproductive health, the top priority for domestic foundations remains education, accounting for 62% of all funding from 2016-19 (Figure 6).

Figure 6. Top sectors targeted by domestic philanthropy in Africa, 2016-19



Source: (OECD, 2021).

African High-Net-Worth Individuals (HNWIs)

Within an African philanthropic landscape that is rich, complex and populated by a diverse array of actors, a growing number of High-Net Worth Individuals (HNWIs) offer opportunities to increase giving. Credit Suisse data anticipates that the rapidly growing number of millionaires in Africa will double by 2027 (Credit Suisse, 2023). Similarly, research conducted by the Lilly School of Philanthropy indicates that as of January 2021, Africa had a total of 18 billionaires worth an average of USD 4.1 billion (Lilly School of Philanthropy, 2022). As the number of wealthy individuals, families and corporations grows, an increase in the amounts set aside for philanthropic causes is very likely (Lilly School of Philanthropy, 2022). The high-profile philanthropy of several prominent African businesspeople like Zimbabwean businessman Strive Masiyiwa, Nigerian business magnates Aliko Dangote and Tony Elumelu, South African President Cyril Ramaphosa, South African billionaire Patrice Motsepe and Ethiopian model Liya Kebede attests to this trend (Oluwole, 2023; Chipato, 2020).

Ordinary citizens

Giving happens at all levels of society and through various channels. For instance, a report by the Charities Aid Foundation (CAF) shows that the emerging middle classes in East Africa give away roughly a quarter of their earnings each month to their communities (Charities Aid Foundation, 2020). Likewise, a 2014 survey of 100+ wealthy African individuals conducted by UBS and Trust Africa found that 69% gave in two or more ways – both formal and informal (UBS & Trust Africa, 2014). At the informal level, respondents gave mostly directly to people or organisations. Studies demonstrate that a significant proportion of this giving happens through– or is directed to – community and local faith-based entities (Mahomed, 2023). An important point is that these religious and community organisations, while not necessarily legal entities, are “sophisticated networks” and trusted local institutions for many Africans.⁶

⁶ A recent study of West African Philanthropic Enabling Environments is illustrative of this point. For instance, in Burkina Faso, Christian organisations like L’Office de Developpement Egiles Evangelique and Union Fraternelle des Croyants de Dori fund community projects. Likewise, Senegal’s Fondation Touba Ca Kanam focuses on the Islamic holy city of Touba, and Fondation Zakat et Waqf in Cote D’Ivoire promotes social cohesion through Islamic giving of Zakat and Waqf.

In this multi-dimensional definition of giving, replicating Western understandings of philanthropy risks undermining both financial and non-financial giving. A poignant intervention highlighted the thousands of African grandmothers who took in a generation of orphans at the height of the HIV epidemic in Southern and Eastern Africa, demonstrating what one participant referred to as an ability “not only to give from surplus, but from core”. This draws on an important point raised in the 2014 UBS and Trust Africa flagship survey of wealthy African individuals: many reported volunteering or serving on the board of a foundation, charity or NGO (UBS & Trust Africa, 2014). Bhékinkosi Moyo and Halima Mahomed have argued for a broadening of the gifts associated with philanthropy to include time, labour, skills and other forms of social care and generosity (Murisa, 2018). They also suggest that like financial giving, social forms of philanthropy tend to follow on peer-to-peer formations. Altogether, this suggests that in Africa, philanthropy goes beyond the giving of money, but extends to time, expertise and social capital.

Diaspora

In the African context, it is also critical to recognise the philanthropic giving of diaspora communities. During the COVID-19 pandemic, as in previous crises, diaspora giving proved counter-cyclical. Like most philanthropy in Africa, this form of giving happens through “a range of legally constituted mechanisms, as well as personal/communal networks”. Whether or not remittances should be considered as philanthropy in the African context is an outstanding question. However, it is worth underlining that remittances sent by diaspora communities represent a significant volume of funding coming into the continent and their contribution to development merits further research. For instance, remittances sent by migrant workers to and within Africa totalled over USD 95 billion in 2021, benefiting over 200 million family members (more than half of whom are based in rural areas) of African migrant workers (IFAD, 2023; WINGS & East Africa Philanthropy Network, 2023). However, the global average cost of sending USD 200 in remittances is still double the 3 per cent target of the 2030 Agenda for the Sustainable Development and the Addis Ababa Action Agenda. Remittance costs in the third quarter of 2022 were recorded at 6.3 percent of the amount transferred, which has remained unchanged in the past 5-6 years (UN DESA, 2023).

Evidence also demonstrates that diasporas contribute to both funding and in-kind support in key areas such as education, health and climate mitigation. For example, an increasing number of universities and academic institutions are connecting with African donors throughout the continent (Osili, Philanthropy plays a vital role in meeting development challenges and mitigating crises in sub-Saharan Africa, 2022). Elsewhere, the Kenyan government has created a department of diaspora affairs (WINGS & East Africa Philanthropy Network, 2023). Organisations across South-eastern Nigeria are working to document and record successful examples of diaspora collaborating to lift their communities (Osili & Ordu, How remittances and philanthropy meet development challenges in Africa, 2023).

Philanthropic support actors

Beyond direct philanthropic funders, philanthropic support actors (including but not limited to development agencies, co-operative societies, faith-based organisations, local non-governmental organisations, international non-governmental organisations, associations, networks, academia and media) make important contributions to the overall ecosystem for philanthropy. These include working for an enabling environment, providing thought leadership, building capacity, stimulating giving, building trust and accountability, providing space for peer learning and strategies development. Past studies have established how Philanthropy Support Ecosystems (PSE) have made remarkable impacts on philanthropy in different regions. For instance, it is recorded that countries with a strengthened ecosystem have created community foundations nine times more than countries with no existing philanthropy structure.

