Africa's Wealthy Give Back

A perspective on philanthropic giving
by wealthy Africans in sub-Saharan Africa,
with a focus on Kenya, Nigeria
and South Africa

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Dear reader,

Africa is a multi-faceted and fascinating continent. With so many different ethnicities and nationalities, one common practice unites all Africans: a culture of giving. Philanthropy, or giving, has long been practiced in Africa. Whether the motivation is to contribute to the growth of the country, give back once business success has been achieved, or support one's neighbors in need, philanthropy serves as the cement that binds communities together and contributes to the development of the continent.

Africa is booming but accelerating growth is accompanied by numerous challenges: poverty is still a daily reality for many, political instability and scandals, and the degradation of the environment continue to dominate the headlines. Therefore it comes as no surprise that philanthropy remains an important contributor to long-term development, and Africa's wealthy are keen to play a role. But what exactly characterizes African philanthropy? How do wealthy Africans give and what is their motivation? Is giving in Africa formalized? Does giving happen locally or does it extend beyond borders? These were the questions we aimed to answer with this pioneering report.

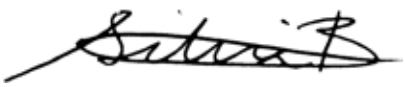
At UBS, we have been offering dedicated philanthropic support to our clients globally for over a decade. Our clients also benefit from the grantmaking expertise of the UBS Optimus Foundation. The Foundation provides effective donation opportunities to projects around the world that aim to improve the lives of children. In order to be at the forefront of philanthropic thinking we are committed to providing our clients with the latest insights on trends and innovations. We are also dedicated to sharing our proprietary research pieces to advance the philanthropy sector. Therefore, answering these questions today is essential for us to maintain our role as a pioneer and thought leader in the field of philanthropy.

Our hope is that the findings will further African philanthropy towards more effective impact, encourage others to embark on this exciting journey, and help the public and civil sectors to identify supporting measures to grow and develop philanthropy in Africa.

This research was conducted in partnership with a pan-African partner: TrustAfrica. TrustAfrica brought not only its expertise and its understanding of the local context but was instrumental in writing this report from an African perspective. Our sincere gratitude goes also to all those who have contributed to this research and the many African philanthropists and experts who have openly shared their philanthropic motivations, vision, activities and ambitions for Africa. We hope that this report will contribute to unleashing the potential for growth and sustainable development in Africa.

Yours sincerely,

Martin Emodi
Head, UBS Wealth Management Africa



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Sustaining African Philanthropy

African philanthropy is one of the indispensable means of transforming the continent. For a region that has had more than its share of calamities, philanthropy is a powerful expression of uplifting solidarity. Simply put, it is at the core of the ties that bind one of the most diverse human populations on the planet.

Over the past ten to fifteen years, there has been a phenomenal growth in philanthropic institutions across Africa, and the informal traditions of individual giving have not diminished. Hence, the vehicle is not broken and neither has it slowed down – if anything, it has gathered speed in the right direction – and that is precisely the reason we must give it greater and more careful attention. We need to know more and understand better what fuels it, how its component parts fit together, why it runs the way it does, and what else it needs in order to continue to run on its own steam.

What else is needed for African philanthropy to run on its own steam? That is one of the most critical questions currently confronting the field. To stretch the vehicular metaphor a bit more, the core need can be captured in a single word: 'Infrastructure' – an enabling environment, comprising appropriate policies, platforms for shared learning and strategic partnerships, and support systems to foster innovation and effectiveness in this vital field.

Looking into the future, one of the fundamental shifts required for Africa to rise unstoppably is for the continent to rely less on foreign aid and to realize its full potential as a self-reliant and self-driven continent. Supporting the requisite infrastructural base and systems for local philanthropy is a powerful way of achieving this goal, for there is no doubt that the best way to help people is to help them strengthen their own systems for helping themselves when they are in need. External donors can therefore help strengthen the shock absorbers of the African philanthropic vehicle at the minimum and that would still be a strategic, lasting investment.

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Acknowledgements

This publication would not have been possible without the participation of philanthropists across Africa and in its Diaspora[1], whose insights into their giving practices contributed to a greater understanding of one aspect of a centuries-old practice and the influence of contemporary global currents on it. For this, we express our sincere gratitude.

We would also like to thank the individuals and organizations working in the philanthropy sector. Your insights allowed us to produce a rich, layered report that connects to an overall development agenda.

We are indebted to our research partner, the Technical Support and Dialogue Platform (TSDP), for undertaking the research and co-producing the report together with staff at TrustAfrica and UBS. We also thank Juliana van Staden for her work on the data analysis, and the African Grantmakers Network (AGN) for various inputs to the study.

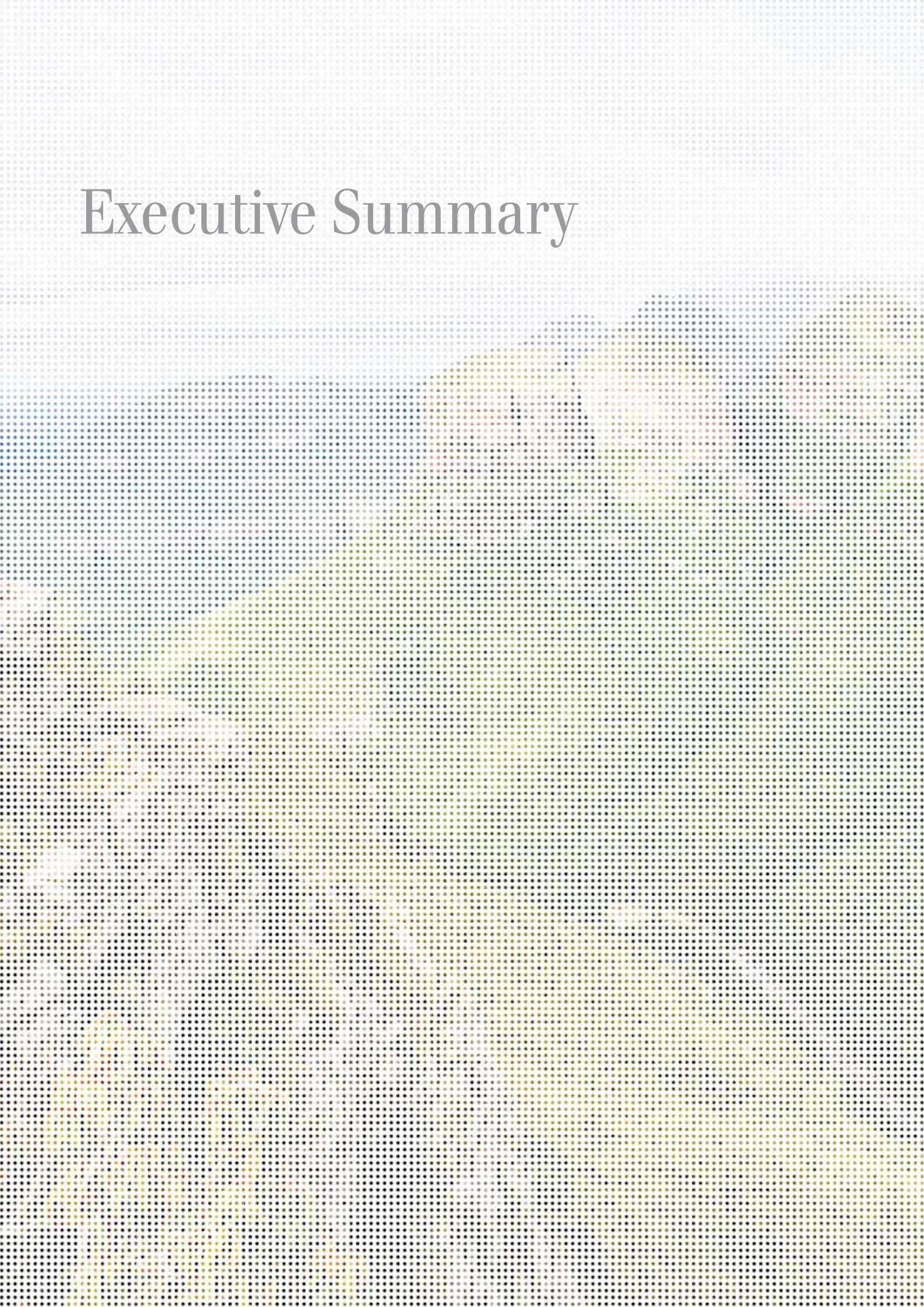
Acronyms

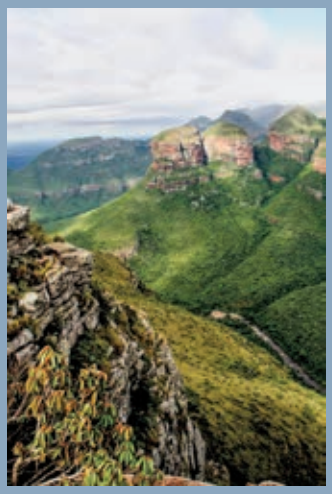
AGN	African Grantmakers Network
APF	African Philanthropy Forum
AU	African Union
AWDF	African Women's Development Fund
CBO	Community Based Organization
CSI	Corporate Social Investment
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
EAAG	East Africa Association of Grantmakers
EAC	East African Community
ECOWAS	Economic Community Of West African States
ERFIP	Empowering Families for Innovative Philanthropy
GDP	Gross Domestic Product
GPC	Global Philanthropists Circle
GPF	Global Philanthropy Forum
HDI	Human Development Index
HNW	High-Net-Worth
HNWI	High-Net-Worth Individual
KCDF	Kenya Community Development Foundation
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
PBO	Public Benefit Organization
PPC	Private Philanthropy Circle
SADC	Southern African Development Community
TSDP	Technical Support and Dialogue Platform
UNDP	United Nations Development Programme
USD	United States Dollar

[1] Diaspora in this research refers specifically to the African Diaspora i.e. those people who's families left Africa and settled overseas but still maintain strong ties to their countries and, in many cases, their communities of origin.

Understanding philanthropy by the wealthy in Africa

Executive Summary





Philanthropy is an integral part of the African identity. Philanthropy, or giving, has long been practiced by Africans at individual and community levels, both formally and informally, and at multiple levels of scale.

Over the last few years we have begun to see the emergence of more strategic philanthropy, the growth of formal vehicles for its practice, and the rise of new platforms that reflect African voices. There is also a growing interest to better understand African philanthropy and learn from the experience of African philanthropists so as to achieve greater impact.

This research forms part of that effort by providing a pan-African view of a specific group of philanthropists from Africa. It focuses on Kenya, Nigeria, and South Africa, countries that are in the spotlight due to their respective positions within their regions, their economic status and their levels of giving by the wealthy. However, individuals from countries such as Uganda, Ghana and the Democratic Republic of the Congo as well as from the African Diaspora also participated in the study.

The study builds on the expertise and work of UBS and TrustAfrica as well as on the contribution of almost 100 wealthy givers[2] and experts in the field, who provided information through surveys and in-depth interviews. It examines their motivations and aims to understand the values that underlie their giving. It explores the practices, mechanisms and influences that inform their contribution to the development of Africa. It also addresses questions around the opportunities and challenges that affect their philanthropy.

With growth in Africa, comes an increase in wealthy individuals

According to the African Economic Outlook 2014, growth in sub-Saharan Africa was 5% in 2013 and is projected to be 5.8% in 2014. East and West Africa recorded the fastest growth in 2013, of 6% or above[3]. According to the McKinsey Global Institute, a combination of economic and demographic expansion will see substantial wealth created over the next 15 years, with GDP projected to rise to USD2.6 trillion in 2020[4].

This growth on the continent has seen a corresponding increase in the number of wealthy individuals. According to the World Wealth Report 2014, the number of wealthy individuals in Africa in 2013 was estimated at 140,800, a growth of 3.7% over the year. In the same period, wealth held by this group witnessed an increase of 7.3% to USD1.3 trillion[5].

Philanthropy as part of the African identity

Philanthropy is an inherent characteristic of African family life and community. Many Africans however do not use the term 'philanthropy', which is often associated with the countries of the Global North[6] and with transfers of money from rich to poor. In many instances, English terms such as 'giving' or 'charity' are used instead, as well as a wide range of other terms in African languages such as *'ubuntu'*. This giving includes, but is not limited to monetary resources; time, expertise, skills and other mechanisms embedded in systems of mutuality and reciprocity have significant weight. Philanthropy in this study is therefore defined as the basic act of giving.

[2] For the purpose of this study and in order to fit better with the African context, we defined wealthy individuals as individuals who have an annual income exceeding USD 150,000 or have investable assets of more than USD 500,000.

[3] African Economic Outlook (2014), Statistics. A report produced annually by the African Development Bank (AfDB), the OECD Development Centre and the United Nations Development Programme (UNDP).

[4] McKinsey Global Institute (2010), Lions on the move: The progress and potential of African economies. McKinsey & Company.

[5] Capgemini & RBC Management (2014). World Wealth Report 2014.

[6] Generally the Global North is considered to include the United States, Canada, developed parts of Europe and East Asia. The Global South is made up of Africa, Latin America and developing Asia including the Middle East.

Key findings

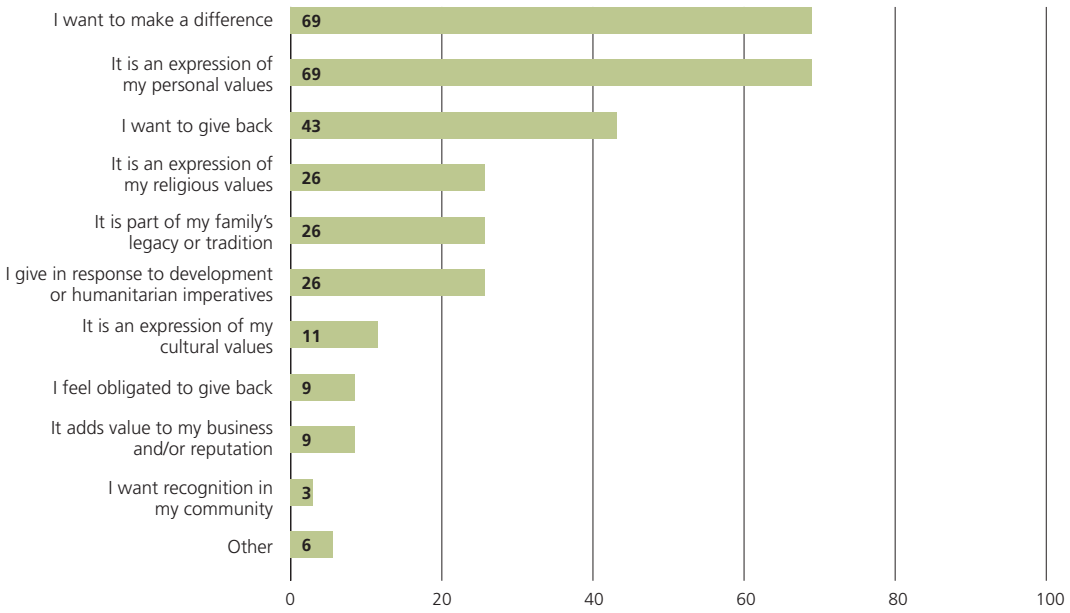
Narrative on African philanthropy – recognizing its indigenous character

A new view of African philanthropy is emerging that recognizes its indigenous character. This view is shared by this group of wealthy givers. The top three practices that characterize this view include giving that is largely focused on the extended family and local community; that informal giving plays a bigger role than formal giving; and that giving is embedded in beliefs and cultural practices.

Motivations for giving – a strong personal connection to the cause

Motivations for giving are very much derived from values, experience and background. For many wealthy individuals there is a strong wish to give back and to make a difference in the lives of others, especially in their own communities. One explanation is the fact that many African philanthropists grow up surrounded by the challenges they then seek to solve, leading to a very strong personal connection to an issue. For many giving has always been a family trait and is linked in some extent to their religious values. An 'obligation' to give was not generally cited as an important factor, although many shared the belief that giving is a norm – something that was not counted as 'philanthropy'.

Figure: Motivation for giving back
(% of respondents; n=35)



Sources of giving – the importance of personal over corporate donations

Though financed by several sources of income, giving mainly comes from personal or family members' donations. Just under half of respondents said they support their philanthropy from a share in company profits.

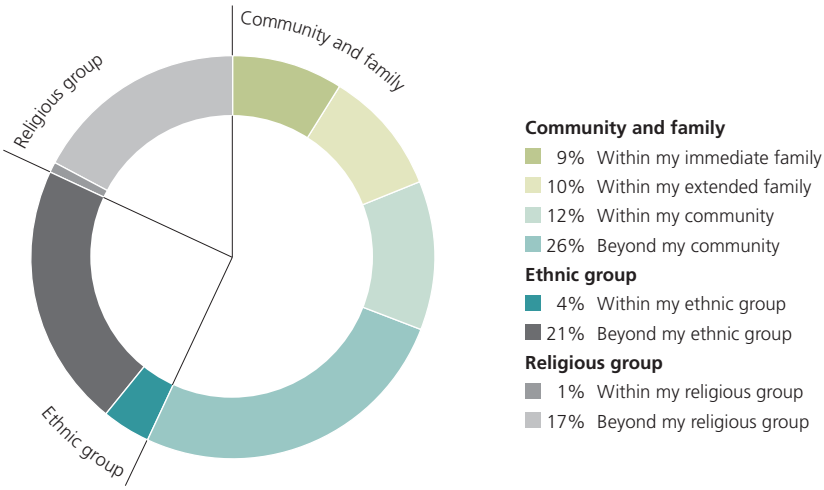
Types of giving – several forms are common

Giving takes several forms. Monetary giving scored the highest, but most wealthy individuals gave time, skills and experience as well as in-kind donations, with many confirming that they are investing more of their time, social capital and skills to help the causes they support. Giving of assets, making social investments and providing access to networks also take place, though at lower levels.

Geographic scope of giving – the importance of the family and the community

While the study affirmed the importance of giving to family and community, it also reflected that most respondents gave significantly to issues/groups beyond their community, ethnicity or religion. Most giving, however, was contained within their country.

Figure: Scope of giving
(n=36)

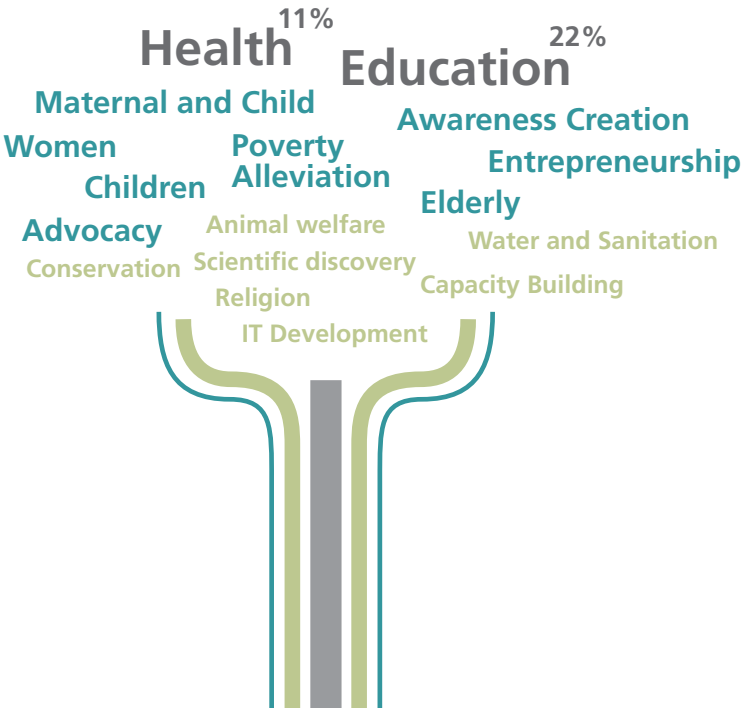


Causes supported – education and health attract greatest focus

Education and health attracted, unsurprisingly, the most support. These are both perceived as areas of urgent need and key springboards for African development. The findings also show that many wealthy individuals are more inclined to support service provision in these areas, rather than focusing on the systemic issues underlying the lack of delivery even if they acknowledge the need for it.

Philanthropists supporting other causes are usually people with a strong personal or professional link to the topic. Topics that receive a lesser focus are those that could be considered higher up in the pyramid of needs such as expanding access to social justice, or transparency in governance. This is despite the fact that many recognize their importance in the overall development agenda.

Figure: Main causes

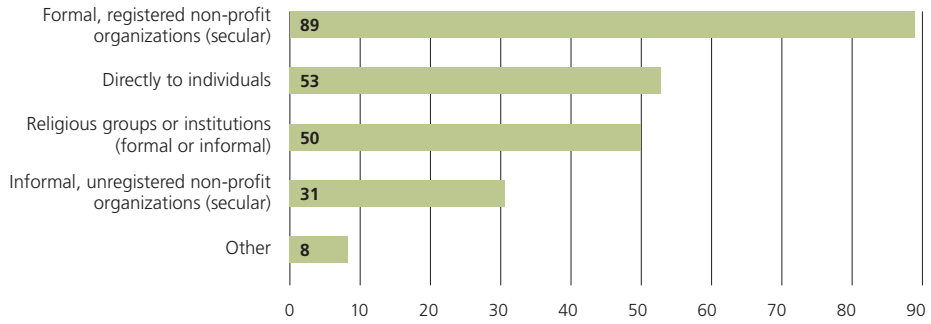


How giving happens – a multitude of approaches

Most respondents give both formally and informally. At the informal level, most give directly to the organizations or people they want to support, while others give their time to the cause by, for instance, serving on the board of a foundation. On the formal side, a significant number of respondents institutionalize their philanthropy through a legal vehicle such as a foundation or trust. Contrary to anecdotal evidence, very few respondents give through their company using a share of their company's profit (usual corporate social activities aside), preferring to give from their personal wealth.

Over half make their decisions about who to give to on an informal basis, while the rest depend on established guidelines and procedures for the evaluation and selection of grantees and projects. This is independent of whether they have a formal vehicle for donations.

Figure: Beneficiaries of support
(% of respondents; n=36)



More than half have family members help inform decisions and practices about giving. In some cases, spouses or family members serve as trustees or chair the board of directors at their foundations, while in others family members have their own philanthropic activities.

Networks appear to have a limited role at present. While some participants showed a strong interest for more issue-based or thematic exchanges and collaborations, many expressed difficulties in meeting their peers. Philanthropy networks and forums at country, regional and continental levels appear to be neither well known nor much used unless the individual is a high profile and seasoned philanthropist.

Engagement with giving by the Diaspora needs further exploration. Some interviewees suggested that giving by the Diaspora does play a role in African philanthropy and that the role is not only financial. However, given the small sample size of individuals from the Diaspora participating in this study, we cannot conclude if the multi-cultural experiences of the Diaspora also contribute to shaping how wealthy Africans go about their philanthropy.

Systematic measurement of impact occurs infrequently. Wealthy individuals tend to assess their giving according to the extent to which resources reached beneficiaries, the efficiency in the use of resources, and the positive impact at the beneficiary level. While there is some increase in the systematic measurement of impact, many wealthy individuals judge impact based on what they see and feel, rather than through a standardized approach.

An open debate remains around the ethics related to sources of funds for philanthropy. Similar to the debate in other regions of the world, there is a clear dichotomy as to the importance philanthropists place on the sources of funds for philanthropy. A large number of respondents indicated that philanthropists should acknowledge ethical considerations related to their giving. A significant proportion also agrees that benchmarking for transparency and accountability needs to be established in the sector. On the other side many disagree that the source of philanthropic funds is important, and only half believe that philanthropists should be transparent about the source of their wealth.

A core concern relates to inefficiencies in the management of their giving. Most respondents highlighted a concern with regards to the management of the financial assets related to their giving. They mentioned the sometimes poor performance of the implementing partners and the lack of efficiency in controlling the costs of their philanthropic vehicles. Corruption and mismanagement of funding did not emerge as a serious concern.

Outlook – African philanthropy's continuous evolution

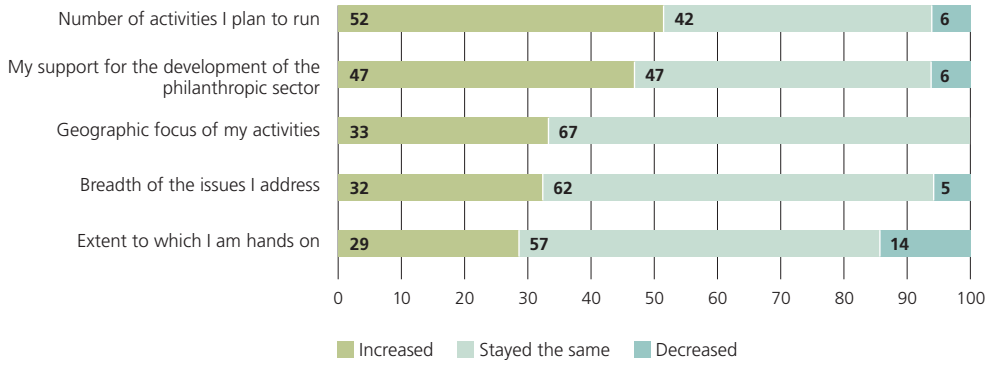
Philanthropy overall on the increase. Wealthy individuals would like to increase their engagement with philanthropic causes by becoming more strategic in their philanthropy, multiplying the ways in which they give and/or by increasing the amounts they give. Half of the respondents are planning to increase financial giving over the next year. Many also cite that the involvement of family members is increasing. Finally, the link between giving and business is growing stronger.

Interest in increasing domestic support for philanthropic infrastructure. Traditionally, infrastructure for the philanthropy sector has been supported primarily by external funding. However, the research revealed that almost half may be keen to increase support for the development of philanthropic infrastructure.

Towards more institutionalized giving. Individual and direct giving has, until recently, been the primary means for wealthy individuals to give but institutionalized and professional forms of giving are now becoming more common. This trend is partly due to an increase in the amount of time philanthropists dedicate and the importance of access to networks for the success of an intervention but also to the increased scale of giving which has become more complex and requires greater proficiency and more professional approaches.

A greater propensity to use investments to generate impact. More than half indicated that it was either likely or extremely likely that they would consider investments with a social impact, reflecting the potential for increasing links between philanthropy and business.

Figure: How giving may evolve over the next year
(% of respondents; n varies between 30 and 35)



Conclusions – increasing the impact of African philanthropy

Moving towards more strategic philanthropy and impact measurement. Across all regions of the world we see philanthropy being driven by people's passions. This is even more the case in Africa, where many philanthropists have experienced the causes that they support first hand. There is therefore a great need to combine this passion with a move towards more strategic philanthropy. The impact of one's giving can be increased by better understanding of the development challenges that one's philanthropy is trying to address, and then defining a clear vision, creating a detailed (but always flexible) strategy with an action plan, and embracing the tools to measure the impact. Access to expertise in these areas, through development experts and financial institutions could accelerate this change.

Sharing best practice and increasing collaboration by promoting and tailoring networks to the African context. Philanthropic networks and other forums need to explore how to best create spaces for sharing knowledge and experience, for example by creating issue-based platforms, so as to better support and strengthen giving by the wealthy. The development of platforms and forums adapted to the African context is vital, as is the dissemination of good practice models, tools and strategies for achieving greater impact.

Developing favorable regulations to encourage increased giving. Although the motivation to give is rarely driven exclusively by the existence of favorable regulations; measures that encourage giving and are easy for a philanthropist to access could be a way of increasing the level of giving. Further research is required to understand the ideal characteristics of such regulations so as to maximize their positive impact on philanthropic giving. Wealthy individuals would also appreciate an expedited process for creating vehicles and structures through which to carry out their philanthropy.

Broadening the scope of activities through which a wealthy individual can achieve impact. Donations are the most common approaches for wealthy Africans to 'do good'. Professional grantmaking activities are also of increasing interest to African philanthropists but could be implemented more broadly. In addition, although gaining popularity in the rest of the world, except for a few clear examples, using investments for impact (either through impact investing or sustainable investing) is still not common. Further support and education on the benefits of this form of investing should be contemplated.

Encouraging potential role models to step forward. Philanthropists who achieve great impact should be encouraged to use their successes and positions to inspire others. In this way best-practices can be promoted and shared and others can be encouraged to become engaged.

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Understanding

ND

Understanding philanthropy

Understanding philanthropy by the wealthy

Understanding philanthropy by the wealthy in Africa

1. Introduction

Philanthropy – or giving – in Africa is at an exciting stage of development. It has been an integral part of the social, economic, religious and cultural fabric of African communities for centuries. Internationally, the notion of philanthropy has been a narrow one – the transfer of large amounts of resources, generally money, from one entity or individual to a much poorer group of beneficiaries.

By contrast, new narratives are emerging in Africa, reflecting multiple types of philanthropy – the giving not just of money, but of time, expertise and social capital through various mechanisms. Moreover, such giving is not only top down (from rich to poor) or institutional, but occurs at all levels of society with varying degrees of scale and formality. This view of philanthropy, rooted in systems of solidarity and reciprocity, is gaining ground among practitioners and scholars alike.

In terms of philanthropic infrastructure, new platforms led by Africans and putting forward African views are emerging. They provide the means for African givers to engage, learn and share with each other and with the external development and philanthropy sector and help to create a better understanding of how giving takes place and what it achieves. New types of philanthropic mechanisms and institutions are emerging and age-old ones are receiving more attention. Taken together, these internal resource flows have played – and have the potential to play – an important role in the continent, given not only the development challenges that Africa still faces but also the opportunities the 21st century offers to the continent.

Africa still has significant dependence (among governments and formal civil society) on external funding for development initiatives. While this aid has often produced positive results, its negative repercussions are receiving greater attention: on its use to determine political, social and economic agendas; the imbalances of power it creates; and the suppression of local agency and opinion that is often involved. As one of the means of redressing the dependency aid can create, it is imperative that African countries focus more on harnessing internal resources to support locally defined, owned and funded development agendas.

With substantial economic growth on the continent, and a corresponding increase in the numbers of wealthy individuals in Africa; private giving or philanthropy by wealthy individuals is one of the internal resources that offers significant scope as a development resource. While research and documentation of African philanthropy has become more comprehensive and sophisticated in the last decade, very little is known about the giving practices of wealthy individuals. Most of the information published about this group is found in commercial magazines or through profiles. There are a few notable exceptions which focus directly on their philanthropy[7].

Information on private philanthropy is not easily obtained. The lack of visibility of the group in question – for reasons we look at in this study – often means that their donations remain anonymous and their practices highly confidential. Yet we know that they undertake significant giving in different forms. Understanding this giving in more depth can help to strengthen it, optimizing its development potential as well as supporting and encouraging new givers. Importantly, in a field where so little data exists, such information provides a critical baseline from which to understand how to support the development of this sector and to track its evolution.

[7] For instance: Sizing the Field; How Africa Gives; The Giving Report I & II; Giving to Help, Helping to Give.

This study thus attempts to provide a perspective on a particular set of wealthy givers. Within an overall frame of Sub-Saharan Africa, it focuses on three countries, Kenya, Nigeria and South Africa, although the study includes several participants from other countries in Sub-Saharan Africa as well as in the Diaspora. These three countries, however, provide a strong reference and reflection point given their political and economic roles within their respective regions.

A definition of philanthropy

Philanthropy in this study is defined as the basic act of giving. Taking context into account, giving here includes the giving of money, time, expertise, skills and assets. It also includes the variety of means and practices that are rooted in notions of solidarity and reciprocity.

A note on the methodology[8]

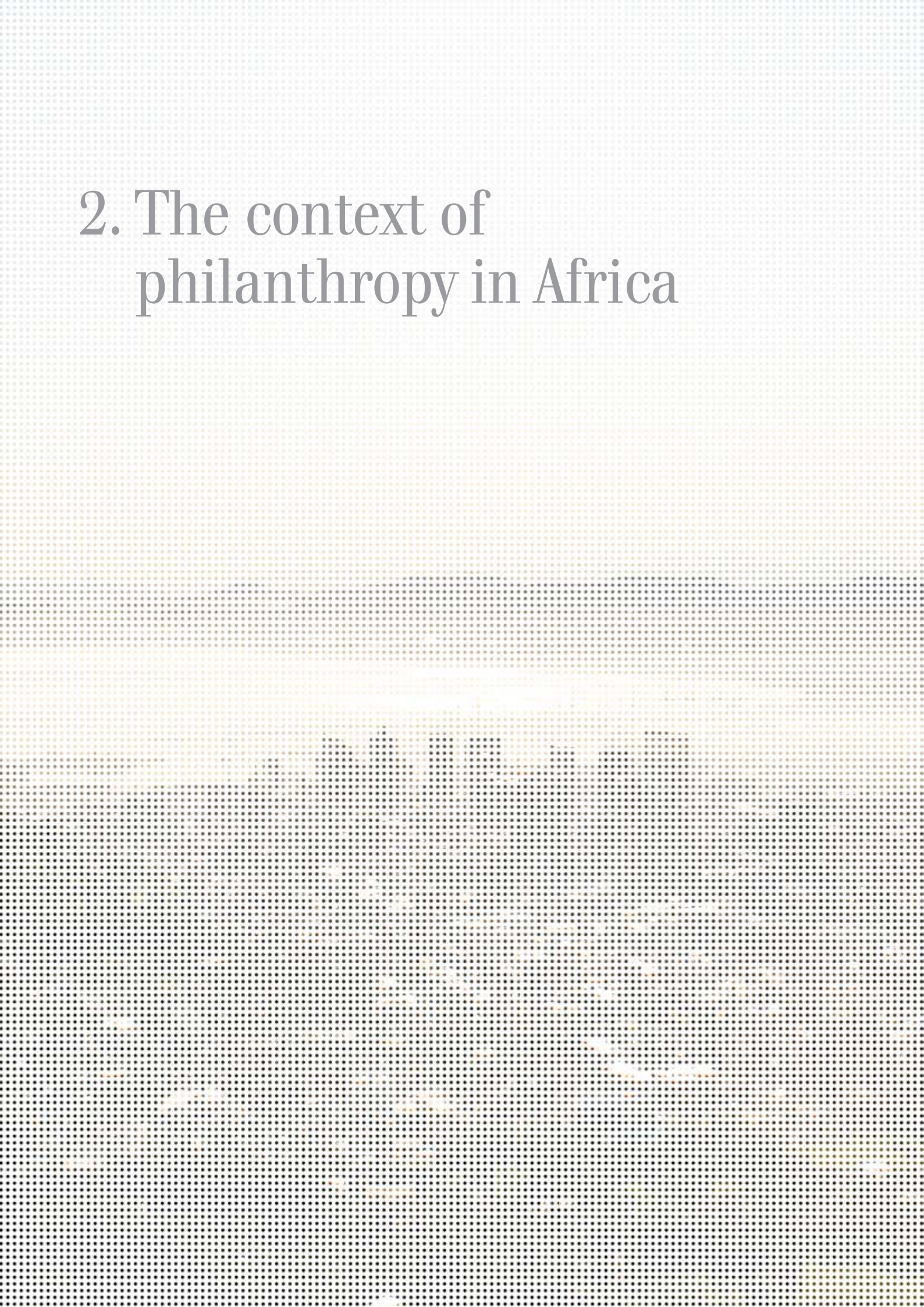
This study is based on the work and expertise of UBS and TrustAfrica, supported by SGS Consulting. It uses both a non-randomized survey and in-depth interviews. A total of 95 people were involved in this study. While the majority of these were based in the three core countries, others came from, for instance, Uganda, Ghana and the Democratic Republic of the Congo, and a few from the African Diaspora. It is important to note that the data is not intended as a general picture of the population of wealthy individuals in these countries. Instead, it is intended as a snapshot of a particular set of individuals which, it is hoped, will serve as one starting point to understanding, in more depth, why, how and to what end wealthy individuals give. The information provided by these respondents is then discussed within the context of published literature on philanthropy and cross-referenced with views from experts working in the sector.

A note on structure

The report starts with an overview of the context of philanthropy mainly in Sub-Saharan Africa, then looks in more detail at the regions of East, West and Southern Africa and in particular at the target countries of Kenya, Nigeria and South Africa. The research findings are articulated under key thematic areas, reflecting on the narrative on African Philanthropy, motivations for giving by the wealthy, how giving happens, and emerging critical issues that have surfaced through the study. This is followed by outlooks and recommendations to the field on how it might support giving by the wealthy, as well as highlighting issues for further exploration.

[8] A more detailed section on methodology can be found at the end of the study.

2. The context of philanthropy in Africa



To understand the issue of philanthropy in Africa and of private philanthropy in particular, it is important to recognize the African context, from its rising growth and enormous growth potential to the prevalent socio-economic conditions and the role of private philanthropy.

A growing economy

According to the African Economic Outlook, the African continent maintained an average growth rate of about 4% in 2013 (compared to 3% for the global economy) with a projected rise to between 5% and 6% in 2015. These are levels that have not been seen since before the global economic crisis of 2009. Growth in Sub-Saharan Africa was 5% in 2013 and is projected to be 5.8% in 2014. East and West Africa recorded the fastest growth in 2013 at 6% or above[9]. According to the McKinsey Global Institute, a combination of economic and demographic expansion will see substantial wealth created over the next 15 years, with GDP projected to rise to USD2.6 trillion in 2020[10] and, according to an African Development Bank report, to USD15 trillion by 2060.

Privatization of state-owned businesses, reductions in trade barriers and corporate taxes, and strengthening of regulatory frameworks and systems have all contributed to increasing investor confidence in the region. Governance is improving, although many African countries are still challenged with poor levels of accountability, and high levels of corruption and mismanagement.

The resource boom in Africa adds a further dimension to growth: 10% of the world's reserves of oil, 40% of its gold and 80% to 90% of the chromium and platinum group metals are to be found on the continent[11]. Economic growth in the region is also reflected by the rise of urbanization as well as growth of the African middle class. By 2030, the continent's top 18 cities could have a combined spending power of USD1.3 trillion"[12].