Box 2. Challenges in measuring philanthropy in Africa

Data reported by 40 large international foundations show that international, cross-border flows to Africa reached USD 3.8 billion in 2021. OECD Centre on Philanthropy data also show that domestic philanthropic foundations provided USD 40 million per year 2016-19. However, due to the difficulty of measuring philanthropy in Africa, this only represents a fraction of philanthropic efforts that are happening on the ground. These challenges can compromise the accuracy and completeness of what we know about philanthropic efforts towards, and within, the region. This box presents a brief overview of the main issues.

- There is a lack of targeted research on philanthropy within Africa, which makes it harder for researchers and policy makers to gain a comprehensive view of the sector.
- Organisations and local authorities often exhibit a cautious approach to sharing data, especially when it comes to sensitive financial matters like the circulation of private capital. As a result, the scope of information that can be collected and analysed is limited.
- Obtaining data from audited accounts is problematic. This is exacerbated by a general lack of mandatory reporting, which contributes to difficulties in validating the information that is available.
- The limited financial resources available for research often mean relying on low-cost data collection methods that may not be as thorough or accurate.
- In many parts of Africa, philanthropy occurs informally and discreetly, outside structured entities. This cultural preference for discreet giving eludes conventional measurement techniques, challenging efforts to depict a comprehensive picture of the sector.
- The distinction between grant-making organisations and other non-profits is not always clear-cut, with organisations often changing their operational models. This complicates tracking philanthropic flows over time.
- Despite substantial contributions from individuals, there is minimal research on individual giving. Community foundations, although growing, remain underexplored.
- Recognising these limitations is a first step towards developing better data collection methodologies for measuring philanthropic flows in the region.

3 Encouraging giving in Africa

Giving from all actors faces structural obstacles related to legal and regulatory frameworks, lack of transparent impact data and an overall lack of trust. Placing communities at the centre of decisions is crucial to understand the needs and find effective solutions through building capacity and well-targeted local, collaborative policies. This chapter draws on panellists' and participants' calls to "blow into the embers" rather than "starting fires". It explores ways to accelerate traditional philanthropic giving through enhanced local ecosystems and further collaboration with local organisations to improve trust, capacity, transparency, accountability, and enhanced impact.

Promoting a favourable enabling environment for philanthropy in Africa

Throughout the African Philanthropy Day, participants highlighted fluctuating political support for civil society as damaging to the overall enabling environment for philanthropy in Africa. Speakers underscored the challenge of the shrinking space for civil society as well as a limited or insufficient ecosystem to support philanthropic giving, which tends to increase as political instability or coups prevail. To effectively leverage philanthropy in support of African climate and development goals it is crucial for implementers and funders working in the region to further their understanding of the local political economy (i.e. the incentives and interests of local decision makers).

A literature review on African philanthropy confirms that poor legal and regulatory enabling environments act as an obstacle to the sector's growth in the region. In *African Philanthropy: Evolution, Practice and Change*, African philanthropy writer and researcher Tendai Murisa agrees that although governments and institutions across Africa are increasingly recognising the importance of philanthropy, very few national governments have taken steps to develop an enabling environment in which philanthropy can flourish. Supporting the emergence of a robust philanthropic sector necessitates simplified registration requirements, provision of tax incentives, and the development of a broader policy framework (Murisa, 2018).

The Lilly School of Philanthropy's Global Philanthropy Environment 2022 Index (see Box 3), which analyses the environment for institutionalised philanthropy, shows that the country-level experts based in the sub-Saharan region submitted scores below the global average on all five components:

Ease of operating a philanthropic organisation scored 3.95 in sub-Saharan Africa compared with 3.97 globally. The Index reports that while some economies like Ethiopia, Kenya and Nigeria have reduced the barriers to registration and formation of philanthropic organisations, others such as Senegal and Zimbabwe have systems where registration is "burdensome and often inconsistent". A recent study on the philanthropic enabling environment in West Africa reflects these findings, emphasising that it costs USD 250 to register a philanthropic organisation in Nigeria, it costs about twice as much in Senegal (Travaille Ensemble Consulting, 2022). Overall, the process is perceived as overly complicated and bureaucratic.

- Tax incentives in sub-Saharan Africa scored 3.01 compared with the global average of 3.52. In Eswatini, Ghana, Kenya, Liberia and Zimbabwe, tax benefits for donations are limited. However, other countries like Ethiopia, Nigeria, Senegal, South Africa and Tanzania provide a general tax deduction for such donations. For example, Ethiopia provides a tax deduction of up to 10% of

income for individuals and businesses when they donate to Ethiopian charities and societies. Individuals and corporations can receive a similar 10% deduction for donations to public-benefit organisations in South Africa (Lilly School of Philanthropy, 2022).

- Cross-border philanthropic flows scored 3.28, compared with the global average of 3.51. Notably, only Ghana provides tax incentives for cross-border donations; in-kind donations are treated as exports, which makes them tax-exempt (Lilly School of Philanthropy, 2022). Here, it is also important to note that domestic legislation can be insufficient to meet international requirements on anti-money laundering and combating financing of terrorism.
- Political environment scored 3.33 in sub-Saharan Africa compared with the global average of 3.51. Reflecting comments made during the event, although countries like Ethiopia – which implemented a new Civil Society Organisation law in 2019 requiring the Agency for Civil Society Organisations to remove restrictive laws – are showing improvement, others, like Nigeria, have made moves to restrict philanthropy. Nigeria’s Companies and Allied Matters Act allows the Corporate Affairs Commission to suspend trustees and appoint interim replacements for associations, as well as the ability to merge associations at its discretion (Lilly School of Philanthropy, 2022).
- Economic environment was particularly low, scoring 2.84, compared with the global average of 3.46. Almost all countries reported that levels of corruption have created distrust in institutions and philanthropic organisations (Lilly School of Philanthropy, 2022). Other studies also indicate that there is a prevalence of “low trust between donors and beneficiaries”, as well as perceptions that civil society organisations (CSOs) “misuse funds” (Murisa, 2018) and have “poor governance and lack of proper accountability” as well as “weak institutional capacities systems” (WINGS & East Africa Philanthropy Network, 2023).
- Socio-cultural environment scored 3.60 in sub-Saharan Africa, compared with the global average of 3.82. Although some countries have developed a more robust philanthropic architecture to accelerate traditional forms of giving, the index concludes that there is still “room for improvement” (Lilly School of Philanthropy, 2022).