Despite the positive prognosis for growth, there are significant systemic challenges of poverty, governance, the inequitable distribution of resources, HIV/AIDS, and political instability, to name a few. Combined with the legacies of colonialism and apartheid, which have left deep-rooted fractures across social, political and economic planes, the development trajectory of the majority of African countries is one that is at odds with the trajectory of its economic growth. Across Africa, the deepening of poverty is a reality and social, political and economic inequalities continue to exist and grow. The notion of 'jobless growth', and the practice of equating increased GDP, per capita income, and the natural resource boom to development that automatically benefits all parts of society, is problematic[13]. The inequalities in ownership of income, assets and productive capacity, the narrowing spaces for voices and decision-making of people on the ground in the face of elite capture of resources and power; a decline in the manufacturing sector in Africa, and staggeringly high youth unemployment are everyday realities for many Africans.

[9] African Economic Outlook (2014). Statistics.

[10] McKinsey Global Institute (2010). Lions on the move: The progress and potential of African economies. McKinsey & Company.

[11] Ibid.

[12] Ibid.

[13] Rowden, R. (2013). The Myth of Africa's Rise: Why the rumors of Africa's explosive growth have been greatly exaggerated. Democracy Lab.

According to a report released by the African Development Bank, "Africa's growth tends to be concentrated on a limited range of commodities and the extractive industries. These sectors are not generating the employment opportunities that would allow the majority of the population to share in the benefits."[14] According to Bolton-Akpan, Africa's growth has been, "disappointing in its spread and depth", with poverty, unemployment and inequality increasing despite impressive macro-economic strides in several countries[15]. Similarly, Consultancy Africa notes "the responsiveness of poverty to economic growth is also weakened by wide economic inequality in Africa", which, "significantly reduces the gains from growth that accrues to the poor".[16]

With growth comes a rapidly increasing number of wealthy individuals

This growth on the continent has seen a corresponding increase in the number of wealthy individuals. According to the World Wealth Report 2014, in 2009 the size of Africa's High-Net-Worth population stood at 107,100; by 2013 this had increased to 140,800, a growth of 31% in five years. In 2013, Africa's High-Net-Worth wealth was placed at USD1.3 trillion. The number of Ultra-High-Net-Worth Individuals[17] in the continent has risen by 130% between 2003 and 2013; from 1,868, this figure is projected to increase by 53% over the next ten-year period – a projected growth rate that is the highest globally.[18]

In recent years, there has been much more attention on corporate and private, both of which offer great untapped potential. According to a report by the African Grantmakers Network (AGN), the estimated potential for High-Net-Worth and institutional giving in Africa is between USD2.8 billion and USD7 billion[19]. The same report, however, notes that only USD1 billion of the estimated USD7 billion can be traced, and that of the Forbes list of 40 richest Africans, only 22 had philanthropic initiatives. Generalizations on these numbers are, however, difficult. There is speculation that many wealthy people may under-report their giving due to sensitivities around the source of the wealth, or because of potential tax implications. In addition, a significant portion of giving by the wealthy, as this research will show, is informal, and therefore uncaptured.

While the growth of wealthy individuals does not necessarily lead to an increase in philanthropy, it does increase the potential for wealthy individuals to assume a stronger role in Africa's development agenda.

[14] As quoted in Rowden, R. (2013). The Myth of Africa's Rise: Why the rumors of Africa's explosive growth have been greatly exaggerated. Democracy Lab.

[15] Bolton-Akpan, T. (2013). Africa rising: Between myth and reality.

[16] Sharma, S. (2012). Africa and the first Millennium Development Goal: A contemporary perspective. Consultancy Africa Intelligence, 3 December 2012.

[17] Those with USD30 million of assets excluding their main residence.

[18] Capgemini & RBC Management (2014). World Wealth Report 2014.

[19] African Grantmakers Network (2013). Sizing the field: Frameworks for new narratives of African philanthropy. African Grantmakers Network, Southern Africa Trust: Johannesburg.

Philanthropy as part of African identity

Philanthropy is an integral part of the African identity and an inherent characteristic of African family life and community. However, Africans may not recognize the term 'philanthropy', which is a construct of the Global North and is generally associated with the transfer of large amounts of wealth from rich to poor. Many people would use English terms such as 'giving' or 'charity' or 'help' instead. Alongside these are indigenous terms and practices such as *ubuntu, harambee, ajo, ujamaa, ilima* and *susu*, amongst others, which reflect a variety of traditions and practices. In addition to money, this giving includes time, expertise and skills. Most significantly, however, in all its forms, it is underpinned by the ideas of solidarity, mutuality and reciprocity.

This notion of 'giving' recognizes that it happens across the spectrum of people, rich and poor, in a variety of ways, by a range of formal and informal means. Often, these things are not considered philanthropy by those who practice them or by the professional philanthropy community. Paying for the education of a child in the extended family, contributing to the cost of burying a neighbor, or investing money and energy in a stokvel[20] or chamas[21] that work for the good of the members are not seen as philanthropy, but as something that is just done. Likewise, Diaspora giving to the extended family or community of origin is rarely counted.

The relatively small amounts involved often means that the act is discounted, and the cumulative impact of these small amounts or the role such giving has played in people's survival is unrecognized. For many, giving is a way of life. This view has meant that such giving has often been overlooked by those who write, study or talk about philanthropy. This situation, though, is slowly changing.

In Kenya, South Africa and Nigeria, three culturally defined terms capture the essence and underpinnings of African giving in these countries. Many believe the South African concept of *ubuntu* (meaning "I am because you are") plays a key role in driving philanthropy in the country. A study on global philanthropy asserts that, "while always a part of South African culture, ubuntu has been rejuvenated since the end of apartheid, particularly among newly wealthy black business people."[22]

Harambee, a Swahili word which when translated into English means, "pulling together", is also a term used for an event that is held to raise funds for charitable purposes. According to Kenyan writer, Jackie Copeland-Carson, "*Harambees* are days of singing, storytelling and speeches, where families and interested persons donate what they can for a community project."[23] In Nigeria, *ajo* means "coming together to help each other" which suggests that it is often used as a way of expressing philanthropy among Nigerians.

The prevalence of informal giving practices has, over the last decade, been widely documented. For instance, Bhekinkosi Moyo, director of the Southern African Trust (SAT) and board member of the AGN, argues that, "philanthropy, as understood to mean the 'love for humanity', has always been practiced by Africans in their different and unique contexts."[24] In her research on philanthropy in Kenya, Copeland-Carson notes that giving is inculcated in the Kenyan way of life from childhood and comes to be seen as obligatory to the extent that disregarding it has negative repercussions.[25] A 2012 study by the AGN highlighted the prevalence of ad hoc and informal giving practices among wealthy individuals.[26]

[20] Stokvels are rotating savings and/or credit clubs where the financial benefits are for the contributing group members only.

[21] A Chama is an informal cooperative society that is normally used to pool and invest savings and is also referred to as "micro-savings groups".

[22] Barclays Wealth & Ledbury Research (2010). Global giving: the Culture of philanthropy. Barclays Wealth: New York.

[23] Copeland-Carson, J. (2007). Kenyan Diaspora Philanthropy: Key Practices, Trends and Issues. Philanthropic Initiative: Massachusetts.

[24] Moyo, B. (2011). Transformative Innovations in African Philanthropy. The Bellagio Initiative. Commissioned paper.

[25] Ibid.

[26] African Grantmakers Network (2013). Sizing the field: Frameworks for new narratives of African philanthropy. African Grantmakers Network, Southern Africa Trust: Johannesburg.

Africans do not generally tend to give to institutions. There are many reasons for this: issues of trust, isolation, and a lack of historical structures serving their interests. There is also the recognition that needs within one's own family and community are so great that institutional giving is secondary. Religious institutions and disaster relief appear to be exceptions. People give not only to religious institutions such as churches and mosques, but also to welfare organizations that are founded on religious principles and motivations. Africans have also rallied to disaster relief, both formally and informally, inside the continent and abroad.

Growing landscape of institutional giving

The landscape of formal philanthropy institutions is fairly diverse. Over the last several years, there has been an increase in institutionalized philanthropy generally, and the field now consists of private, corporate and family foundations, community grantmakers, workers' trusts, public foundations, financial services mechanisms and a range of different intermediary offerings.

There has been a concomitant increase over the last fifteen years of institutions supporting the philanthropy field. While still small, this infrastructure is growing both in numbers and types of offerings – a large portion of these are concentrated where institutional philanthropy is most visible, namely South Africa, though Pan-African institutions are increasing in number. This infrastructure is still fragmented, however, and a common agenda needs to be developed.[27]

Regulatory environment

In the past few years there has also been increased attention focused on how to create an enabling regulatory environment for formal giving, with the recognition that inducements to giving for those who are not part of the tax base need to be explored. As work on easing regulatory restrictions proceeds, ethical discussions around the source of funds for philanthropic activities are taking place as are questions about the governance of philanthropic resources.

[27] Mahomed, H. (2014). Of Narratives, Networks and New Spaces: A Baseline Mapping of the African Philanthropy Infrastructure Sector

2.1 East Africa and Kenya

East Africa

Although East Africa comprises 20 territories that stretch from north, central and south-eastern Africa, the East African Community (EAC), namely Burundi, Kenya, Rwanda, Uganda and Tanzania, constitutes an economic bloc. Economic growth within the region and among the five EAC partners has been steady in the last decade. Total Gross Domestic Product (GDP) of the five countries grew from USD30 billion in 2002 to approximately USD80 billion by 2012.[28] All five countries have liberalized their economies and annual economic growth stands at approximately 6%, with Uganda and Tanzania enjoying energy-resource endowments. Kenya's economy is the largest in the region, accounting for 40% of the region's GDP, followed by Tanzania, Uganda, Rwanda and Burundi.[29] Despite impressive economic growth, at least 40% of the 141 million people in the EAC countries live below the poverty line of USD1/day.[30]

At the same time, the region has seen the rise of wealthy individuals. According to Forbes magazine, six of the ten new millionaires to watch in 2014 have emerged from the East African region (three from Kenya and three from Tanzania). In addition, Tanzania has the fastest-growing number of millionaires in the region[31] and the country takes the lead for the most newcomers (three) to the Forbes's "Africa's Richest 50 2013" list.[32] According to the AGN's Sizing the Field, spending on philanthropy by wealthy individuals in Eastern Africa is estimated to be USD95 million.

Kenya[33]

Economic situation

Kenya's unique geopolitical position in East Africa makes it a regional hub for economic and political activity. However, it also makes the country vulnerable to conflict and instability from its unstable neighbours, presenting a range of security and humanitarian challenges. The introduction of devolved governance in 2013, increasing urbanization, uneven economic growth coupled with historical inequalities, persistent internal conflict, cyclical drought and other disasters all add up to a complex environment.

The economy of Kenya is the strongest and most dynamic in East Africa. The World Bank's Doing Business Report 2012 indicates that Kenya's Gross Domestic Product (GDP) grew by 4.6% in 2012. The country is characterized, however, by huge income disparities. While the poverty headcount is estimated at 46%, Kenya's wealth is concentrated in just a few hands, with 8,300 people controlling 62% of the national wealth.[34]

Within the past two years, Kenya has discovered oil, mineral and natural gas resources. It is estimated that Kenya's deposits of niobium and other rare earth minerals are worth USD100 billion.[35] According to the Economic Survey 2012, Kenya's mining sector grew by 13% in 2011 with a value of USD211 million.[36] This is anticipated to boost Kenya's mineral sector export contribution to USD240 million annually[37].

[28] East African Community (2011). EAC Development Strategy 2011/12-2015/16, Deepening and accelerating integration.

[29] Mwangi, S. & Kibe, J. (2013). Africa's Powerhouse: Why Kenya's economy is the linchpin of a promising new zone of growth in East Africa. The latest in our series of Lab Reports on Kenya. Democracy Lab.

[30] This is according to the World Bank statistics compiled between 2005 and 2012.

[31] Akumu. W. (2014). Tanzania takes lead in minting Millionaires. The East African, 22 February 2014.

[32] Melby, C. (2013). South Africa Tops Africa's 50 Richest, Johann Rupert Is Country's Richest Man. Forbes, 13 November 2013.

[33] Statistics in the box titled "Kenya at a Glance" have been drawn from African Economic Outlook 2014 Statistics, UNAIDS Global Report 2013, UNDP Human Development Report 2013 and Africa Development Bank Kenya Country Strategy Paper 2014-2018.

[34] Omonde, G. (2014). Kenya falls behind peers in Africa's new wealth race. The East African, 21 February 2014.

[35] Kamau, S. & Mungai, C. (2013). Kenya hits $100bn rare earth jackpot. Africa Review, 21 July 2013.

[36] Mbogo, S. (2013). Cortec invests $90m to mine niobium in Kenya. The East African, 13 April 2013.

[37] Kamau, S. & Mungai, C. (2013). Kenya hits $100bn rare earth jackpot. Africa Review, 21 July 2013.

Kenya at a glance

Population: 44.4 million

GDP growth rate: 4.5% (2013)

Unemployment rate: 12.7%

Human Development Index: 0.5 (low human development, placing Kenya 145 out of 187 countries)

Percentage of people living below the USD 1.25/day poverty line: 46% (estimated)

Life expectancy: 57.7 years

Maternal mortality ratio: 400 per 100,000 live births (2013)

HIV prevalence (15 to 49 years) 2013: 6.1 % (estimated)

Forms of giving

Philanthropy takes many forms in Kenya. *Harambee* ("all pull together" in Swahili) is a traditional localized funding event that was adopted as a development strategy by President Jomo Kenyatta in 1963. There are also many other forms of individual and community philanthropy activities ranging from merry-go-rounds (savings and/or credit cooperatives), religious tithing, community revolving funds (such as stokvels) and chamas.

Focus on wealthy individuals

According to the report Wealth in Kenya 2014, Kenya has the fourth highest number of High-Net-Worth individuals (HNWI) in Africa. In 2013 there were approximately 8,300 HNWIs in Kenya with a combined wealth of USD31 billion. The report sees Kenya's number of HNWIs growing by 28% over four years, reaching 10,700 by 2017, with High-Net-Worth wealth increasing by 30% to USD41 billion in 2017.

With a few very notable exceptions, the majority of wealthy individuals visibly practicing 'institutionalized' philanthropy are Kenyan Asians who have set up, for example, foundations/trusts or corporate-linked entities. The other large group, primarily in the field of conservation and wildlife, are Kenyan whites or expatriates. Giving by the wealthy among black Kenyans through a formalized vehicle is not very visible. It is difficult to tell whether newly rich Kenyans are giving little or whether their giving happens at lower, less visible levels rather than through established or formalized mechanisms. Wealthy individuals tend to come from two main ethnic communities in Kenya linked to political power. One separate growing area of philanthropy is among Kenyan athletes and musicians. Many of the visible wealthy Kenyans are male and of the older generation.

Regulatory environment

There are no fiscal incentives for charitable giving in Kenya. There is, however, a tax exemption certificate that civil society organizations can apply for, though this has been poorly implemented. There is also a *waqf* law in Kenya which anecdotal evidence suggests is still in use[38]. Proposed amendments to legislation affecting Public Benefit Organizations (PBOs) could result in reduced international funding for PBOs. Many Kenyan PBOs rely heavily on external aid for their operations and programs, so such a restriction would mean that local resources will be vital to their survival.

Philanthropic infrastructure

There are a small number of philanthropy infrastructure organizations that work towards increasing local giving in Kenya. These range from cross-sector regional networks to foundations that include an aspect of strengthening philanthropy to service delivery and intermediary institutions and community foundations. There is, however, no support entity specifically for wealthy individuals in Kenya. It is important to note that the majority of these institutions rely heavily on external funding, though there are some that are increasing local contributions to their efforts. Support for this type of work is difficult to obtain, and has decreased sharply, making exploration of local resources a priority for the sector.

[38] Essentially, a waqf is a bequest or endowment of an asset that can be used towards public good.

2.2 West Africa and Nigeria

West Africa

West Africa is comprised of 15 countries, the majority of which are Francophone. In 2013 West Africa had a combined population of 327 million. The region has seen massive population growth of approximately 3% per year and the regional population is expected to reach over 800 million by 2050[39].

In spite of severe social, environment and political challenges, the region is experiencing its best economic growth in decades, which is set to increase from 6.7% in 2013 to 6.9% in 2014[40]. In September 2013 the African Development Bank described West Africa as the fastest growing region in Africa with several countries experiencing growth rates of 7% and above in that year. According to the United Nations Economic Commission for Africa, West Africa will continue to attract foreign investment to its oil and minerals sectors[41].

The region has, however, been plagued with political and social crises, as well as natural disasters. The Sahel region of West Africa experienced a severe food crisis in 2012 that affected over 18 million people in nine countries. The Economic Community of West African States (ECOWAS) was established to guide regional integration and promote economic growth in the region. Pillars of ECOWAS, such as its Mediation and Security Council, are designed to facilitate peace and security in the region.

The emergence of oil and mineral wealth in the region has given rise to the growth of an upper-middle and High-Net-Worth segments of society. West Africa is home to a number of wealthy individuals including Africa's wealthiest man, Nigerian Aliko Dangote[42]. AGN's Sizing the Field, estimated spending on philanthropy by wealthy individuals in Western Africa to be USD167 million.

Nigeria at a glance

Population: 174 million

GDP growth rate: 6.7% (2013)

Unemployment rate: 24%

Human Development Index: 0.47 (#153 out of 187 countries)

Percentage of people living below the USD 1.25/day poverty line: 68% (2010)

Life expectancy: 52.3 years

Maternal mortality ratio: 560 per 100,000 live births (2013)

HIV prevalence (15 to 49 years): 3.1% (estimated)

Nigeria[43]

Economic situation

A federal republic, Nigeria is the continent's most populous nation. In 2008, just over half the population was believed to be living in 'multi-dimensional poverty' with 68% living below the income poverty line and 38% in 'severe' poverty[44]. According to the UNDP in Nigeria, there has been some improvement in poverty and eradication of hunger, largely due to recent economic growth. Nigeria is now the biggest economy in Africa and the 26th biggest in the world, with a GDP figure of approximately USD509.9 billion. Notwithstanding, rising income inequality continues to be a major concern.

The economic, political and social climate in Nigeria has undergone some major changes in the last 12 years, much of it related to the oil sector. Since the advent of democracy in 1999, there has been a concentration of wealth in Nigerian hands and in four key areas – merchandising, oil, banking and telecommunications. This has led to an increase in philanthropy and coincided with some change in the political climate[45]. Instability, violence, corruption and lack of adequate governance are, however, still critical challenges.

[39] According to the 2013 World Population Data Sheet.

[40] Busayo, S. (2014). West African countries to grow by 7%. ECA Ventures Africa, 28 January 2014.

[41] African Development Bank (2013). Africa is now the fastest growing continent in the world. African Development Bank Group: Tunisia.

[42] Forbes (2014). Profile of Aliko Dangote.

[43] Statistics in box titled "Nigeria at a Glance" have been drawn from African Economic Outlook 2014 Statistics, UNAIDS Global Report 2013, UNDP Human Development Report 2013 and Africa Development Bank Country Strategy Paper 2013–2017.

[44] United Nations Development Programme (2013). National Human Development Report Nigeria.