Box 3. The 2022 Global Philanthropy Environment Index evaluates the philanthropic enabling environment across 91 countries and economies

The enabling environment is defined as a space that provides “adequate incentives and restrictions to positively influence the capacity and propensity of individuals and organizations to freely engage in philanthropic activities in a sustained and effective manner. This enabling environment is the product of a set of interrelated conditions that are the result of the deliberate policy choices made by government actors and the historical, cultural, and socio-political traditions, resources, and legacies of a country or economy”.

The index measures philanthropy across six factors: (1) ease of operating a philanthropic organisation; (2) tax incentives on giving; (3) cross-border philanthropic flows; (4) political environment; (5) economic environment; and (6) socio-cultural environment for philanthropy. This is the first year the report has included a review of the economic environment as its own consideration in the analysis.

These six factors were evaluated through eleven indicator questions. Experts from the 91 economies provided detailed information in response to these indicator questions at the level of each country and economy. They also assessed each indicator using a score on a scale of 1 (least favourable) to 5 (most favourable). These scores were then used to create the scores at the economy, regional, and global

levels. Lastly, the economy-level scores and information were discussed and evaluated by experts at the regional and global levels to improve the validity of the scores.

The following African countries from sub-Saharan Africa are included in the Index: Eswatini, Ethiopia, Kenya, Liberia, Nigeria, Senegal, South Africa, Tanzania and Zimbabwe.

Source: (Lilly School of Philanthropy, 2022).

Exploring methods to improve data and impact transparency

When it comes to philanthropy in Africa, funders' lack of trust is often amplified by a lack of evidence and impact data. Mapping studies conducted by WINGS in East Africa specify the “need for transparency and impact [data]”, alongside the requirement for organisations to show “effective accountability and legitimacy through reviews” (WINGS & East Africa Philanthropy Network, 2023). As in other regions, transparency is not yet the norm in African philanthropy, and the continent is plagued by regional discrepancies and data gaps. For example, literature on African philanthropy demonstrates that more philanthropy studies have been carried out in the anglophone compared with francophone counterparts (Bado, 2022). Even in countries that have more advanced data capabilities like South Africa, where philanthropy and civil society organisations are obliged to file regular reports with the government, this information is not readily or publicly available. A 2021 OECD survey on philanthropy in the country also noted that even though philanthropic organisations almost always produce an annual report, the contents of these reports vary widely (OECD, 2022).

Moving forward, funders and implementers need to work to improve knowledge production based on identified local needs, and make sure that it can be leveraged and used timely on the ground. The African Center for Equitable Development seeks to generate repackaged and accessible evidence from local communities in francophone West Africa for policy makers (ACED, 2023). Evidence from *Private Philanthropy for Development – Second Edition* also indicates that some foundations invest in the local capacity of evaluators in the countries where they engage (OECD, 2021). This is an important development; evaluations, and particularly rigorous impact evaluations, are often conducted by professionals from donor countries, who are generally not part of the local context and may have limited capacity to develop and sustain relationships with decision makers in the field. Locally based and qualified evaluators can enhance the relevance of evaluations and encourage their uptake for decision making (OECD, 2021).

An example is the Hewlett Foundation's support of the West Africa Capacity-building and Impact Evaluation initiative, launched by the International Initiative for Impact Evaluation. The initiative aims to improve the capacity of countries in the region to articulate valuable questions and conduct evaluations. Similarly, the Mastercard Foundation is training new cohorts of young African evaluators and matching them with more experienced counterparts to deliver commissioned rigorous evaluations on the efforts supported by the foundation (OECD, 2021).

Networks across the continent are also working to develop new data initiatives on domestic philanthropy:

- The African Philanthropy Forum (APF) develops and shares information about African philanthropic sectors, including trends, strategies, best practices and opportunities for collaboration.
- The East Africa Philanthropy Network (EAFN) conducts research on emerging topical issues on philanthropy, especially in East Africa.
- TrustAfrica maintains the African Giving Knowledge Base, a collection of 700+ reports, case studies, articles, and conference proceedings about giving and philanthropy in Africa.

- The Africa Philanthropy Network (AFN) also maintains a Knowledge Hub on African philanthropy, including country reports.
- The Circle Index is a database of philanthropists and foundations active in the MENA region, and the nonprofits and social enterprises they fund.

Building trust by capturing local interest and aligning to community needs

Linked to the lack of available data, the overall lack of trust between some funders and local organisations also constitutes a clear bottleneck to developing a flourishing domestic philanthropic environment. Across the continent, funders and implementers need to challenge and transform traditional philanthropic power structures, support and champion front-line organisations, and use more participatory grant-making structures.

As the Hewlett and Mastercard Foundation's work on data indicates, there is a need to overcome the perception of philanthropic activity in Africa as a Western colonial relic while encouraging greater levels of community ownership. This point was reflected in participants' interventions during the Africa Philanthropy Day. Participants noted both the higher number of operating domestic foundations (as opposed to grant-making domestic foundations) in the African philanthropic landscape, and the fact that international foundations often employ consulting firms to develop generic implementation models that are subsequently adapted locally.

Likewise, CivSource Africa, a feminist Pan-African organisation operating at the intersection of philanthropy and civil society has asserted that reliance on traditional models "not only hinders local NGOs from effectively addressing social gaps but also undermines their dignity by subjecting them to scrutiny before receiving resources" (CivSource Africa, 2023). Local development stakeholders interviewed by CivSource Africa also indicated that funding is restrictive and there is often imposition of a Euro-centric development agenda in the African context. The key recommendations emerging from the discussions include urging donors to embrace multi-year partnerships for more impactful and effective development interventions and commit to improved communication with development partners (CivSource Africa, 2023). A study conducted by Dalberg and African Philanthropy Network also calls on donors to shift the "locus of power" from the location of funds to the site of beneficiaries, and to treat grantees as "long-term partners" (Dalberg/African Philanthropy Forum, 2020).