[45] Interview with Kayode Samuels, independent philanthropy consultant.

Forms of giving

In addition to informal one-on-one and community giving, several formalized philanthropy models exist. Corporate foundations and the private foundations of wealthy individuals are the most common. In the Niger Delta, a number of community foundations/trusts have been established. There have also been a number of foundations established by First Ladies of various Nigerian States. In addition, institutions initiated by collaboration among West African government representatives (often ministries) to address particular issues are also popular[46].

Focus on wealthy individuals

Nigeria has the region's greatest concentration of HNWIs. According to the Nigeria 2014 Wealth Book, in 2013 Nigeria had over 16,000 HNWIs holding USD90 billion in wealth. The number of HNWIs is forecast to grow by 7% to reach over 18,000 in 2018, while HNW wealth is expected to grow by 27% to reach USD123 billion in 2018. The 2014 New World Wealth report reflects that Nigeria has 200 Ultra-High-Net-Worth individuals, 50 centa-millionaires and four billionaires. Eleven of the HNWIs appearing in the Forbes "Africa's 40 Richest People" in 2012 were Nigerian. Although there is a general belief that the wealth and philanthropy of HNWIs in Nigeria is visible and public, there may be some who prefer to give unseen. In 2012 Forbes published a list of ten Ultra-High-Net-Worth individuals from Nigeria who prefer to retain a low profile.

Regulatory environment

There are no legal or fiscal incentives to giving, though an initiative launched last year proposed policies to encourage giving (tax breaks for donations). In addition, a corporate social responsibility law is under discussion.

Philanthropic infrastructure

The support infrastructure for philanthropy in Nigeria is very small. While not much is known about the infrastructure that supports community foundations in the Niger Delta, two prior attempts to bring together the broader philanthropic sector in Nigeria have not met with success. Possible reasons for this are that the country's diverse range of philanthropic entities could not be catered for by a generalized support structure and that, since many Nigerian foundations are operating (rather than grantmaking) foundations, the nature of the infrastructure was not suitable. In 2013, a new initiative to bring together philanthropists was launched.

It appears that issue-based or cause directed collaborations have, in several cases, worked much better. Collaborations of philanthropists around specific issues, for instance the Private Sector Health Alliance, or the recent collaborative donations[47] to support victims of the Boko Haram insurgency in Northern Nigeria may offer insights into alternative ways to support Nigerian foundations.

[46] Sy, M., and Hathier, I. (2013). Institutional Forms of Philanthropy in West Africa. International Development Research Centre.

[47] Nsehe, M. (2014). Africa's Richest Man Aliko Dangote, Tony Elumelu, Others Raise $400 Million For Terror Victims. Forbes, 1st August 2014.

2.3 Southern Africa and South Africa

Southern Africa

The Southern African Development Community (SADC) facilitates regional cooperation and integration and encompasses 15 countries in the region. The region differs from the rest of Africa in its main exports, namely platinum, diamonds, gold and uranium, and is arguably the most stable region in Africa. The annual GDP growth rate in the region in 2011 was 5.14%[48]. South Africa is a dominant economic force in the region and continent.

The region is characterized by high levels of inequality with South Africa being one of the most unequal countries in the world. According to the International Labor Organization, more than 60% of the population in Southern Africa lacks access to safe water while a third of the population in the region lives in abject poverty and approximately 40% of the labor force is unemployed or underemployed[49]. Seven SADC countries rank as medium in the HDI, while six are rated low[50]. The region is home to the highest HIV prevalence in the world at 17.9%.

Although the region is deemed relatively politically stable, the legitimacy of some political regimes is in question, and corruption is endemic.

Although South Africa has the highest number of HNWIs on the continent, this is not reflective of the region as a whole, although there are notable wealthy individuals and philanthropists such as Strive Masiyiwa of Zimbabwe, Nathan Kirsh of Swaziland and Isabel Dos Santos (Africa's richest woman) of Angola. AGN's Sizing the Field estimates spending on philanthropy by wealthy individuals in Southern Africa at USD500 million.

South Africa at a glance

Population: 53 million

GDP growth rate: 2.8% (2013)

Unemployment rate: 25.2%

Human Development Index: 0.62 (#121 out of 187 countries)

Percentage of people living under the SA Food Poverty line: 20.2% (2011)

Life expectancy: 53.4 years

Maternal mortality ratio: 140 per 100,000 live births (2013)

HIV prevalence (15 to 49 years) 2013: 17.9% (estimated)

South Africa[51]

Economic situation

Having emerged from decades of political oppression to become a thriving democracy, South Africa is often hailed as a political miracle. The country has enjoyed fairly strong economic growth and although poverty levels have been in decline since South Africa's new democratic dispensation, levels of income and asset inequality remain stubbornly high. In 2011 the top 10% of earners in South Africa took away 101 times the earnings of the bottom 10% of the population[52].

High levels of unemployment continue to plague the country, and while the country's official unemployment rate stands at 25.2%, unofficial rates are significantly higher. Women are more likely to be unemployed than men[53]. There are alarming levels of violent crime and growing concerns over the decrease in transparency and accountability in governance systems. Although South Africa's constitution is widely believed to be one of the most progressive in the world, enforcing hard-won rights has been problematic and corruption is seen to be on the increase.

South Africa's HIV epidemic is the largest in the world, although new infections have decreased by 41% since 2001 and treatment has been significantly scaled up[54]. Notwithstanding these improvements, the impact of the disease on the country's social fabric has been significant and South Africa has seen a drastic increase in the number of households headed either by children or by elderly people looking after grandchildren.

[48] South African Development Community (2012). SADC Facts and Figures.

[49] International Labour Organisation (2013). Inequality in Southern Africa: Options for Redress, Policy Brief.

[50] Frye, I.S. Farred, G. Nojekwa, L. (2011). Inequality in South Africa, In Ed(s) Jauch, H. Muchena, D. Tearing Us Apart: Inequalities in Southern Africa. Open Society Initiative for Southern Africa (OSISA).

[51] Statistics in box titled "South Africa at a Glance" have been drawn from African Economic Outlook 2014 Statistics, UNAIDS Global Report 2013, UNDP Human Development Report 2013, and Statistics & Statsitics South Africa 2014.

[52] Molefe, O., (2012). Brainstorm: The state of income inequality in South Africa. Daily Maverick, 23 May 2012.

[53] Ibid.

[54] United Nations Programme on HIV/AIDS (2013). Global Report: UNAIDS Report on the Global AIDS Epidemic 2013.

According to a study released by the University of Cape Town's Unilever Institute of Strategic Marketing in 2013, the black middle class population in South Africa has grown from 1.7 million in 2004 to 4.2 million in 2012[55]. This group now spends R400 billion annually (approximately USD40 billion) compared to the R323 billion (approximately USD 32.3 billion) spent by the historically wealthier white middle class[56]. This presents an important opportunity for philanthropy since it is hoped that those with rising discretionary income can be persuaded to donate some part of it.

Forms of giving

South Africa has been called a nation of givers. Much of this giving is, however, concentrated on extended family, community and religious entities. There are different examples of giver's circles, stokvels, burial societies and others, which play an important social and economic role. South Africa is in the formative stages of a culture of institutionalized giving and over the last few years has seen both an increase in formal philanthropic institutions as well as more prominent giving to particular causes. Campaigns such as the "Save the Rhino Campaign", for instance, have drawn much attention and resources, as have some service provision non-profit organizations and disaster relief agencies.

Focus on wealthy individuals

According to the South Africa 2014 Wealth Book, in 2013 South Africa had over 47,000 HNWIs, who collectively held USD200 billion in wealth. The number of HNWIs is expected to grow by 16% reaching over 57,000 by 2018. HNW wealth is expected to grow by 31% to reach USD281 billion in that same period. Eight South Africans appeared on the Forbes list of 30 of Africa's billionaires in 2014[57]. The Giving Report II[58] produces an estimate that HNWIs in South Africa donated R8 billion (approximately USD800 million) in cash, R5.1 billion (approximately USD501 million) in goods and services and 7.9 million hours in time in 2012.

Regulatory environment

South Africa's legal environment incentivizes giving, though the opinion in the field is that there are still significant restrictions and incentives need to be more advanced. Charitable donations to specific types of non-profit organizations (called public benefit organizations) are tax deductible up to a capped amount. South Africa has a well-established corporate social investment (CSI) sector with an estimated R7.8 billion (approximately USD700 million) CSI spend in 2013[59]. This is set to increase annually. Although not all companies are legally obligated to implement CSI initiatives, corporate giving is often closely associated with the Broad-Based Black Economic Empowerment legislation, part of which encourages support to socio-economic development initiatives.

Philanthropic infrastructure

South Africa has the largest philanthropy infrastructure in the continent, hosting at least 17 local and regional institutions. Several of these include a focus on wealthy individuals, but there is room for an expansion of services for this sub-sector. South Africa is also home to five pan-African initiatives, one of which is dedicated to giving by the wealthy.

[55] Durr, B. (2013). A toast to South Africa's Black Middle class. Africa Renewal, December 2013.

[56] Ibid.

[57] Mfonobong, N (2014). The African Billionaires 2014. Forbes, 4 March 2014.

[58] Nedbank Private Wealth (2013). The Giving Report II - A survey on the giving practices of High-Net-Worth individuals in South Africa.

[59] Kamaldien, Y. (2014). Shifts in corporate spending. Mail and Guardian, 10 April 2014.

3. Research Findings

These findings are not intended as a general survey of African philanthropists, but a perspective on a set of individuals providing some insight into, and understanding of, how and why they give, and to offer some markers to indicate where potential areas of support may lie.

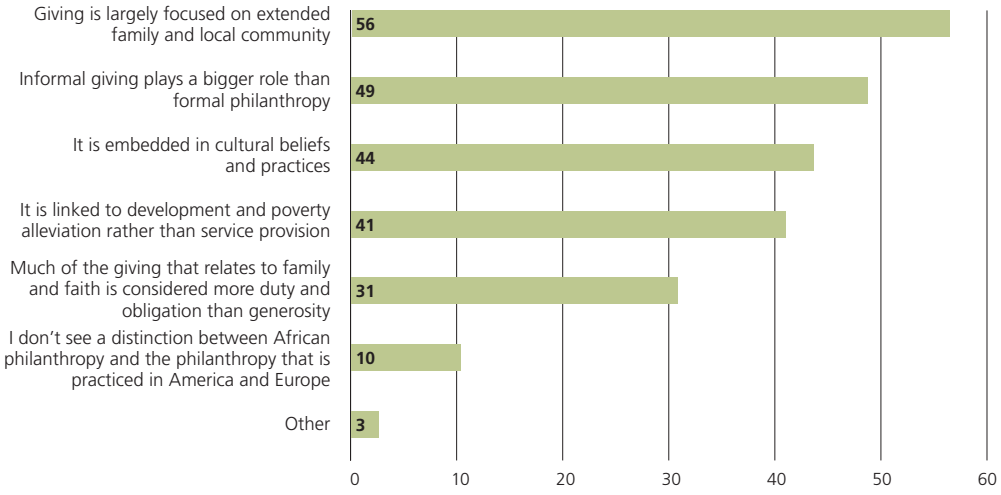
The findings are divided into five major themes: how African giving is perceived; what motivates giving; the sources and scope of giving; how giving happens; and emerging critical issues to consider.

3.1 African giving: evidence of a different narrative

Recent literature has sought to highlight the fact that there are different views of philanthropy in Africa (that is, different from how it is seen in other parts of the world), and that very often African philanthropy is characterized by particular practices. There has always been anecdotal evidence to suggest that giving is focused on the extended family and more immediate communities. Recent literature confirms this and so too do the findings of this report. This feeds off the *ubuntu* and *harambee* notions that encourage support to family and immediate community. These groups are fundamentally important to wealthy givers even if the individual has moved to another location or country.

In the survey, respondents believed African philanthropy to be characterized by informality and embedded in cultural beliefs and practices.

Figure 1: Main characteristics of African giving
(% of respondents; n=39)



In South Africa, the view of 'the child as the child of the village' is most apt and explains the strong bonds that exist between wealthy individuals and their communities, especially communities which have also helped to raise them. These bonds are not affected by time and distance and most respondents confirmed that helping their families and communities was the essence of reciprocity and giving back.

The interviews bore this out as well, with some emphasizing characteristics linked to *ubuntu* and *harambee*, others reflecting that informal giving to family and community is an organic, natural process. One respondent even saw giving as linked to emancipation.

> "African philanthropy is different from western philanthropy because Africa has been colonized. In any country that has experienced colonization, there is a high degree of informal giving. There is a belief that giving is part and parcel of emancipation."
>
> Philanthropist, South Africa

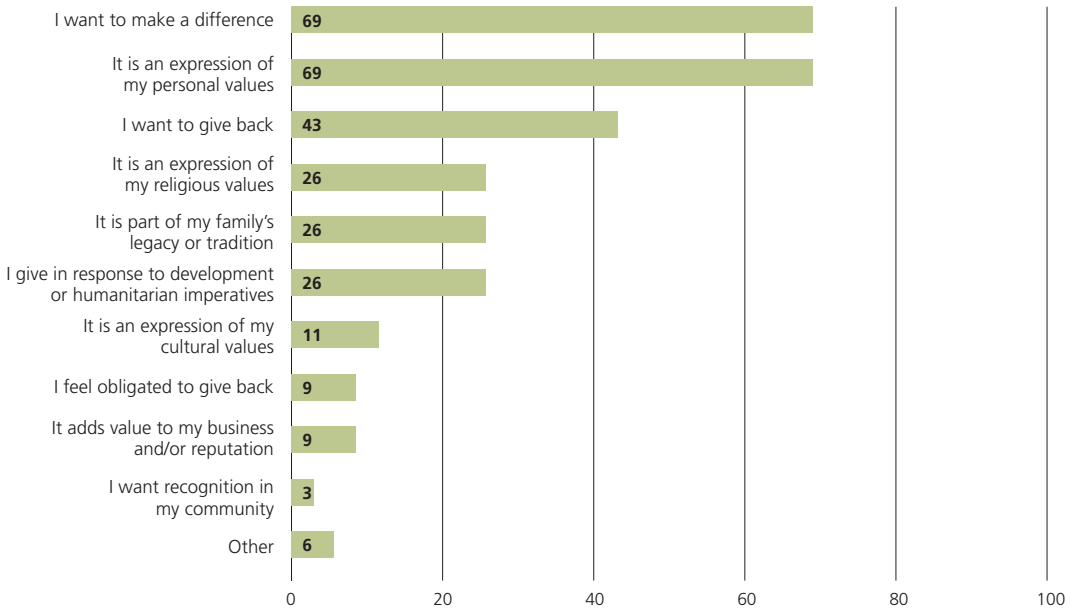
The majority of the survey respondents also saw African philanthropy as different from that practiced in the United States and Europe. There has been some debate in the field about the role played by obligation in African philanthropy. Interestingly, only 31% of survey respondents felt that African giving was related more to duty and obligation than to generosity. This is borne out by the interviews with very few seeing 'obligation' as a key issue in Kenya.

3.2 The motivations behind giving

For many of the wealthy individuals interviewed, being a philanthropist is part of their identity, not something outside of themselves. The motivations for giving are varied but a very common sentiment is that their giving derives from experience and is part of their family tradition and legacy. They witnessed it, took part in it or benefitted from it and/or understood the results of giving through their growing years in the villages and communities where they lived. In the survey, too, the top three motives for giving were the expression of personal values, family's legacy and tradition, and wanting to give back.

> "One is acutely aware of the sacrifices that have been made by previous generations to fight for political freedom and the fruits of freedom we enjoy today. I use the motivation of my family background to inspire my work to continue the legacy and fulfill the mandate that the previous generations have left us with – to achieve economic freedom in our lifetime."
>
> Philanthropist, South Africa

Figure 2: Motivation for giving
(% of respondents; n=35)



There was an interesting difference, however, between the survey data and the interview data. A relatively small number of survey respondents indicated that their giving is an expression of cultural values but many interviewees spoke about the mixture of family, tradition and religion as key drivers, of seeing and learning about philanthropy from their parents or grandparents, and of philanthropy being part of a family's character and identity.

Touching on a theme mentioned above, it is interesting to note that only 9% of the wealthy individuals surveyed saw obligation[60] to give back as important. Though obligation may be interpreted differently in different places, there is some indication that for this group, obligation may not be as important a factor as some believe.

A Kenyan philanthropist and his family are Jain. He describes that the principles underlying Jainism include non-violence, charity and magnanimity. "Most Jains are philanthropists," he says, "and should always help the less fortunate."

A Muslim philanthropist based in South Africa says the Quran clearly states that Muslims must practice giving in their neighbourhood and give 2.5% of non-productive excess wealth to charity (*zakat*). He is particularly inspired by the following phrase from Rumi (13th century Persian poet and Sufi mystic): Take someone who doesn't keep score, who's not looking to be richer, or afraid of losing, who has not the slightest interest even in his own personality: he's free. "We hope that through giving we will get to that freedom," he says.

[60] Obligation to give back is the cultural expectation to support one's extended family or local, immediate community that have been integral to an individual's upbringing, wellbeing and growth. Paying for an extended member's schooling, the burial of an aunt or contributing towards the development of the community is reflected by some as duty or obligation, and by others as solidarity or reciprocity. This is often not counted as philanthropy.

It is not surprising that none of the survey respondents listed regulatory considerations as a motivator to give. This reflects our experience across other regions. However, interviewees indicated that an appropriate regulatory regime would be welcome and could be a factor in them deciding to increase their giving.

Interviews also suggested that personal hardship or tragedy is an important motive for giving and influences what that giving is directed towards. For one Nigerian philanthropist, the absence of education in his life was a major motivation. "I did not get a chance to go to school and somehow there will always be something missing," he says. The emphasis of his philanthropy therefore is on ensuring that underprivileged children have access to education and he has supported the building of schools, mosques and homes.

A South African philanthropist has a foundation premised on the Biblical verse that, "it is more blessed to give than to receive." The founder used his experiences of living under the burden of apartheid to carve out his religious mission.

> "The values that drive my philanthropy are rooted in the importance and power of education and developing Africa's true gold, its talent and human capital. If we develop the skills of Africans, there is no limit on where and how far this continent can grow. That is what drives my philanthropy."
>
> Philanthropist, South Africa

Some wealthy individuals said that they came from poor backgrounds and are driven by an empathic understanding of what it means to be poor and to struggle for survival, and that part of their informal giving is to pay for burials, childbirth hospital costs, water boreholes and other things that help to improve the living conditions of families and communities, especially in remote rural areas and peri-urban townships. Others were given an opportunity by a philanthropist to study and become self-sufficient and are now driven to reciprocate. There are also others who understand that philanthropy is good for their business, since it helps to build brand awareness, attracts recruits who are interested in working for a company that cares about its communities, and improves loyalty.

A Kenyan musician suggests that giving has emotional benefits for both the giver and recipient. "When someone has died, giving is seen as a form of comfort to not only the family of the deceased but also to oneself," he says. "We give to deal with our own grief and understanding of death. Even if the deceased has money and is wealthy, people still give food, time and money to the family."