At the same time, there is a clear need to encourage communities to develop and nurture their own model of philanthropy. As the Barloworld Empowerment Foundation exemplifies, one way to support this is illuminating existing initiatives through storytelling and encouraging communities to recognise their own histories. Elsewhere, the Africa-Europe Foundation empowers communities by delivering enhanced funding towards grassroots organisations (see Box 4).

Box 4. Empowering Grassroots Initiatives through the Africa-Europe Foundation's New Partners Initiative

Through its New Partners Initiative, the Africa-Europe Foundation (AEF) is actively working to address the growth of African domestic philanthropy. With a specific focus on enticing new audiences to participate in Africa-European co-operation, this programme seeks to empower grassroots organisations by offering support and knowledge from AEF's international network with micro-grants of up to EUR 5 000.

By focusing on themes like youth-led entrepreneurship, ocean biodiversity, food systems, and climate mitigation, the initiative aligns with the broader goal of fostering local solutions to pressing local

developmental issues. For example, the focus on "Blue Economy and Ocean Governance" encourages youth-led entrepreneurship to address local economic difficulties while simultaneously directly addressing environmental challenges. This facilitates the creation of long-term solutions with a local foundation in addition to meeting the requirements of the communities in question.

This approach looks at how foundations might increase capacity locally while simultaneously promoting diversity. The programme supports the larger goal of the Africa Europe Foundation, which is to promote the invention and development of local solutions to developmental concerns, by acting as a workable model for empowering and providing voice to community-led action.

Source: (Africa-Europe Foundation, 2023).

At the same time, participants highlighted that sources of philanthropic funding are also evolving. There is an increasing number of Generation Z High-Net-Worth-individuals who tend to favour direct giving or crowdfunding over traditional intermediaries like non-governmental organisations, due to lack of trust on the use of funds, their effectiveness as well as based on perceptions of a lack of transparency (see Box 5). Leveraging technology for participatory grant making and direct giving may also help accelerate giving from other actors in the African philanthropy spectrum, including diaspora and ordinary citizens.

While sources of funding are evolving, so are modalities of giving. Specifically, the instruments and mechanisms used to support philanthropic giving in Africa are changing. Moyo (Transformative Innovations in African Philanthropy, Briefing Summary, 2011) noted there have been innovations in philanthropy to empower local communities and organisations which include "strategic grant making, impact investing, peer learning, online giving, collaborations and advocacy". This shift partially stems from the COVID-19 pandemic, during which African countries witnessed "the rapid advancement of new tools and vehicles for giving, including impact investments, collective giving and pooled funds" (Osili, Philanthropy plays a vital role in meeting development challenges and mitigating crises in sub-Saharan Africa, 2022).

Box 5. Generation Z High-Net-Worth Individuals favour direct funding or crowdfunding

BackaBuddy is a crowdfunding site that has become well-known and trusted due to its capacity to generate funds, dedication to screening campaigns, and steadfast support for people and philanthropic organisations. With assistance from over 300 000 contributors and over USD 22.85 million donated for 54 023 causes, BackaBuddy emerged as a trustworthy crowdfunding site in South Africa and throughout the world. Initiatives include support to campaign creators and organisations in raising money for a variety of purposes, including community development projects, medical crises, educational initiatives, and more, by igniting the power of collective giving. Prior to enabling charitable accounts, BackaBuddy claim to meticulously assess each crowdfunding project to guarantee accountability, openness and protections against fraudulent activity. Through incorporating empathy and compassion into the crowdfunding process, BackaBuddy seeks to promote deep relationships and a shared commitment to making a positive impact.

Source: (BackaBuddy, 2023).

4 Moving beyond Grants: Innovative philanthropic practices in Africa

Greater acknowledgement of Africa's unique philanthropic landscape and crises like the COVID-19 pandemic have pushed various stakeholders to embrace more innovative methods and tools for giving beyond grants channelled through INGOs. The importance of coupling non-financial support with funding in a more flexible way is getting more traction from funders. This transformative shift also reflects a more general global pivot within the development community to foster long-term, systemic change via multi-dimensional localised approaches. These new ways of giving in Africa have the potential to engage a more diverse set of actors and foster Public-Private Philanthropic Partnerships to address complex social and environmental challenges. This chapter outlines two innovative approaches which hold promise to achieve scale in the African context – flexible funding and blended finance structures.

Flexible funding models can empower grassroots organisations

The CivSource Africa study referenced in the previous chapter called on funders to embrace “trust-based and flexible financing methods” (CivSource Africa, 2023). Without doubt, there is a shift in the philanthropic discourse on funding and a rise in donors providing untied general support to their grantees. The term “trust-based philanthropy” was coined in 2014 by the Whitman Institute and refers to a philanthropic financing approach in which donors acknowledge grantees as the ultimate experts on the issues they work on “embedding trust, dialogue and relationship building in their practices with grantees” (Infante, 2023; The Whitman Institute, 2022). Trust-based philanthropy represents a move away from the traditional top-down framework of philanthropic financing approaches, in which donors dictate the terms and priorities of the support they provide to their grantees (OECD, 2024)

For In 2018, five major international foundations – Ford Foundation, William and Flora Hewlett Foundation, MacArthur Foundation, David and Lucile Packard Foundation, and Open Society Foundations – formed a collaborative to address the chronic underfunding of non-profits through solutions including increased general operating support. The aftermath of the COVID-19 pandemic has prompted an increase in flexible funding pledges (OECD, 2024).

A well-known example of this approach is Mackenzie Scott's philanthropic fund, Yield Giving. The fund has disbursed USD 16.5 billion since its inception in 2019. Yield Giving relies on external research and evaluation to identify beneficiaries, and its donations are typically one-time and do not require reporting. As of December 2023, Yield Giving has provided funding to 1,954 grantees, with 554 of them receiving undisclosed amounts (OECD, 2024). Africa-based/focused organisations that have received funding include “humanitarian aid and development non-profit Adeso, innovation focused non-profit Village Enterprise, African Population and Health Research Center, African Women's Development Fund and Afrika Tikkun” (AWDF, 2022; Village Enterprise, 2023; Beasley, 2022). All giving is carried out as unrestricted grants as a principle of operation (OECD, 2024)

Prominent actors in the philanthropic field have been quick to hail this model as having “benefitted many organisations across sub-Saharan Africa” (Osili & Ordu, How remittances and philanthropy meet

development challenges in Africa, 2023). In the same vein, OECD Africa Philanthropy Day participants signalled the potential of flexible funding to “replicate and accelerate traditional forms of giving”. Nevertheless, data from a forthcoming report on flexible funding by the OECD Centre on Philanthropy suggests that “the funding deployed to grantees based in developing countries vis-à-vis grantees based in the US shows that US non-profits have received five times more funding than organisations based in Sub-Saharan Africa” (OECD, Forthcoming). The case of Yield Giving is illustrative and speaks to the challenges associated with unrestricted grants. Although this form of giving aims to empower grantees through autonomy, the lack of a sustained relationship with recipients and the absence of any form of non-financial support can mean foundations risk missing opportunities to evaluate, learn, adapt, and develop relations with the funder and its other partners. At present, the data also indicates that this strategy may exacerbate existing inequalities in the non-profit sector, with well-established organisations receiving a disproportionate share of resources (Keidan, 2022; OECD, Forthcoming).

Ultimately, while flexible funding methods hold promise to support grassroots organisations and developing locally led development strategies, the case of Yield Giving indicates several potential pitfalls related to funder-grantee relationships, sector inequalities and impact measurement. Further research is needed on both the advantages and challenges associated with flexible funding before recommendations can be generalised for donors in relation to specific geographies (OECD, Forthcoming).

Blended finance structures: Partnering to support Africa’s sustainable development transition

The private sector currently funds only 14% of green investments in Africa and in non-OECD countries the average is around 35% (Netto & Suchodolski, 2023). Given the scale and diversity of private investment for climate needed across the African continent, there are growing calls in the development co-operation space for funders to “make best use of philanthropy, using its USP as an enabler, bridge builder, provider of catalytic capital, influencer, multiplier” and “expand the use of grants towards a de-risking model or use concessional capital to attract other forms of financing” (Netto & Suchodolski, 2023).

Approaches like blended finance, which is defined by the OECD as “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries” (OECD, 2023), represent one such method. In a blended finance structure, philanthropy can partner with development finance institutions (DFIs) or other development actors to reduce to risk-return profile of investments, therefore attracting private sector investment in strategic sectors in developing countries. In doing so, development resources can demonstrate project viability and built markets – in turn attracting more commercial capital (OECD, 2018). Yet, according to the Global Landscape of Climate Finance, approximately USD 39.1 billion of blended finance from 2015-20 was directed towards climate-focused investment opportunities (Climate Policy Initiative, 2021). Despite the clear potential of blended finance structures to contribute to Africa’s sustainable transition, its use has remained relatively limited up to now (Netto & Suchodolski, 2023). The East African Philanthropy Network notes that blended finance can “create investment opportunities in developing countries across Africa, crowding in additional private sector funds in high volumes” (East Africa Philanthropy Network, 2022).

Box 6. Shell Foundation: Using catalytic funding to facilitate Africa’s sustainable transition

The Shell Foundation is a prominent example of a corporate, cross-border foundation committed to catalytic funding and innovative financial tools. By employing venture philanthropy strategies and offering patient, adaptable funding in support social enterprises, the foundation helps expand access to energy, transportation, information, and employment opportunities across the continent.

In March 2023, the Shell Foundation provided USD 3 million in catalytical capital to Mironova's Gigaton Fund. With co-funding from the UK Government via the Transforming Energy Access (TEA platform), Mironova is an affiliate of Natixis Investment Managers, dedicated to sustainable investment. The Gigaton Fund aims to accelerate communities' access to clean energy and facilitate a sustainable transition across Africa and Asia. The capital will be used as a catalyst Junior tranche and help facilitate a USD 30 million investment for the e-mobility value chain. Serving to lower risks, this financial contribution has also already been instrumental in unlocking substantial investments from other development actors like DFC, Swedfund and SIDA.

Source: (Shell Foundation, 2022).

Blended finance structures tend to encourage actors to place an enhanced focus on development outcomes, transparency and accountability. The OECD DAC Blended Finance Principles and accompanying Guidance⁷ are an important starting point for effective blending, guiding actors across the development finance ecosystem in designing and implementing effective, efficient and transparent finance programmes (OECD, 2018) (OECD, 2021).. Specifically, OECD DAC Blended Finance Principle 1 encourages implementers to ground blended finance in a development rationale to ensure impact is identifiable and measurable. Similarly, Kampala Principle 2 emphasises the critical need to guarantee private sector engagement is directed towards the achievement of a sustainable development outcome. As the next chapter elaborates, blended finance structures also represent an opportunity for philanthropy to partner with development finance institutions (DFIs) and governments to address complex social and environmental challenges across Africa. In a blended finance context (Netto & Suchodolski, 2023) argue that: national governments' role involves creating the right enabling environment and promoting research and knowledge on innovative finance; the role of development finance institutions is to define internal technical assistance needs and develop project pipelines; finally, philanthropies need support the scale of these financing structures by shifting from an assistance-focused to opportunity-driven approach, helping to de-risk investments and policies and working with governments to improve the overall enabling environment.

⁷ To reflect changes in the development finance ecosystem, the OECD DAC Blended Finance Guidance is being updated throughout 2024 – to ensure that it remains relevant and fit-for-purpose.