A significant number of respondents in this study practice philanthropy because they want to give back. This is supported by the outcomes of the Giving Report II in South Africa, in which "caring about the cause" and "wanting to make a difference" were cited as the two most common reasons for giving. Religion was a significantly more common motivation for giving in the Giving Report II.

Motivation

African philanthropists are motivated to give by different factors and on different levels. Soiya Gecaga, Executive Director of We The Change Foundation in Kenya, was motivated to become involved in philanthropy after the political violence that devastated the country in 2007. She gravitated towards her chosen focus (education) because of the role that education played in the liberation of her grandmother and by extension, her family at large. In contrast, for Noella Coursaris Musunka, sent at an early age by her mother from the DRC due to lack of resources after the death of Noella's father, philanthropy is motivated by the lack of educational opportunities for women in her native country. As a result of her experiences and her desire to give back to her country, Noella has set up the Georges Malaika School for Girls, a tuition-free school for 200 girls in Kalebuka which provides a safe and loving environment in which young girls are now able to pursue a quality education. "I believe if my mother was educated, she would have had the resources necessary to raise me and would not have been forced to give me up," Noella says.

The many challenges faced by businessman and philanthropist Ashish J. Thakkar of Uganda as he was starting his first business at the age of 15 prompted him to support entrepreneurial initiatives for young and female budding entrepreneurs.

For Tim Tebeila of South Africa, growing up in a poor but religious family, having to struggle and walk to school 15kms away has significantly shaped his giving.

When Toyin Saraki started her Wellbeing Foundation, in Nigeria, it was as a result of being raised in a home where giving was synonymous with being African. As the work of the Foundation broadened, human stories motivated the development of programmes. "The HIV programme was born in December 2003, when I came into contact with David, who was on the brink of death and placed into the hospital ward for persons dying of HIV," Toyin recalls. "With ARVs[61] and nutrition, he survived and I have taken this model to Kwara State where we have supported over 6,000 people with HIV, and only suffered two deaths. The maternal, neonatal and child health programme began with a woman and her family who had been burned in a kerosene explosion. I also remember a woman pregnant with sextuplets who started haemorrhaging. Every programme has a face."

Legacy is an important motive

Many interviewees indicated the importance of family legacy, and cultivating a culture of giving in their children and grandchildren. For some, this involves taking younger generations with them when undertaking philanthropic activities, while for others it is about encouraging them and supporting them in their own philanthropic efforts, or even providing funds to establish their own philanthropic mechanisms.

Where possible young members of the family may participate in giving activities by spending time in communities set to benefit from their family's philanthropy. "Our grandchildren often go with us when we are handing out food parcels," one South African philanthropist says; adding "It is important to show them that there are many unfortunate people in the world." Kenyan businessman and philanthropist, Manu Chandaria has always insisted his children spend some aspect of their lives making life better for others. His 16-year old grandchild, a competitive swimmer currently living in Singapore, intends to work with disabled swimmers as part of her philanthropic work.

There was only one dissenting view. A philanthropist in South Africa who has been involved in philanthropy for over 50 years cautioned against wealthy parents reserving spaces for children on their foundations, particularly when children are raised with an acute sense of entitlement. He is sceptical about the commitment of subsequent generations to the philanthropic values of their parents.

[61] ARVs are Antivirals – the drug used to strengthen the immune system of people living with HIV & AIDS.

Family involvement

African philanthropy is largely characterized by a high level of family involvement. Many business people defer decisions relating to philanthropy to their spouses and family members.

For example, the Kenyan businessman Dipak Shah delegates the decision of what causes to support on a monthly basis to his spouse. The couple regularly support a temple that provides food for the homeless. Similarly the Mara Foundation, established by businessman Ashish J. Thakkar, originally operated an education programme in Uganda. This is now a separate initiative called Next Generation Schools and is led by Meera Ashish.

In a different setting, in South Africa, numerous Lubner family members are actively involved in philanthropic endeavors across South Africa and Israel. Under the stewardship of Bertie Lubner, they have founded and support many organizations including Ben Gurion University and the Beit Issie Shaipro Home for Physically challenged children. Drawing from his father's generous spirit of *Ubuntu*, Marc Lubner established the Smile Foundation and is also the CEO of Afrika Tikkun, a large NGO working in under-privileged communities and invested in the development of children from cradle to career. Marc Lubner is also leading an initiative that seeks to encourage co-operation amongst Muslim and Jewish communities. Tony Lubner, CEO of Ocean Research Conservation Africa Foundation, created with his wife, Suzy, the Sabrina Love Foundation to support children with physical disabilities.

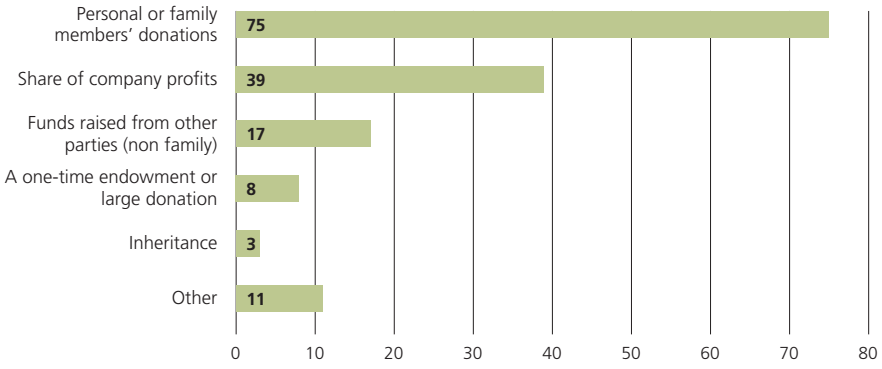
Indeed, many family foundations have selected a family member to sit on the board in order to ensure that the family's interests are protected. This is the case of the Tim Tebeila Foundation, where the wife of Tim Tebeila, South African businessman and philanthropist, is the Chairperson of the Tim Tebeila Foundation. Similarly, the daughter of Nigerian industrialist and philanthropist, Aliko Dangote, is on the board of Dangote Foundation and his mother runs a feeding program in Kano State, feeding 10,000 people every day.

3.3 Sources and scope of giving

3.3.1 Sources of philanthropic funding

While the survey showed that giving is often financed through several sources of income, personal or family members' donations were listed as the primary source. Just under half of survey respondents support their philanthropy from a share in company profits. This is generally borne out in the interviews. One respondent, however, was very clear that all her giving was her "own personal money" and not family money. Coming from a politically involved background, it was very important for her to stress this.

Figure 3: Sources of funding
(% of respondents; n=36)



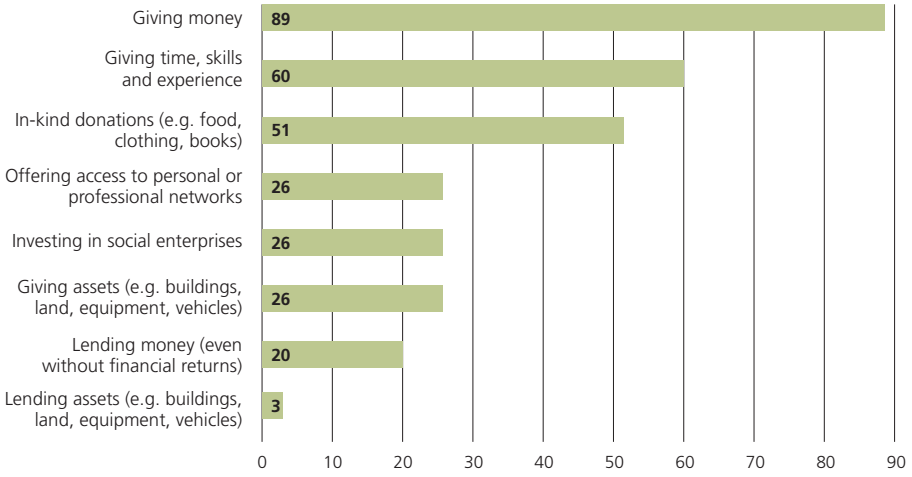
Endowments do not appear to play an important role. This is not surprising, as endowments are still seen by many as an imported 'Western' notion that is only just starting to take root. On the other hand, a strong component of Islamic giving has always been the waqf. There are indications of its use in Kenya and it has a long history in South Africa, particularly for places of worship and water wells. It is slowly regaining popularity and may be an area worth exploring.

Some wealthy individuals say that they fundraise, particularly when the scope of their programs increases. One Kenyan philanthropist, after using her personal funds to establish a foundation in the slums of Nairobi, is beginning to explore funding sources in the United Kingdom and the United States where she has lived and has established links. Another uses his family reputation and giving to fundraise for some of the family foundations. Anecdotal evidence suggests that this is also a trend in Kenya and South Africa, which while still small, appears to be increasing.

3.3.2 What wealthy individuals give

One of the characteristics of African philanthropy is that giving is more than just about money. Monetary giving scored the highest among survey respondents, but a significant number gave time, skills, experience and in-kind donations. Giving of assets, social investments and access to networks also took place, but was less common. It is not surprising that money is the main form of giving. What the various other responses show, however, are dynamic and multi-layered patterns of giving, with 70% giving in three ways or more, many of which are never measured.

Figure 4: Giving activities
(% of respondents; n=36)



Interview data supports this multi-layered giving. One respondent has played a core role in the establishment of over 20 private foundations, and sits on the boards of 25 philanthropic institutions. This type of in-kind giving is rarely counted. Others talk of volunteering time, and some talk about using their social capital to influence issues or giving through networking and mentoring.

Monetary contributions exhibit large variations

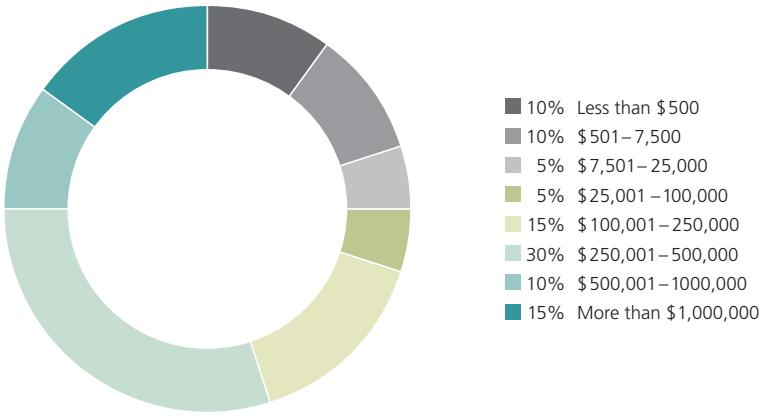
African philanthropists are generally uncomfortable about disclosing actual monetary contributions so it is almost impossible to get an accurate picture of financial giving on the continent. A total of USD825 million in self-reported donations were noted in *Sizing the Field,* though this falls far short of the estimated potential of wealthy individuals that, according to the study, is between USD2.8 million and USD7 billion.

In this survey, twenty respondents gave information on financial giving in the previous 12 months while ten said that they were not sure about this number.

In the previous 12 months, almost a quarter of respondents gave less than USD7,000, while another quarter gave between USD500,000 and USD3.1 million. This indicates that the scale of monetary giving varies quite dramatically, and large amounts are not always the norm.

Some preferred to refer to the scale of giving as a percentage of their income. One business person from South Africa says 40% of his income goes to philanthropy. Another South African-based entrepreneur estimates that he gives approximately 20% of his net worth while another from Nigeria has progressively increased his giving from USD1.2million per year in 2011 to USD1.8million in 2013. Another Nigerian philanthropist gives away approximately 10% of the company's earnings on an annual basis.

Figure 5: Estimated amounts given over the previous 12 months
(n=21)

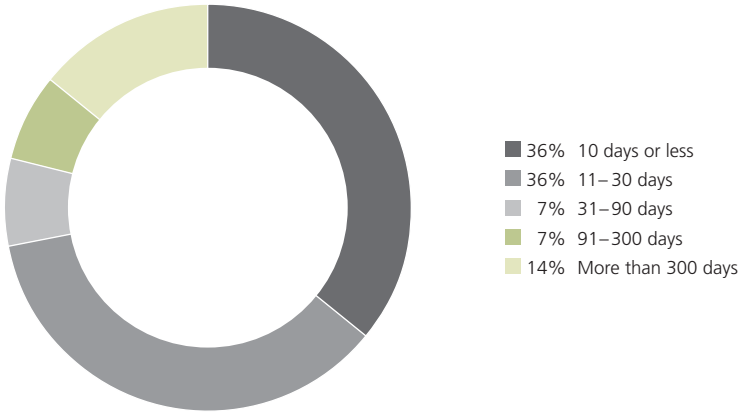


We can only speculate about the true scale of giving by African wealthy individuals as there is no legal or other compulsion to declare what they give, to whom and why. Moreover, giving is often sporadic and amounts can vary significantly. Such figures do not take into account large one-off donations, for example, or endowments to personal foundations.

Giving time is a significant factor

Fifty-eight per cent of respondents said they gave time, skills and experience, while 25% said they volunteered and 39% served on the board of a foundation, charity or NGO. Forty-two per cent of those respondents who indicated that they volunteer/serve on boards were able to estimate the number of days.

Figure 6: Number of days dedicated to philanthropy
(n=14)



As is the case with money, the amount of time dedicated to their own philanthropy varies considerably, but plays an important role. For some, giving is embedded in their daily lives. This is not surprising and is borne out by the interview data. One South African philanthropist gives, "at least half a day, every day, five days a week" to his philanthropy. Similarly, a Kenyan businessman has been devoting 50% of his time to philanthropy since 2000. Another Kenyan musician often offers his artistic time and talent, staging free concerts. Most recently he agreed to participate in a peace concert for South Sudan with artists and suppliers charging below commercial rates. "There are 500,000 refugees in Kakuma," he says. "There is recognition that what affects South Sudan also affects Kenya."

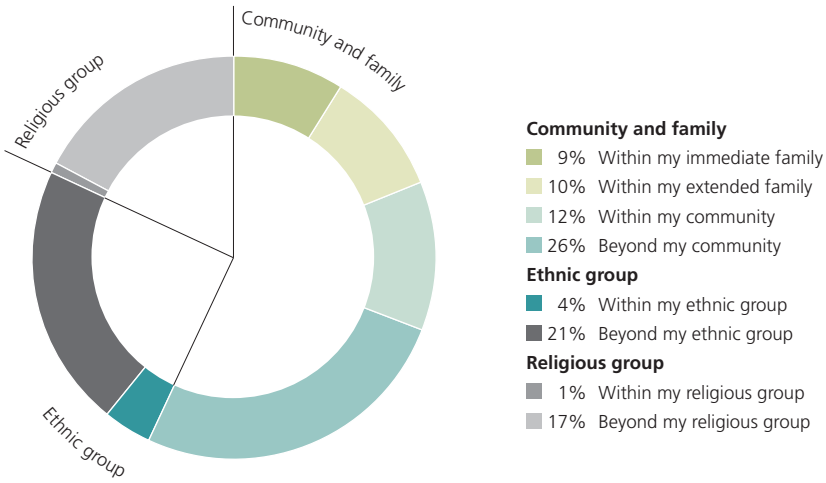
Bhekinkosi Moyo of the Southern African Trust argues that simply going to 'see' a project is different from giving time to that project and mentoring or being a role model to those involved in that project. "Giving of philanthropic time should also be calculated by looking at the money one would have made if one is in the office during the time that one is doing philanthropy work," he says.

A Kenyan philanthropist believes giving time and creatively using one's social capital should be critical components of philanthropy. The management of a philanthropic effort and mentoring is essential to ensure that the intervention succeeds. He is also an advocate of successful business people investing time in order to develop governance and accountability systems in African countries. His view, however, appears to be in the minority.

3.3.3 Scope of giving

The survey highlights the importance of giving to immediate family, extended family and community as priorities for wealthy individuals. Interview data also confirms the importance of one's place of origin, as well as of immediate and extended family as recipients of giving. One respondent has gone as far as setting up a separate family trust to support the education needs of the younger generation within his immediate and extended family. Interestingly, however, the data also confirms that giving is not just limited to immediate/personal connections, with most respondents saying they give beyond community and ethnic and religious groups, but within their own country. Giving is also often to more than one type of group, with the data showing that almost 70% of respondents give to three or more of the different groups identified.

Figure 7: Scope of giving
(n=36)



The debate about whether giving is along ethnic lines is a highly contested one, particularly in Kenya where conscious tribalism is seen to have perpetuated or reinforced ethnic differences. One Kenyan philanthropist feels that giving is still firmly ethnic, arguing that the majority of rich, black Kenyans do not see the need to give nationally. Others believe that giving along ethnic lines happens by default since many Kenyans give to what they know and trust. "Many people give back to their communities where, geographically there is a concentration of one particular ethnic group," says one philanthropy expert. "In addition, people prefer to give through established mechanisms which they trust and these are often found within their own ethnic group." There was not an overwhelming sense that Kenyans would rather not give to a cause because of the ethnic composition of its beneficiaries, but differences of opinion here need to be noted.

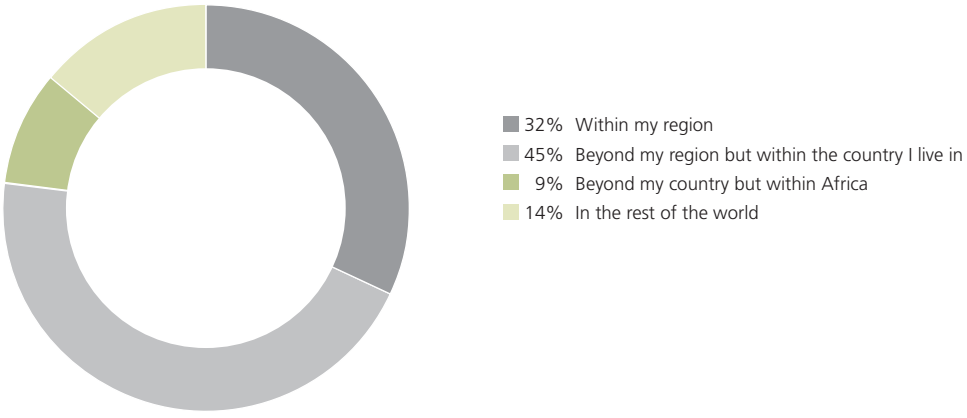
3.3.4 Geographic focus of giving

The study also shows that giving is largely located within the country of the philanthropist. In Nigeria, several philanthropists spoke of a dual focus to their philanthropy, coupling a national or regional focus with separate initiatives in their home state, where arguably they could get closer to issues on the ground.

The interviews also show a significant amount of giving from Asian communities in Africa to the Indian sub-continent. Although some of the older Indian generation expressed an affinity for India and showed a willingness to support initiatives there, this was not always shared by the younger generation. The issue of Indian identity within Africa also brought some tensions to light. Some Indian wealthy individuals, particularly in Kenya, are committed to showing their connection to Africa through their philanthropy. "Asians and Europeans make up only 0.2% of the population of approximately 42 million, yet these groups are the biggest givers."[62] Often the foundation this person belongs to will put their name and logo on an initiative to show that Indians, who are often not considered African, are giving considerably to the country.

> "There is a big cultural connection to India, but other than that there is no real connection. I would prefer to help an African brother in the streets of Kenya than an Indian in India who I don't know."
>
> Philanthropist, Kenya

Figure 8: Geographic focus of giving
(% of respondents; n=35)



Finally, there is also the issue of scale. One philanthropist who has established an initiative in her impoverished home town believes that moving beyond her region to duplicate the initiative will affect her ability to be personally involved.

[62] Representative of a well-known foundation in Kenya.

3.3.5 Main philanthropic causes supported

Causes supported are very diverse, ranging from education and health, to poverty alleviation, entrepreneurship, supporting community radio stations, scientific discovery, working with refugees and advocacy.

The research data confirms the general consensus on the areas that receive the most support. Education and health attracted the largest share of respondents' philanthropy in the past 12 months. Poverty alleviation and children are next, followed by entrepreneurship and religion. The finding that education and health are the most supported causes is not surprising. Both are seen as areas of evident need and as critical springboards for development, but they also offer tangibility (feel and touch), immediacy (results more quickly and discernible), and a sense of legacy.

Figure 9: Main philanthropic causes supported

The interviews also showed a concern with natural and man-made disasters, which appear able to rally financial support quickly. In 2012 the Dangote Foundation reportedly gave USD15.8 million to a flood relief effort by the Nigerian government and in 2008 gave USD2 million to the World Food Programme for flood relief efforts in Pakistan. The Tony Elumelu Foundation assisted in organising the flood relief effort in Nigeria, with Mr. Elumelu heading the distribution committee and contributing USD3 million. The Tony Elumelu Foundation more recently contributed USD6 million to the victims support fund to aid communities displaced by terrorism and endowed USD9 million to establish a Nigeria opportunity and empowerment fund for similar support to other distressed communities around the country. The foundation also contributed USD600,000 to support the Ebola response efforts in Nigeria, Guinea, Sierra Leone and Liberia.

One could have expected entrepreneurship and business development to occupy a higher place in the list, since anecdotal evidence and some interviews indicated increased interest in giving linked to entrepreneurship, impact investing and business development. One view that has emerged in recent years is that the alleviation of poverty requires the creation of jobs and the development of entrepreneurship.

Business and philanthropy

The relationship between business and philanthropy takes many forms. Some African philanthropists may decide to establish a foundation as a shareholder in their company. This gives rise to the possibility of the foundation receiving an annual dividend, leading to a sustainable cash flow and greater financial stability of the organization. This was the intent of Dr. Hans Merensky (South Africa) who dictated that the dissolving of his trust should give rise to a foundation focusing on science and discovery. After the trustees expanded the company both locally and internationally, the foundation became a co-shareholder with a sustainable dividend flow which enables the foundation to expand its work in science and discovery.

In another approach, some African philanthropists actively try to diffuse their business principles into their philanthropic efforts and vice versa. Adil Popat of the Kenyan-based Simba Corporation Group currently conducts philanthropy through CSI programs but is in the process of establishing a foundation. He is committed to ensuring the strength of both the company's and the foundation's brands. Business principles such as efficiency, transparency and accountability will be aligned to the philosophy and practices of the foundation. In addition, company managers will be required to donate time to the foundation and its activities. Currently the Simba Corporation Group will support a technical school where Simba staff are given priority for admission.

A strong proponent of the connection between philanthropy and business is the philanthropist actively involved in impact investing, where the objective is to ensure high levels of measurable social and environmental returns, alongside financial benefits. The Nigeria-based Tony Elumelu Foundation has been at the forefront of impact investing in the country where African capital is used to develop entrepreneurs and support business ideas that aim to produce social prosperity. "No matter how many grant funded projects you have in a community, the long term impact is marginal," says Tony Elumelu. "I preach Africapitalism, an economic philosophy that embodies the African private sector's commitment to the economic transformation of Africa through long-term investments that create both economic prosperity and social wealth." The foundation, in partnership with the Rockefeller Foundation, established the Impact Economy Innovations Fund to fund projects that promote entrepreneurship and impact investing infrastructure across Africa.

The importance of ethical business leaders to sustainable development is also raised. Okey Enelamah, a partner at African Capital Alliance (ACA) in Nigeria, is personally engaged in several causes and firmly believes that sustainable development is the result of building business skills and an entrepreneurial spirit. He says: "We want to develop ethical business leaders and to do so we have forged a partnership with the Centre for Research in Leadership & Ethics at the Lagos Business School. We also support entrepreneurship and business creation by providing proven entrepreneurs with access to capital, but our

engagement goes beyond money as we also encourage our staff to give their time and skills."

The most direct link between business and philanthropy was put forward by a South African philanthropist who noted that, "When business is booming then philanthropy is also booming". This speaks to the need to also protect investments today in order to be able to make the philanthropy contributions on a more sustained basis for tomorrow. Similarly, Gareth Ackerman (South Africa) has a family motto which, is "Doing good is good business", arguing that by looking after the community around them, the community will also look out for the business. "Philanthropy has become the driver to come back on our feet again after a tough economic time in business," Gareth says, "Because if we struggle in business then the communities that we support will also struggle." Scaling philanthropic engagements in the communities has become an additional argument to help family businesses thrive.

The interviews showed only a few philanthropists willing to support social justice/ human rights initiatives – areas such as governance, advocacy for structural transformation, work on civil and political rights, accountability, transparency, legislative reform or platforms for local voices in decision-making. There are some, however, that emphasize the importance of the issue. For instance, according to a South African-based philanthropist, "You cannot empower a community because they empower themselves, people have power but not voice. Unless we get *ubuntu* and inclusiveness right, we will have limited impact."

A Kenyan businessman whose family foundation has existed for decades believes that tackling such areas is "too risky, sensitive and costly" for a prominent family like his. A director of a foundation in the same country acknowledged that his organization has upset the political leadership in Kenya by advocating that the government be taken to the International Criminal Court; and a prior study by the Ufadhili Trust in Kenya highlighted that there is no corporate organization in the country that supports social justice as the social returns are too low.

However, one philanthropy expert argues that there is, "no better time to talk about the relationship between philanthropy and social justice than today". Although there is a positive outlook on Africa's economic growth, growing inequality and increasing poverty remain the reality. Therefore the strategic role philanthropy can play in changing the status quo and going beyond grant-making and relief efforts must take root.

The passion philanthropists in Africa feel for the causes they support is very real and driven in part by their proximity to the needs and challenges faced by their communities. In many cases the philanthropist has experienced first-hand the challenge they are now trying to address. This also explains their desire to focus mostly on service delivery rather than more structural changes. One Nigeria-based philanthropy expert admits that much of the focus on Nigerian philanthropy is livelihoods, health, micro-credit and education, but cautions that one should not be too quick to rule these areas out as 'soft' issues. "Keeping children in school and preparing them to become critical thinkers is a game changer and can impact on other sectors of society," he argues. Another disagrees, arguing that while there is a new breed of wealthy individual, he does not know whether there is a real understanding of the connection between their philanthropy and decreasing inequality.

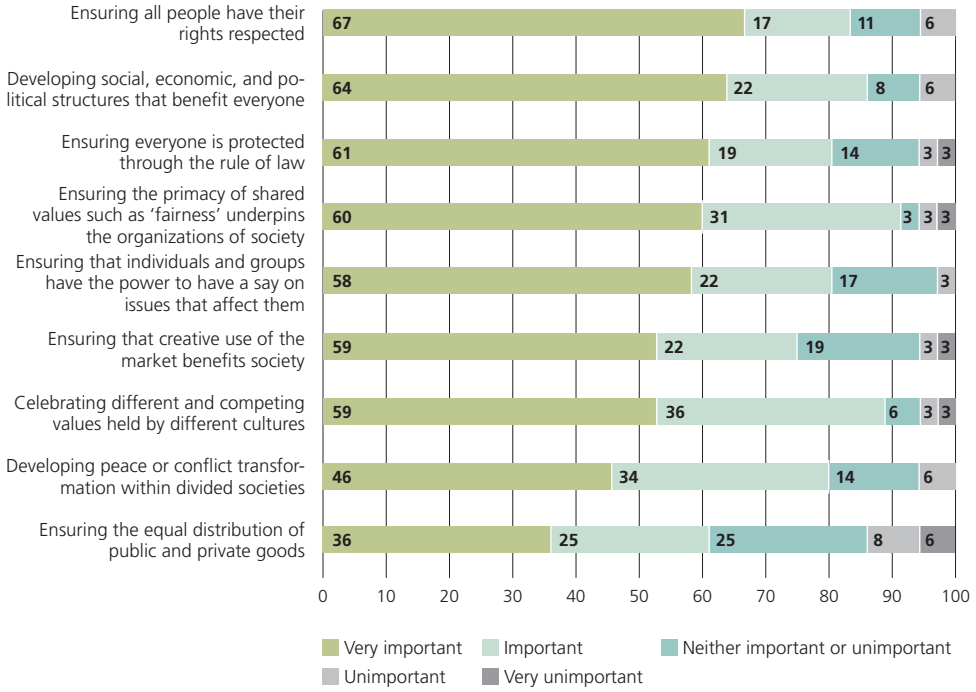
Social justice philanthropy

With its focus on longer-term societal level transformation, many philanthropists shy away from giving related to social justice, often not wanting to be involved in 'contentious' issues. Others may not see it as an issue they can affect. However two philanthropists in particular stood out in their willingness to address this issue head-on.

South African-based Dianna Yach is an equality and human rights lawyer and social activist. Dianna's passion for human rights and social justice (among the issues she fights for are those relating to the gender, racial equality, lesbian, gay, bisexual, transgender and intersexed communities), was inspired by her grandfather who came from Lithuania and subsequently established the Mauerberger Foundation Fund in 1936 to support various aspects of community development. Dianna recently took the helm as Chairperson of the Foundation. She asserts that her philanthropy is more about promoting social justice, giving communities a voice and the tools to advocate for their full and inclusive citizenship rights and as well as strongly believing in giving having a strategic purpose. "The success of giving is about making connections, being focused and optimising impact," she says. "You may need to be controversial in your giving. It must make a difference in the lives of people."

Social justice need not be adversarial or anti-establishment. Kenyan athlete, businesswoman and philanthropist Tegla Loroupe is testament that addressing social justice need not be confrontational. She addresses the wars and conflict in the north of her native country and advocates for a better life for both victims as well as warlords through the Tegla Loroupe Foundation. Organising peace races with warring factions, running with the First Lady of Kenya to create awareness about infant mortality, and being one of the few NGOs to willingly enter into a memorandum of understanding with government is evidence that change can happen through dialogue and collaboration.

Figure 10: Social justice indicators
(% of respondents; n varies between 35 and 36)



Social justice is an area that is complex, and analysis of the survey results shows a paradox. Though wealthy givers are less likely to support social justice causes and do not give significant weight to issues such as power and local voices in decision making, their responses to a specific question, designed to measure nine values that underlie social justice, show a very strong alignment to social justice[63]. Indeed, their scores are higher than any comparable survey done so far by the Working Group on Philanthropy for Social Justice and Peace. This means that while most value social justice few are prepared to fund it.

[63] Acknowledgement to Barry Knight of Centris and the Working Group on Philanthropy for Social Justice and Peace, who devised this scale and used it to test these values in several surveys, and appreciation to Barry Knight for analysis on this scale.

3.4 How giving happens

3.4.1 Mechanisms of giving

The survey and interview data demonstrate that giving happens in both informal and formal ways, through different activities or mechanisms, and that the balance between the two is difficult to generalize about because this balance is often particular to the individual. The survey respondents were asked to identify how they gave, and the data again shows a spread of means, with 69% giving in two or more ways. At the informal level, most give directly to organizations or people, while others either volunteer and/or serve on the board of a foundation, charity or NGO. On the formal side, less than half indicated that their foundation/business runs its own activities; or provides financial support to other entities. The interviews also revealed a sizeable number of operational foundations running their own activities as opposed to using intermediaries or being a grantmaking body.

> "My family has been running a charitable foundation since 1958 but we also give individually. We also want to engender the spirit of giving with our employees. As part of the company's CSI we will give each of them USD 2,000 to identify and manage a project in their village or elsewhere."
>
> Philanthropist, Kenya

Figure 11: Mechanisms of giving
(% of respondents; n=36)

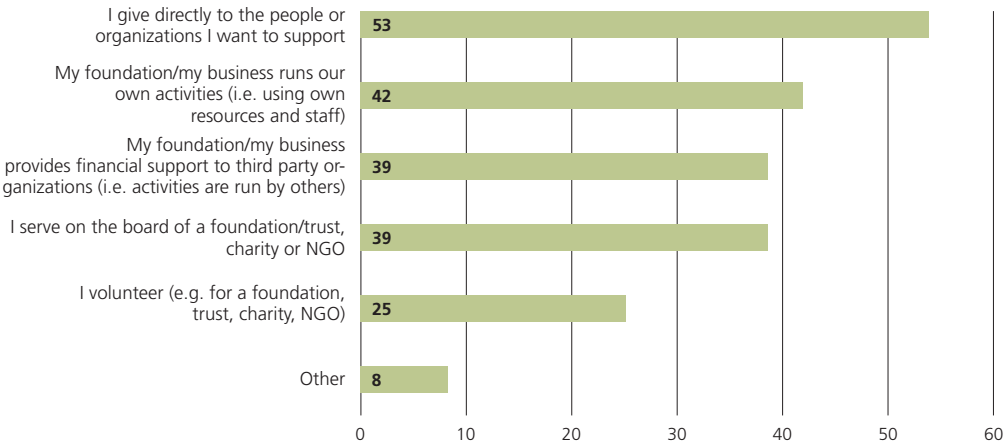
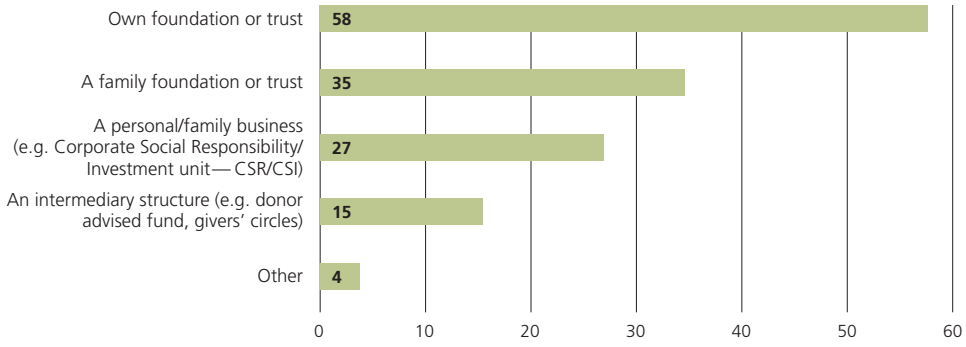
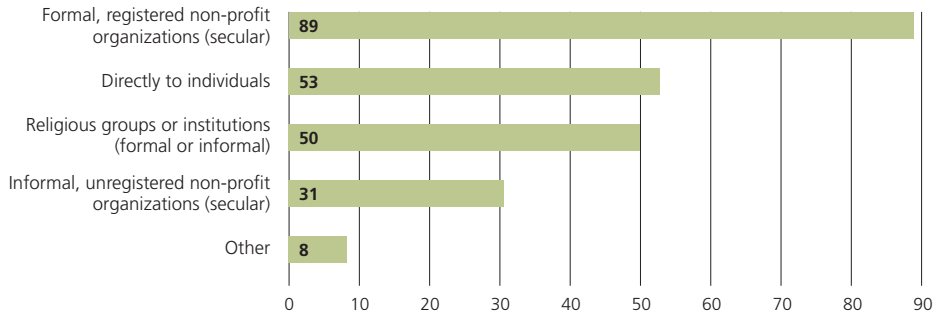


Figure 12: Vehicles of institutionalized giving
(% of respondents; n=36)



The data reveals that the trust or foundation is by far the most preferred formal entity for institutionalized giving. It is also clear that philanthropists make use of a number of funding vehicles concurrently. At the same time as having a foundation or trust, some respondents also give through company structures like corporate social investment/responsibility programs, though again, it is interesting to note that this form of philanthropy appears to be less common than anecdotes would suggest. This is an area for further investigation. A small percentage use intermediary structures such as donor-advised funds or givers circles, and, according to evidence from interviews, vehicles such as Rotary Clubs are popular in some places.

Figure 13: Beneficiaries of support
(% of respondents; n=36)



The data reflects that giving is often directed in a variety of ways, and at the same time. While the majority of respondents do give to formal institutions, at least half also give directly to individuals and to religious groups, with just under a third listing support for informal institutions. These informal and religious modes of giving are very often not included in philanthropy estimates.

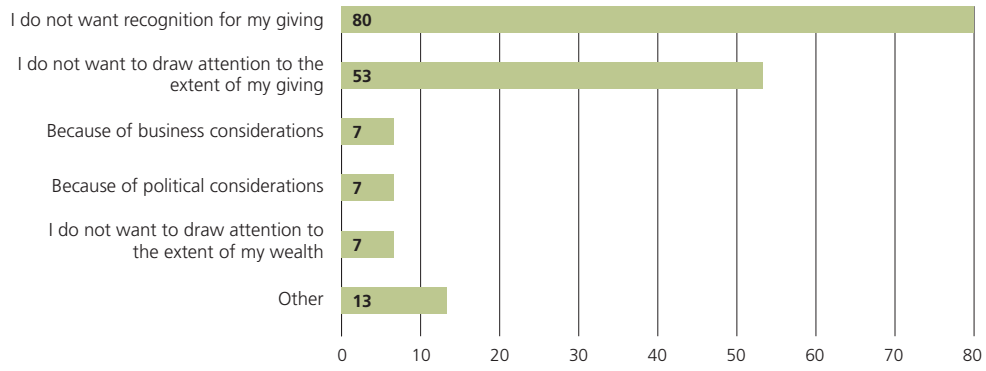
3.4.2 Giving publicly

A significant percentage of survey respondents indicated that they do not publicize their philanthropy and cited a number of reasons for not doing so. The two most prominent reasons were that they do not want recognition for their giving and that they do not want to draw attention to the extent of their giving and wealth.

Curiously, a number of respondents who do engage in philanthropy publicly also selected some of the above reasons for not doing so. The explanation may be that although they are public about their philanthropy, they do not wish to exaggerate it. This sentiment was particularly prevalent among those who gave Islam as their main motive for giving. Islamic philanthropy requires that, "your left hand should not know what your right hand is doing [giving]", as one South African Muslim explained.

Similarly, questions about the scope and extent of giving sometimes made respondents uncomfortable. Despite running a family foundation for many years and supporting a significant number of charitable causes, the same South African Muslim would not say how much he gave, saying it would be 'arrogant' to do so. A philanthropist working in the Mathare slum in Nairobi indicated that, in her experience, many wealthy individuals in Kenya are uncomfortable about their wealth. Their wealth, and by association their philanthropy, is rarely openly discussed and almost never publicized.