5 Promoting partnerships for Africa's sustainable development

This chapter investigates how to improve and accelerate partnerships for development involving philanthropy in Africa. It looks at examples of good practice in the African context, as well as the challenges and opportunities involved with promoting partnerships for Africa's sustainable development.

SDG 17 "Partnerships for the Goals" seeks to revitalise the global partnership for sustainable development through partnerships between governments, the private sector, and civil society (United Nations, 2015). It is about strengthening the means of implementation to achieve all of the Goals and targets including with sufficient access to science and technology, financial resources, fair and equitable trade, and capacity for bringing about change. To date, the United Nations Partnerships Platform has registered over 7,700 partnerships across the SDGs (United Nations, 2023).

In recent years, there has been a steady rise in the willingness of international development agencies and development finance institutions (DFIs) to partner with philanthropic organisations in support of climate and development goals. Research undertaken by the Center for Effective Philanthropy indicates that CEOs of local foundations believe that collaboration fosters cross-sector relationships and deepens expertise, promotes a more strategic approach to investment and can even mitigate risk (Alger, 2022).

Public-Private-Philanthropic Partnerships (PPPs) are gaining traction as powerful tools for addressing global challenges, particularly in the climate change context. For instance, in November 2021, a USD 10 billion investment collaboration involving philanthropic institutions, investors, innovators, energy companies and governments was announced. The philanthropic sector led in mobilising public and private capital to mitigate CO₂ emissions, preventing the release of four billion tonnes over the next decade (Netto & Suchodolski, 2023).

A comprehensive report, undertaken by the World Association of PPP Unit and Professionals and a global network of philanthropic organisations, emphasises the transformative capacity of public-private philanthropic partnerships. The research identifies the six roles of philanthropy in activating PPPs, including initiating partnerships, co-creating solutions, providing funding, building partner capacities, de-risking projects, and enabling iterative learning (TPI x WAPPP, 2023).

Cultivating Public-Private-Philanthropic Partnerships is critical in supporting not only swift but impactful sustainable development across Africa. Moving forward, formalising, and increasing partnerships between different development actors in the African philanthropic landscape will require strengthening state capacities to establish platforms for collaboration, collecting more and better data on the different types of philanthropic giving in Africa, and building an ecosystem for Public-Private-Philanthropic partnerships. There also needs to be a dedicated space for learning to foster sustainable, inclusive and transformative partnerships that are accountable to local populations.

Box 7. Examples of successful partnerships

The African Water Facility's Partnership

The African Water Facility (AWF), an initiative hosted by the African Development Bank (AfDB), secured a substantial grant of USD 12 million from the Bill & Melinda Gates Foundation (BMGF) in 2011. This grant is earmarked to advance water and sanitation services across Africa and was announced at the AfricaSan conference in Rwanda. The partnership exemplifies a strategic alliance between a development institution, AfDB, and a prominent foundation, BMGF. The AWF, as an entity of the AfDB, leverages this financial support to address the critical issue of water and sanitation in Africa. The AWF's focus on fragile states, where basic services are often deficient, underscores the developmental aspect. The initiative strategically targets countries facing challenges in delivering fundamental services, emphasising the importance of addressing water and sanitation needs for overall development.

The AWF's commitment to promoting affordable and innovative solutions aligns with the Sustainable Development Goals and contributes to the broader conversation on public-private partnerships for sustainable development in Africa. The partnership not only addresses the immediate needs but also emphasises the importance of knowledge sharing, pro-poor public-private partnerships, and community involvement in developing lasting sanitation solutions.

Source: (AfDB, 2011).

Africa Digital Financial Inclusion Facility (ADFI)

The Africa Digital Financial Inclusion Facility (ADFI) represents a significant initiative focused on enhancing financial inclusion across Africa through the promotion of digital financial solutions. The African Development Bank launched ADFI in 2019 in partnership with the Bill and Melinda Gates Foundation (BMGF), the French Development Agency (AFD), the Ministry of Finance, Government of Luxembourg, joined by the Ministry of Economy and Finance, France, and the Women's Enterprise Finance Initiative in 2020 and 2022 respectively.

AfDB and BMGF's relationship is distinguished by a strong strategic alignment that centres on areas in which both organisations have resources and experience to share. Through this partnership, they are able to combine their resources and knowledge to make a bigger difference, especially when it comes to solving difficult development issues that call for consistent, long-term funding.

AfDB and BMGF created a single-donor trust fund to improve efficiency and flexibility. By using this method, the partners may make decisions more swiftly and efficiently while attending to important development demands. In addition, the collaboration has produced a brand-new financial product known as a moderate concessional loan. This product makes it more affordable for borrowers to get funding for development projects by providing them with concessional conditions. Development in Africa has already benefited greatly from the AfDB and BMGF relationship.

Their partnership has facilitated initiatives that have raised agricultural output, decreased rates of maternal and infant mortality, and increased access to clean water and sanitation.

Source: (AfDB, 2023).

Just Transition Energy Partnership

In 2023, during the Summit for a New Global Financing Pact (Paris Pact for People & the Planet), Senegal launched the Just Energy Transition Partnership (JETP) in collaboration with the International Partners Group (IPG). The JETP aims to assist Senegal in achieving universal energy access and

establishing a low-carbon, resilient and sustainable energy system. Over an initial three to five years, the partnership plans to mobilise EUR 2.5 billion, with the objective of increasing the share of renewable energies in Senegal's electricity mix to 40% by 2030.

This collaboration will bolster Senegal's climate ambitions, with a new nationally determined contribution reflecting the energy strategy slated for publication at COP30. Within 12 months, Senegal aims to draft an investment plan identifying required investments and opportunities for a fair and equitable energy transition. The Just Energy Transition Partnership is the fourth initiative of its kind, following comparable partnerships with South Africa, Indonesia, and Viet Nam, and it addresses the diverse challenges faced by African economies by advocating for diversified energy sources and resilient supply chains.