Figure 14: Reasons for not giving publicly
(% of respondents; n=15)



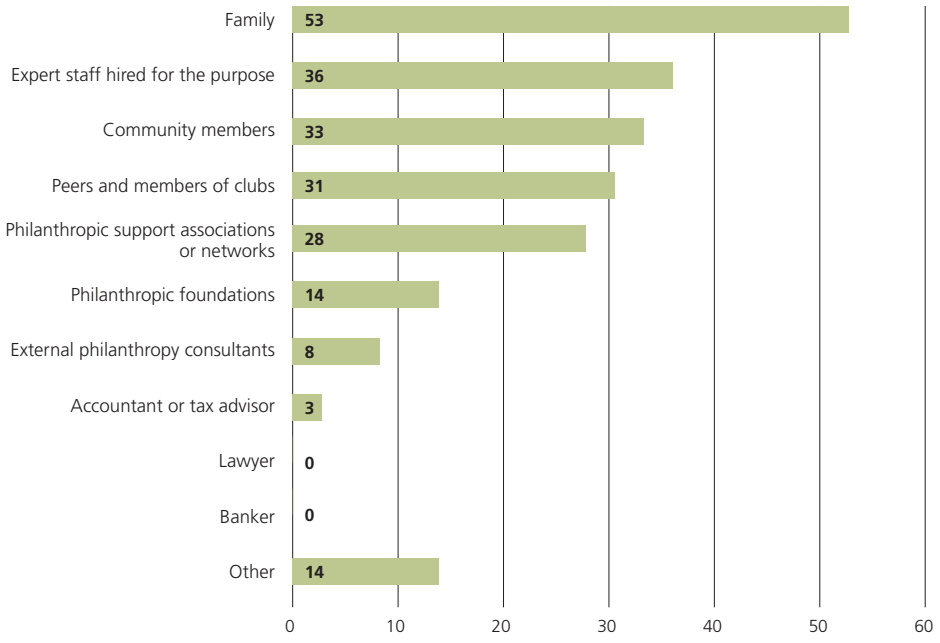
Some, however, may actively seek publicity for their philanthropy for reputation and business purposes. One businessperson in Kenya said that the foundation he is setting up will share the business brand so that people associate the business with the foundation. He quotes the adage that "philanthropy is good for businesses", which implies that growth in business results in growth in philanthropy and therefore the foundation and its giving has to be seen in the marketplace. Building a common brand between the business and philanthropy vehicle can account for the success of both.

The importance of publicizing one's philanthropic activities should not be underestimated. In many cases an individual can act as a role model for others, taking on a catalyzing role in the sector and inspiring others to become involved.

3.4.3 How wealthy individuals make decisions about giving

Even where they used a formal mechanism for giving, a greater proportion of survey respondents indicated that selecting and evaluating grantees was done on an informal basis, rather than along established guidelines and criteria. The assumption is often that formal structures automatically translate to guidelines, but this study indicates that for this survey population, this is not necessarily so. Several interviewees, too, spoke about giving where they see a need and responding to an issue because they are passionate about it. There appears to be a balance between informality and formality, so that while some level of structure is created, flexibility in terms of decision-making is retained within the structure.

Figure 15: Groups that inform giving
(% of respondents; n=36)



The research also shows us that giving is often influenced by others. More than half of the survey respondents said that family members inform giving decisions and practices. In some cases, spouses or family members serve as trustees or chair the board of their foundations; in others, family members undertake activities in their own right. For example, the wife of a philanthropist in South Africa has been involved in philanthropy for many years, recently winning an award for her work with the underprivileged. In other cases, some are directly involved with programs within the foundation. The interviews also suggest, however, that family influence is more relevant in Kenya and South Africa, and less so in Nigeria.

Another form of influence comes from expert staff hired for this purpose (36%), community members (33%), peers and members of clubs (30%), and philanthropy support associations or networks (28%). The set of influences is thus very varied.

Respondents also noted that financial institutions could play a larger role in advising wealthy individuals on their giving. None of the survey respondents sought advice from either bankers or lawyers, and only one said they consulted a tax advisor about giving. One of the reasons mentioned in the interviews is that some banks did not offer services addressing the real needs of a philanthropist. What is clear is that the advice and support received from banks should focus on the process and substance of giving rather than the specific causes, which, as we have seen, is very much driven by passion.

3.4.4 How networks and partnerships help to encourage giving

In recent years a number of platforms have been established that further the practices of philanthropy in general on the continent as well as among wealthy individuals. These platforms offer an opportunity for philanthropists to collaborate and share ideas and experiences. Many wealthy individuals confirmed that they have their own programs and foundations and do not necessarily collaborate with other wealthy individuals in their giving. There are, however, many that actively seek partnerships and collaboration in their giving.

While some have drawn on infrastructure platforms for advice or have been involved in establishing these, many wealthy individuals were either not aware or only vaguely aware of the existing philanthropy platforms and forums. A few intimated that they may draw closer depending on the value of the networks. There is significant potential for further exploration of how these forums and these individuals may be able to provide mutual support. The forums can provide access to a range of ideas, experience and contacts for wealthy individuals, and, from the other side, their engagement, participation and financial support could be vital for the continued health of these forums which are currently primarily funded by institutions outside the continent.

In addition, interviews and field discussions point to increased sector or issue-specific collaborations between wealthy individuals, with some seeing these as providing a more appropriate and relevant space for discussion and action-oriented activities. These need to be better understood and supported by the philanthropy infrastructure.

Philanthropy platforms and forums active in Africa

African Grantmakers Network (AGN)
AGN is a Pan-African network of grantmaking organizations that facilitates networking and experience-sharing among established and emerging African philanthropic institutions. It serves as a platform for the promotion of an African voice and agenda for philanthropy to address social injustice and development issues on the continent. In addition to its Biennial Assembly, the core programs include knowledge building on African philanthropy, thought leadership and advocacy in the field and member services such as peer learning and tools development.

African Philanthropy Forum (APF)
APF, an affiliate of the Global Philanthropy Forum, seeks to build and continuously expand a learning community of strategic African philanthropists and social investors committed to inclusive and sustainable economic development throughout the continent and to inform, enable and enhance the development impact of their giving and investing. Its founding members include prominent individuals from several countries in Africa. The inaugural meeting of the APF took place in February 2013 and it is being used to develop a more detailed agenda and program.

African Union (AU) Foundation
The AU foundation is an institution emerging from the African Union established as part of promoting domestic resource mobilisation for African development. The Council is made up of Africans from different sectors and regions of the continent, as well as representatives from the African Diaspora. The foundation will promote programmes in human resources and skills development, youth development, the empowerment of women, the management of diversity and integration. It will also mobilise resources for the programme budget of the AU Commission. The Foundation operates as an autonomous entity, with its own governing structure, which is the Council. The foundation will be launched continentally, sub-regionally and nationally in early 2015.

East Africa Association of Grantmakers (EAAG)
EAAG is a network of trusts and foundations in East Africa intent on promoting philanthropy in the region and consists of 28 members who are grantmaking bodies and networks across East Africa. The organization provides a platform for enhanced collaboration and partnership and encourages cross-sectoral partnerships. "The organization has the ability to convene interested parties, public/private partnerships, HNWI with or without foundations, and discuss issues like impact investment," says EAAG programs officer, Catherine Mwendwa.

EmpowerRing Families for Innovative Philanthropy (ERFIP)
The ERFIP is a platform for exchange, collaboration and exploration of synergies and good practice in family philanthropy in the Global South. Convened by the Edmond de Rothschild Foundation, the ERFIP's inaugural meeting took place in France in 2013 with a diverse group of participants from Asia, Africa and the Arab region. The focus areas for the first meeting were (1) Attributes of private (family) philanthropy; (2) Private philanthropy as a key factor for social change; (3) Youth empowerment; (4) Corporate Social Responsibility and linkage to family business and philanthropy; and (5) the long-term arm of new technologies.

Global Philanthropists Circle (GPC)
Hosted by Synergos, the GPC is a global network of High-Net-Worth families and individuals committed to using philanthropic practices to address pressing social issues. Members of the GPC can leverage relationships in order to access strategic people and make a difference where required. The platform is focused on long-term impact and sustainability as well as making strategic changes to challenges relating to poverty and social justice.

Nexus Africa
Nexus Africa, a chapter of Nexus Global, is a network of next-generation philanthropists. Its vision is to drive next-generation philanthropy in Africa as well as to bridge communities of wealth, social impact investors, and social entrepreneurs for outcome-based programming that will develop Africa over the next 50 years. Its programmatic focus for Africa includes advocacy, networking events and funding for social causes. Nexus Africa has a total of 350 members in Africa and in the Diaspora. Members of Nexus Africa are committed to being more involved in strategic philanthropy causes. "They want to be more involved as compared to the previous generation," says Prince Cedza Dlamini, founding Chair of Nexus Africa; "They are motivated by legacy, idealism and changing the African narrative."

Nigerian Philanthropy Forum
Following the Nigerian Philanthropy Summit in March 2013, which sought to discuss and develop ways to bring about the long-term impact and sustainability of philanthropic intervention, a collective of 15 Nigerian grantmaking foundations have been meeting regularly to discuss issues on philanthropy in Nigeria and working to advance the sector.

Private Philanthropy Circle (PPC)
The PPC is an independent forum of individual philanthropists, local trusts and foundations. The Circle emerged following a gathering of local and international private philanthropic foundations and philanthropists who came together to engage about the future of philanthropy in South Africa. The mission of PPC is to build private philanthropy in South Africa; to create a community of private local foundations and philanthropists; and to contribute towards the creation of a philanthropic movement in the country. The PPC is a membership-based network with a collective annual grantmaking spend of R1,5 billion (USD150 million). One of the key outcomes of establishing the PPC has been the partnerships and levels of collaboration that have emerged. The PPC meets officially four times a year and holds an annual symposium to which key players and stakeholders across the sector are invited. Within the PPC, various affinity groups have emerged which include social justice, health, education and environment.

Collaboration in philanthropy

Joining forces with others through various collaborations and platforms helps escalate and elevate the impact of philanthropy and leverage each other's resources for larger and more sustained impact. Among the philanthropists interviewed many different approaches emerged.

Some partnerships may not be outwardly philanthropic in nature but provide a platform for philanthropy to be discussed. Aliko Dangote co-established the Private Sector Health Alliance, a platform that is working towards attainment of the Millennium Development Goals by focusing on innovation, partnerships, advocacy and impact investments. This platform has been very successful and has the ear of IT companies, the financial sector, the health sector and others.

Facilitating the sharing of best practice in philanthropy is an important aspect of collaboration. Onari Duke, former First Lady of the Cross River State of Nigeria and CEO of UBA Foundation, advocates the importance of collaborations in achieving the objectives of philanthropy. She is involved in several organizations and straddles work on various social issues including child survival, entrepreneurship and the environment. Onari Duke was one of the initiators of the Nigerian Philanthropy Summit, a platform where philanthropists meet to develop strategic philanthropy visions and share good practices. "We cannot expect to have anyone else promoting development for us," she says. "We have to get together and make it happen."

Likewise, Solly Noor (South Africa) is the Chairman of the board of trustees of the World Memon Organisation, a worldwide group of well-respected Muslim entrepreneurs, philanthropists and humanitarians. In addition, one philanthropist in South Africa lends her efforts and support to "Women Moving Millions" (WMM) where wealthy women invest a minimum of USD1 million to the advancement of women and girls around the world. To date, 205 donors have pledged over USD300 million to funds and organizations that share WMM's vision.

When one has significant social capital, this can be used to facilitate collaborations. For example, Tegla Loroupe (Kenya), uses her international status as a professional runner to mobilise resources. She has completed the First Ladies marathon, running alongside the First Lady of Kenya to

create awareness about maternal mortality. Some supporters of her Peace Foundation include the Prince of Monaco, fellow Kenyan athletes and friends in Germany, the United Kingdom and Switzerland. Following her 2004 peace event in Uganda, the East Africa Commission also became one of her sponsors. Her foundation is the only one in Kenya to have a formal Memorandum of Understanding with the government to implement programmes with warlords.

Some collaborations, while informal may be just as effective. When a South African businessman and philanthropist was challenged to support a skills development centre for the mentally disabled, he in turn challenged his close friends. Within two weeks R2million (USD 200,000) was raised for the centre which is now sustainable and receiving state support.

3.4.5 Diaspora giving

According to African Economic Outlook, official remittances are projected to reach USD67 billion by the end of 2014. When unofficial remittances are added, this figure is potentially much higher. The value that remittances play in development is increasingly acknowledged. In 2014 the value of Diaspora giving exceeds funding from private foundations as well as bilateral and multilateral sources, and official Overseas Development Aid (ODA) is currently estimated at USD55.2 billion. There is also an important non-financial component to Diaspora giving such as leveraging their social capital, using access to influence key principals and helping to leverage the resources of others. In particular, wealthy individuals in the Diaspora are being challenged to align more strongly to the post-2015 development agenda processes that are unfolding for Africa.

One philanthropist in Ghana notes that, "local Ghanaians tend to give to family while those that give beyond family and community are largely those who have travelled overseas and returned home." This is reflected in the survey responses as well, with a smaller proportion selecting family and a greater proportion selecting giving beyond community and ethnic groups.

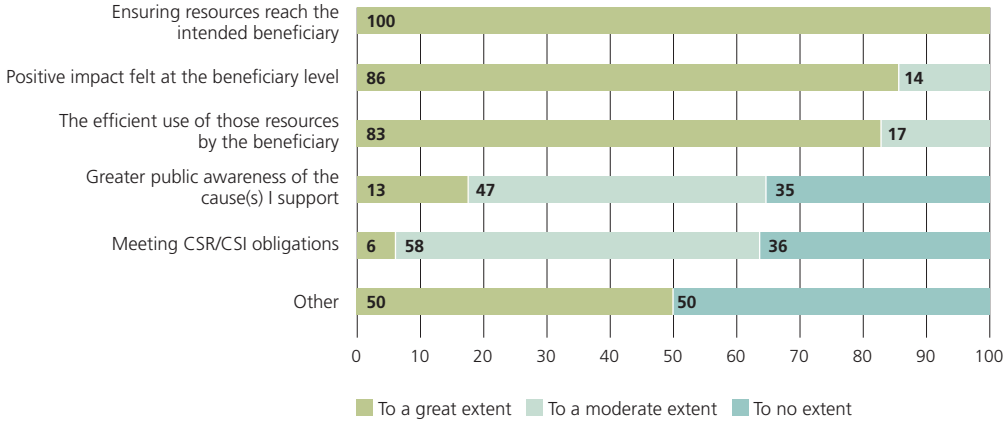
Diaspora giving, however, is not something that institutions and philanthropists have paid attention to in much depth, although there are indications that this market will receive increasing consideration in the future. A foundation in Kenya is exploring the development of a triangular relationship with Kenyans in the Diaspora, their relatives in Kenya and the foundation. Another philanthropist in South Africa indicated that encouraging Diaspora giving is something he will focus on considerably more in future.

3.5 Emerging critical issues

3.5.1 Success and impact of philanthropy

Defining and measuring the success of philanthropy is a key issue. Survey respondents were asked what measures were most important to them. Ensuring that resources reached beneficiaries was seen as absolutely fundamental by all, while efficient use of resources by beneficiaries, and positive impact felt at beneficiary level all scored highly. Greater public awareness of a cause and meeting CSR/CSI obligations were noted as moderate measures of success, though in both these cases over 30% saw it as having no importance at all, showing a great divergence of views on these two issues.

Figure 16: Success indicators in philanthropy
(% of respondents; n=36)



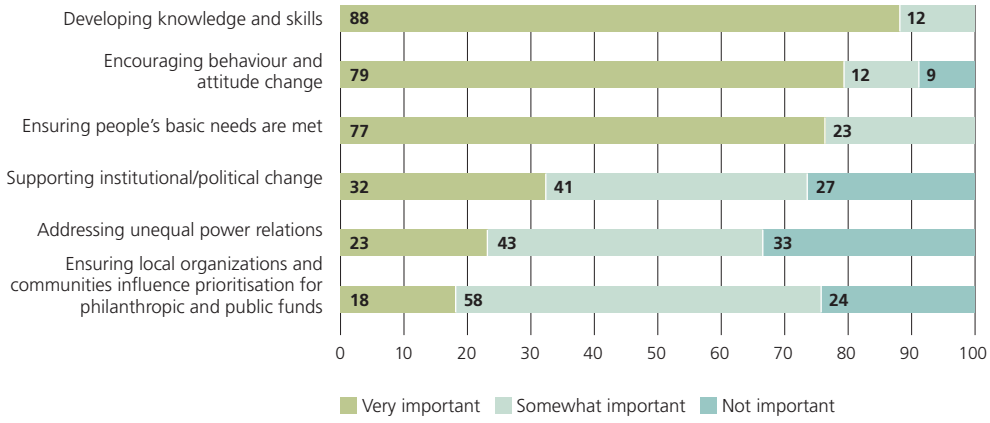
The interviews show that success is often in the eye of the beholder and the most significant change as a result of philanthropic efforts is not about the interests or needs of the giver but those of the beneficiary. This is graphically illustrated by the remark of one Kenyan philanthropist: "When a man accompanied by his grandson finally gets to see me after three attempts and offers me feedback with these words, 'you gave me eyes to see', there is nothing more life-changing than that."

Another philanthropist in the Democratic Republic of Congo, whose foundation supports a girls' school as well as a number of community activities, sees impact in the lives of the students as well as their families. "I see the impact through the girls and how they have progressed," she says. "Parents of the girls come to me and say that their girls are educating them, teaching them numbers, how to use a knife and fork. The well built by the Foundation is now giving water to more than 8,000 people."

Seeing a rural child become a doctor is a memorable moment for the trustees of one foundation in South Africa, "We are proud when we see students graduating from high school and students completing their masters or doctoral degrees."

In recent years, philanthropy has begun adopting business-style means of measuring and evaluating impact. However, many feel that the development of metrics and processes are alien to the nature of the work, especially in fluid contexts. The continuing debate about impact measurement was also reflected in the responses, with 'measuring impact' seen as one of the challenges faced. Networks and/or philanthropy platforms could help explore these challenges, passing on lessons learned about impact and its measurement, developing good practice models and matching the means of assessment to the context. Above all, when engaging with wealthy individuals on issues of impact, the sector needs to balance the tools and models for systematically assessing impact with the value of personal stories and interactions. As the remarks above show, the human element is crucial to the work of many philanthropists and must be maintained.

Figure 17: Importance of making an impact
(% of respondents; n varies between 30 and 34)



Impact can be seen in the short- and long-term and on different levels – from individual to societal level change, and from ameliorative impact to structural transformation. These are not mutually exclusive, though they are often spoken of as if they were. Instead, and specifically in the context of the Global South, they need to be understood as cumulative.

In terms of where impact should occur, both developing knowledge and skills and ensuring people's basic needs are met emerged as very important. Given the focus on health and education and the provision of services in these areas, this result is not surprising. What is interesting and encouraging to see is that 79% of respondents underlined encouraging behaviour and attitude change as areas where more change needs to take place. This is despite the fact that in terms of focus sectors, social justice and advocacy, are not priorities, in part because results are not tangible and longer-term interventions are required.

Impact

Most philanthropists agree on the importance of impact or change and measuring this change, although many are challenged by the often complex nature of measuring impact. A number depend on an emotional barometer and sense of satisfaction to determine if their interventions have made a positive difference.