The partnership aligns with the objectives of the Summit for a New Global Financing Pact, highlighting the imperative to reconcile development efforts with the fight against climate change. Philanthropic engagement, including support from Bloomberg Philanthropies, plays a crucial role bridging the public and private sectors.

Source: (Élysée, 2023).

6 Recommendations

This report sought to build on the first ever OECD Africa Philanthropy Day and shed light on philanthropic activities across the continent. It provides evidence on the rise of philanthropy as a major development actor in Africa, beyond funding. Discussions revealed a highly complex, diverse, under-documented and under-reported landscape – underlining the need for further data collection and analysis. In addition, regional specificities and disparities were also emphasised, calling for tailored approach and locally led solutions.

Drawing on the insightful recommendations made by participants, together with OECD expertise, this chapter outlines next steps for a diverse range of development co-operation actors seeking to leverage philanthropy as a tool to support Africa's inclusive and sustainable development.

Recommendations for further research for all actors

This forward-looking approach is limited by the scarcity of reliable data on African philanthropy. In this context, the first recommendations emphasise the need for further research.

- Step up efforts in collecting and analysing quantitative and qualitative data on African philanthropy, especially in West Africa where there is currently a dearth of information.
- Strengthen philanthropic actors' capacity to measure and monitor their impact.

Recommendations for international philanthropic foundations

- Partner with other development actors (such as development finance institutions) to support a shift away from policies and programmes that are narrowly focused on education, health and crisis response and towards longer-term intersectional policies designed to meet structural sustainable climate and development goals.
- Explore opportunities to fund and implement technological solutions (e.g., crowdfunding, and online tools) to encourage incentivise local philanthropic giving (e.g., ordinary citizens and diaspora communities).
- Reinforce partnerships with more informal, traditional counterparts to direct giving towards the Sustainable Development Goals (SDGs) and the objectives of Agenda 2063.
- Move beyond traditional grant making and explore innovative approaches like flexible funding and blended finance structures to incentivise local giving.

Recommendations for domestic foundations

- Explore opportunities to fund and implement technological solutions (e.g., crowdfunding and online tools) to encourage philanthropic giving from a range of actors (e.g. ordinary citizens and diaspora communities).
- Develop education and awareness campaigns in local communities to recognise their own philanthropic practices and their potential contribution.

- Encourage a mixture of complementary vertical and horizontal giving, mindful to avoid unintentional harmful effects (for instance, reinforcing patriarchal norms).

Recommendations for development agencies

- Amplify African voices and the potential of African philanthropy to contribute to Africa's sustainable development in key multilateral events.
- Fund local networks to map local stakeholders' efforts and practices to decolonise philanthropy and build a full understanding of the spectrum of African philanthropy from within.
- Work with governments on national, regional, and global levels to establish platforms for the growing number of High-Net-Worth-Individuals to showcase their philanthropy and build networks with peers and build endowment funds.
- Work with governments on national, regional, and global levels to improve the ecosystem for philanthropy across the African continent. Specifically, improve the implementation and accountability of laws governing philanthropy and enhance good practices and transparency e.g., by adopting minimum reporting requirements.
- Work with local philanthropic ecosystems to advocate for tax incentives for philanthropists supporting local development.

Recommendations for Development Finance Institutions

- Be willing to partner with philanthropic organisations and invest in strategic development and climate sectors across the continent.
- Engage in Public-Private-Philanthropic Partnerships that are aligned with community needs and are accountable to local populations.
- Commit to managing and measuring the impact of investments to create more data on Public-Private-Philanthropic Partnerships across Africa and indicate which projects could be replicated or scaled.

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Annex A. Africa Philanthropy Day

Background

*In partnership with The African Capacity Building Foundation,
The African Climate Foundation and Agence française de développement (AFD)*

Philanthropy is a growing source of funding for low and middle-income countries. Although the amounts remain modest compared to other international financial flows, private philanthropic organisations contribute more than funding, through sharing expertise, helping innovations to emerge and by supporting local ecosystems.

According to data from the OECD Centre on Philanthropy, the African continent received the largest fraction of international cross-border philanthropic financing from 2016 to 2019 (OECD, 2021) with sub-Saharan Africa receiving 13% of total resources (USD 5.5 billion).

Domestic philanthropy in Africa is also on the rise. In South Africa, data from the OECD Centre on Philanthropy shows that domestic philanthropies⁸ contributed about USD 76 million per year between 2013 and 2018 (OECD, 2022) While domestic philanthropy in South Africa remains lower than international philanthropy and modest when compared to ODA (i.e. estimated as the 8% of net ODA flows – an annual average of USD 900 million), it is significantly higher than previously estimated, and is still largely underestimated because of the lack of transparency on philanthropic financing in the continent.

The Africa Philanthropy Day will bring together senior representatives of foundations, policy makers and OECD experts to discuss the African philanthropic landscape, how international and domestic foundations can further contribute to inclusive and sustainable development and to addressing the climate emergency.

During the day we will discuss the main opportunities for African Philanthropy, how international and domestic foundations collaborate with policy makers, and what are the challenges and opportunities for the next years.

The event will also aim to build a bridge with key themes discussed during the 22nd edition of the OECD/Africa Union International Economic Forum on Africa, which will take place the next day. The Forum will discuss the investment opportunities that the acceleration in the continental integration process can help foster.

Objectives of the meeting

- **Create a level playing field.** During the event experts will reflect on what data we have on philanthropy in Africa, both international and domestic, and shed the light on where the gaps and the most pressing needs in terms of data and information are, to increase understanding of philanthropy dynamics in Africa and transparency.
- **Identify needs and opportunities.** Representatives from leading African and international foundations will deep dive into the financing and capacity-building needs of different African countries, and how philanthropy effectively works to tackle the continent's most pressing needs in different thematic areas. Concrete examples of how foundations solve SDG related issues and combat climate change.
- **Foster new partnerships.** In order to achieve common development and climate objectives, foundations build coalitions with their peers, partner with local governments, development agencies, local NGOs and international organisations. Understanding the success factors of these coalitions and partnerships helps them thrive and achieve system change.

⁸ 31 domestic philanthropic organisations surveyed.

Agenda

30th October 2023 | 10:00-17:45 CET

OECD Headquarters, Conference Centre – 2, rue André Pascal, 75016 Paris, France – Room CC7

Master of Ceremony: Bathylle Missika, Head of the Networks, Partnerships and Gender Division, OECD Development Centre

09:30-10:00	Coffee and Welcome
10:00-10:10	Opening remarks <ul style="list-style-type: none"> ▪ S.E. M. François Nkulikiyimfura, Ambassador of Rwanda to France ▪ Federico Bonaglia, Deputy Director, OECD Development Centre
10:10-10:25	Scene setting: How can African Philanthropy be further leveraged to address development and climate challenges? <i>This session will set the scene for the event, presenting how African Philanthropy work to tackle climate change while reducing poverty and inequalities.</i> <ul style="list-style-type: none"> ▪ Theo Sowa, Co-Chair, Equality Fund and Board member of the Graca Machel Trust
10:25-10:30	Introduction from the OECD Development Centre Director <ul style="list-style-type: none"> ▪ Ragnheiður Elín Árnadóttir, Director, OECD Development Centre
10:30 – 11:30	African Philanthropy – What do we know from the data? <i>During this session, experts will discuss what data tells us about the amounts of resources directed by international and domestic foundations to development, including the sectors, geographies and themes that attract most resources. The dynamics of the sector, including the incentives/motivations, will also be discussed. The experts will also engage in a conversation on what they think is needed to increase transparency in the African philanthropy landscape.</i> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Nelson Amaya, Policy Analyst, OECD Centre on Philanthropy, OECD Development Centre ▪ Evans Okinyi, CEO, East Africa Philanthropy Network ▪ Mosun Layode, Executive Director, African Philanthropy Forum <p><i>Moderator: Una Osili, Director, Lilly Family School of Philanthropy, IUPUI</i></p>
11:30 – 11:45	Coffee Break
11:45 – 12:45	Tools for development – How foundations invest in African inclusive and sustainable growth and contribute to implementing Agenda 2063 <i>This session will explore how foundations are contributing to development and climate change through their work on education, health and gender equity. Speakers will share which sectors and sub-sectors need more support in the African continent, and how climate change and poverty alleviation can be tackled together.</i> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Saliem Fakir, Executive Director, The African Climate Foundation ▪ Daouda Diouf, Head of Climate Action and Health Resilience, Foundation S – The Sanofi Collective ▪ Papa Amadou Sarr, Executive Director of the Mobilization, Partnerships and Communication Department, Agence française de développement (AFD) ▪ Jonatane Budiaki, Senior Partnerships Manager, Aga Khan Foundation <p><i>Moderator: Mamadou Biteye, Executive Secretary, The African Capacity Building Foundation</i></p>
12:45 – 14:15	Networking Lunch with the OECD's Emerging Markets Network (EMnet) – Room: CC5

14:15 – 15:15	<p>Moving beyond grants – How foundations explore financial instruments and other innovative mechanisms</p> <p><i>This session will focus on new financial instruments and mechanisms that are being developed and deployed to support non-profits and social enterprises in Africa. From the rise of social impact bonds in health and education, to the increasing deployment of loans and equity, speakers will share examples of how they are moving beyond grants.</i></p> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Richard Gomes, Chief Programme Officer, Shell Foundation ▪ Elisa Desbordes, Chief Operating Officer, Ecobank Foundation ▪ Asma Ennaifer, Secretary General, Orange Digital Center Foundation, VP CSR and Communications, Orange Middle East & Africa <p>Moderator: Astrid Jarrousse, Head of International Partnerships and Mobilisation Division, Agence française de développement (AFD)</p>
15:15-16:15	<p>Local problems, local solutions – How African domestic foundations are contributing to sustainable development and addressing climate change</p> <p><i>Domestic philanthropy in Africa is on the rise but unevenly developed across countries. During this panel, foundations leaders will share insights on the learnings and the challenges of working in different geographies and different themes in Africa. The session will explore how foundations can build capacity at local level and foster the creation and development of local solutions to pressing developmental issues.</i></p> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Sibongile Mkhabela, Executive Director, Barloworld Empowerment Foundation ▪ Frejus Thoto, Executive Director, African Center for Equitable Development (ACED) ▪ Françoise Moudouthe, CEO, Africa Women Development Fund, Ghana ▪ Holy Ranaivozanany, Head of Outreach, Advocacy and Partnerships, Africa-Europe Foundation <p>Moderator: Priscilla Boiardi, Co-ordinator, netFWD and Centre on Philanthropy, OECD Development Centre</p>
16:15 – 16:30	Coffee Break
16:30-17:30	<p>Partnerships for development</p> <p><i>This session will explore how foundations can further contribute to PPPs to support sustainable development and address climate change in Africa.</i></p> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Masego Madzwamuse, Director of the Environment Programme, Oak Foundation ▪ Valerie Dabady, Manager, Resource Mobilization and External Finance Department, African Development Bank Group ▪ Bhekinkosi Moyo, Director, Centre on African Philanthropy and Social Investment (CAPSI) ▪ Bruno Bosle, Director, Mobilization & International Partnerships, Agence française de développement (AFD) <p>Moderator: Max von Abendorth, Chair of the Philanthropy in PPPs Forum, World Association of PPP Units & Professionals (WAPPP)</p>
17:30 – 17:45	<p>Closing remarks</p> <p>Speakers:</p> <ul style="list-style-type: none"> ▪ Bathylle Missika, Head of the Networks, Partnerships and Gender Division, OECD Development Centre ▪ Mamadou Biteye, Executive Secretary, The African Capacity Building Foundation ▪ Bruno Bosle, Director, Mobilization & International Partnerships, Agence française de développement (AFD)
17:45 – 19:30	Cocktail Reception with the OECD's Emerging Markets network (EMnet) – Chateau