Generally philanthropists expect to receive reports on progress towards goals and have access to key people. "I look at the annual reports of organizations that we support and if satisfied then it is accepted, or I would ask questions if something needs to be queried," says a Kenyan businessman and philanthropist currently living in Britain. Another says "I have perfunctory meetings with chairpersons of the board of the organizations but don't get into the real issue of Kenyan operations". Similarly Solly Noor, a South-African businessman and philanthropist reviews reports submitted by beneficiaries but admits he assesses impact by what he personally sees and feels connected to.

Toyin Saraki, a former First Lady and notable philanthropist in Nigeria, sees the impact of her work in various ways. Not only does her Wellbeing Foundation and Kwara Wellbeing Trust work to address maternal health and poverty, as a high profile person, her decision to raise awareness on various issues has resulted in increased attention and traction nationwide, as well as globally.

There are some examples of philanthropists who are actively tracking and measuring impact. The Craft Silicon Foundation in Kenya actively tracks its former students to assess the impact that the ICT training has had on their lives. It is therefore heart-warming to the foundation's CEO, Priya Budhabhatti, when some students have opened their own cyber cafes or been employed in the ICT sector. For a Nigerian foundation, there is recognition of the importance of measuring impact but as a young foundation it is still developing a strategy in this area.

The Mara Foundation in Tanzania, Uganda and Nigeria attempts to measure the success of their (Mara One-on-One) mentorship program by taking snapshots and conducting interviews at the beginning and end period of mentorship to determine if progress has been made and if goals and expectations have been achieved. A dedicated group conducts monitoring and evaluation at Amurt Nigeria, an organization working to reduce maternal and neonatal mortality. "We monitor all pregnant women in every village in our project areas. We do this involving home visits by health workers and maternal health promoters, who are elected by the women in each village and trained to build their capacity. We take special care to track women who are in high risk groups or who have displayed warning signs during ante-natal care visits to the health centres, so that we can ensure that all precautions are

taken to enable her to deliver safely. We also have meetings with the mothers in the villages to get feedback so that we can improve ante-natal, delivery and post-natal services in the health centres," says Amurt's project officer, Dada Darnesh.

The Laureus Sport for Good Foundation, an organization that funds social development through sporting initiatives, has in the last few years invested in research that demonstrates the impact of sport on social and community development.

Some interview respondents noted that successes are what can be seen, and that engaging in more complex assessment is tedious at best. Yet with the evolution towards more formal or institutionalized giving, there is growing recognition that monitoring and evaluation and reporting is important in providing evidence of change, especially in more complex programs or where there are too many programs for the HNWI to have a personal involvement. There is concern about the proper stewardship of resources, proper and transparent governance mechanisms on the part of intermediaries supported as well as communities, and many have mentioned the need for due diligence before they give.

There is also, in some cases, a gulf between the institutional obligation and technical systems to measure success and the more personal and 'gut-feel' sense of the individual as to what success means to them. This goes to the heart of the concern about whether there is an over-concentration on the kind of metrics embraced by institutional grantmakers and foundations. Several wealthy individuals seem unfazed by such technical requirements, having a clear sense of what they find rewarding, no matter how small the success.

Akwasi Aidoo, senior fellow at Humanity United and former head of TrustAfrica, suggests that measuring impact at a community level in Africa can sometimes be challenging. "The social capital in communities is complicated," he says. "And many of the social problems are complex and deep rooted. If you give someone money, this doesn't' necessarily solve a problem. Some wealthy individuals know this. They know that if they send a girl to school, she can be socially excluded on other levels, so the approach has to be systemic and long-term. Those who get this do understand the difference between a sprint and marathon."

3.5.2 Ethics and philanthropy

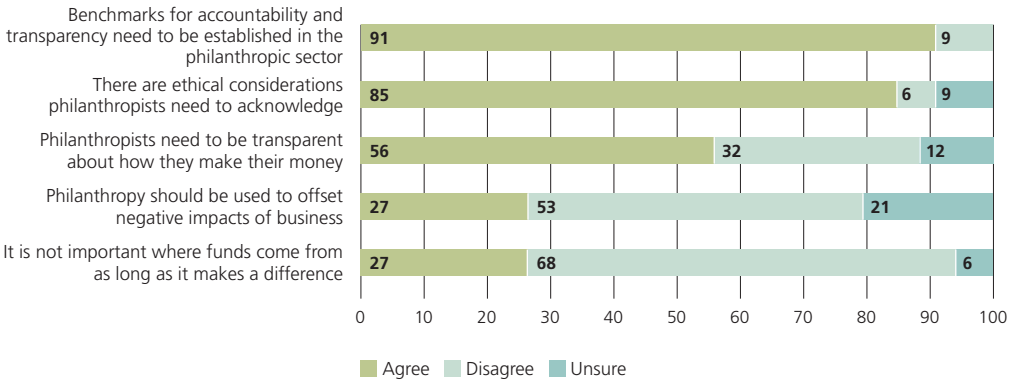
In the last few years there has been increasing attention paid to ethical questions linked to philanthropy, such as: *Does it matter how philanthropy is financed? Are the types of investments and products, as well as labor conditions through which money is generated, important? Are the concessions and cost to local people (particularly in a natural resource-rich continent like Africa) important factors?*

Funding philanthropy – an open debate

Although mirrored in many parts of the world, this study sought to open the specific debate on ethics and philanthropy among African philanthropists. The majority of respondents agreed that philanthropists need to acknowledge certain ethical considerations, and that benchmarks for accountability and transparency need to be established.

The main points highlighted by respondents focused on the sources of funds that finance a philanthropist's activities. Some argue that it does not matter where the money is coming from as long as it is spent to 'do good'. Others believe that one cannot do philanthropy if the monies that support it come from controversial sources.

Figure 18: Ethics in philanthropy
(% of respondents; n=34)



According to one wealthy individual in South Africa, realization of financial returns is what matters as this offers sustainability to one's capital and therefore overall sustainability, even growth to one's giving. Similarly, another wealthy individual is willing to accept money from any source as long as it assists her foundation to deal with the difficult issues in her region. "There's too much conflict, too much killing in my country. I will take money from the devil if it's going to help my people."

While many interviewees would not be drawn on the issue of ethics, a small number were very vocal about the centrality of ethical principles to giving. One philanthropist was adamant that ethics are vital, and that was why her philanthropy is only from personal money; another stated categorically that she would not deal with any dubious money, would check sources of money and would only invest in companies and stocks that were not tainted by any gross violations.

Upholding standards in philanthropy

Rick Cohen noted in his 2011 article in Non-Profit Quarterly that Teodoro Obiang Nguema, the dictator president of Equatorial Guinea, donated USD3 million to the UN Educational, Scientific and Cultural Organisation (UNESCO).[64] These funds were designed to establish the UNESCO-Obiang International Prize for Research in the Life Sciences. Several countries protested Nguema's self-enrichment at the expense of his people and the fact that there was widespread financial mismanagement in his government, this resulted in UNESCO declining to accept the funding.

Cases like this may seem clear. However, more nebulous contradictions, such as business practices that fail to uphold basic employment standards, are harder to recognize. Many private organizations depend on low wages, non-unionization of workers and relaxed labor laws for maximum profit. Cohen posits that taking money from a dictator may be no worse than taking money from corporations with poor accountability records and makes reference to the billions generated during the 'Robber Baron' era; billions that made their way to foundations that are internationally recognized today.

One philanthropy expert insists that philanthropists and organizations need to have clear ethics. "We cannot continue to talk about Ford and Rockefeller being robber barons and conclude that all money is not tainted," he says. "This does not mean we should perpetuate these practices. If your aim is to address social justice and humanity then you can't accept money from just anywhere, you can't have these double standards. There are also risks in terms of reputational value that you need to weigh up. We must have an overall principle." For another, there is recognition that all money is tainted but that every CSO has to make its own decisions on what funds to accept and that there needs to be 'ethical accountability'. "If you accept money from a particular organization (dubious or otherwise) be honest about it, don't hide it." Another remarked that if the philanthropist is no longer involved in the dubious activity, then that is acceptable.

> "It's not about throwing money at people, but equipping them with the right tools to make decisions."
>
> Philanthropist, Nigeria

> "We need to listen more [and] we need to question the development processes we are involved in."
>
> Philanthropist, South Africa

Accountability to beneficiaries

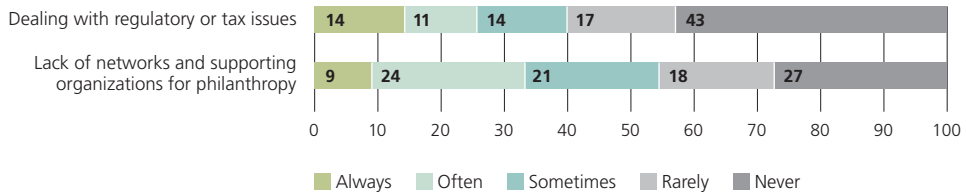
Another aspect of ethics is accountability to beneficiaries. There is a growing conversation in the philanthropy field about the relationship between those who give and those who receive funds. There are concerns – and these apply to large international funders, African grantmaking and intermediary institutions as well as private givers – that giving does not always come from a deep understanding of the issues within communities, nor does it seek to redress the powerlessness of those we seek to support. In fact it can simply add another layer to this. As giving by the wealthy increases, these questions are being asked of the individuals themselves. The research indicates that some work needs to be done on this: voice and power did not emerge as priorities in the survey and only a small number of interviewees saw the importance of transparency and accountability, especially to their beneficiaries.

[64] Cohen, R. (2011). Dictator Philanthropy: How Dirty is Your Money?. Non-Profit Quarterly, 07 June 2011.

3.5.3 Regulatory environment

Dealing with regulatory issues does not seem to be a big challenge for many. There are two ways of looking at this. The first is that many wealthy individuals do not see fiscal incentives as a precondition to their giving. This view is supported by the interviews, where tax was not seen as an incentive and some indicated that while having fiscal incentives or a regulatory environment that is friendlier towards philanthropic giving would always be welcome, this would not necessarily impact their giving. However, in some cases, though fiscal incentives exist, donors do not use them because they are too complicated – the 'challenge' is therefore avoided. This was shown by a recent KCDF study on tax incentives in Kenya, which revealed that donors (in general) in Kenya[65] do not understand the law; they view it as unnecessarily complicated and are hesitant to use it because of the bureaucracy they fear it would entail. That study also shows that tax deductions would encourage significantly more giving.

Figure 19: Challenges relating to the philanthropic sector
(% of respondents; n varies between 33 and 34)



The second perspective is that, except for South Africa where fiscal incentives translate into a personal benefit to the giver (which is capped), this is not the case in other countries, and so many wealthy individuals are not faced with such challenges. When giving through a business vehicle, however, other incentives may apply. In South Africa, there is a corporate giving incentive linked to the Broad-Based Black Economic Empowerment Act and in many instances, companies subsume giving in their marketing expenses, thus deriving a tax deduction. One Nigerian Foundation said that, "at the moment the Foundation is registered as a non-profit as there is no special status. The giving is done through the business as it can be used as marketing expenses to reduce profits and then tax."

Private philanthropic donations are tax-deductible in South Africa and are utilized by philanthropists seemingly without much challenge. However, the rules that relate to a tax break are seen to limit giving. These apply to the types of recipient institutions against which a donation can be claimed and limitations on donation amounts. Anything above the specified amount is liable for tax.

While some legislation does exist in Kenya, the tax deduction emphasis is on the status of the recipient organization, not on the gift. Moreover, its implementation has been problematic and fraught with delays. According to one wealthy individual in Kenya, "there is a tax incentive but it is complicated and the government has already tried to shut it down." A representative from a foundation in Uganda observed that, "There is a fiscal framework that offers tax incentives for donations. However, it is a very difficult and laborious process to register donations which is not really worth attempting unless one has connections." According to Okey

[65] Kenya Community Development Foundation (2014). Creating an Enabling Environment for Philanthropy Through Tax Incentives. A Collaborative Initiative between KCDF and Strathmore Tax Research Centre, Report May 2014.

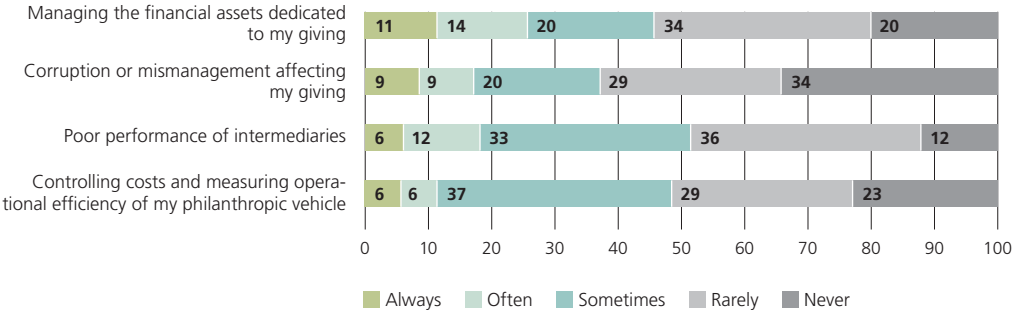
Enelamah, a Partner at African Capital Alliance (ACA) in Nigeria, widely and easily available tax incentives for companies and wealthy individuals would be useful in promoting increased philanthropic engagement.

In recent years, an enabling regulatory environment for giving has become a major issue for philanthropic infrastructure providers. In South Africa and Kenya, several institutions have been working on this and in Nigeria there is a proposal to develop a legal environment that could encourage giving and regulate the sector in order to increase accountability and transparency.

3.5.4 Management of giving and related challenges

The survey results showed quite different views of the major challenges to giving. While a little less than half said poor performance of intermediaries and controlling costs of their philanthropic vehicles were key challenges, slightly over half said they rarely or never experienced these challenges. Corruption and mismanagement of funding was an issue for some, but not a majority. It is interesting to note that during the interviews there was a surprising lack of reference to intermediary organizations, which supports some anecdotal evidence suggesting a wariness of NGOs. On the other hand, there is some concern about operational foundations, as their running costs tend to absorb a fair percentage of the funding they receive, hence the constant challenge to control costs. Measuring the impact of their philanthropic vehicles was also noted as a challenge, and has been dealt with extensively earlier in this report.

Figure 20: Challenges in the management of giving
(% of respondents; n varies between 33 and 34)



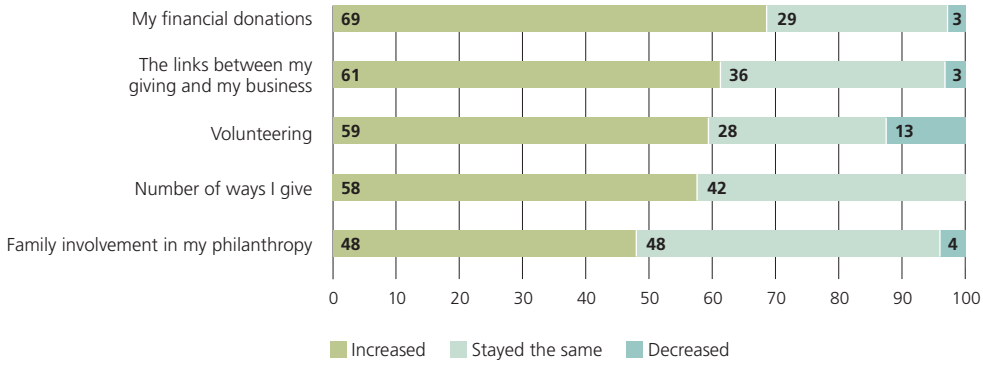
4. Outlooks

The study also sought to address the outlook for African philanthropy. Questions focused on how philanthropy has evolved over the past few years as well as the potential changes in the future show a buoyant and growing sector. However, respondents see that much still needs to be done in order for philanthropy to achieve its full potential in Africa.

4.1 Changing practices in giving

For many, giving practices have changed significantly, though the pace of change seems to be slowing. In general, the data reflects a dynamic and evolving space over the past five years, with more than half the respondents increasing not only financial giving and volunteering, but also the number of ways in which they give. An equal number reflected family involvement as increasing rather than staying the same. The interesting figure here is that linkages between giving and business have increased for more than half the survey respondents.

Figure 21: Changing philanthropy practices of the last 5 years
(% of respondents; n varies between 33 and 35)



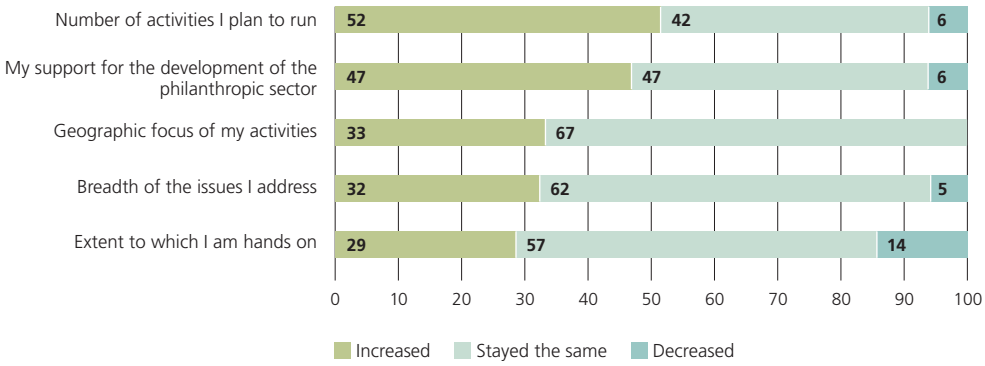
In exploring whether these trends will continue, half the respondents are planning to increase financial giving over the next year. Just over half intend to increase the number of activities they plan to run, while the geographic focus, breadth of issues and personal involvement look to remain constant for more than half. This could be reflective of wealthy individuals either feeling they are already at the levels that are appropriate for them or that there may be some narrowing of the types of giving to financial mechanisms. This is an issue that may be useful to explore further.

Interestingly, the research revealed that 43% would increase support for the development of the philanthropic sector. Traditionally, infrastructure for the philanthropy sector has been supported primarily by external funding. Support from domestic funders is worth exploring and encouraging. Lastly, more than half indicated that it was either likely or extremely likely that they would consider investments with a social impact, reflecting potential for increasing links between philanthropy and business.

4.2 Evolution of institutionalized giving

Individual and direct giving has, until recently, been the primary means for wealthy individuals to give but institutionalized and professional forms of giving are now becoming more common. The move in this direction was prompted for some interviewees by a number of factors: while there is a notable increase in the use of time and networks, these wealthy individuals also have businesses to take care of and so have to carefully balance the time they devote to their philanthropic interests. The scale of giving has also substantially increased for most people and deciding how best to respond to development challenges, whether through grantmaking (that is working through intermediaries) or the foundation acting as an operational foundation with its own intervention programs, has become more complex. These factors, together with the need for due diligence processes, a stronger focus on metrics and impact assessments, and the need to track results in the field have led to the demand for professional staff, grantmakers and consultants, among others. The institutionalization of giving has, in their eyes, helped to make their giving more consistent, predictable and effective.

Figure 22: How giving may evolve over the next year
(% of respondents; n varies between 30 and 35)



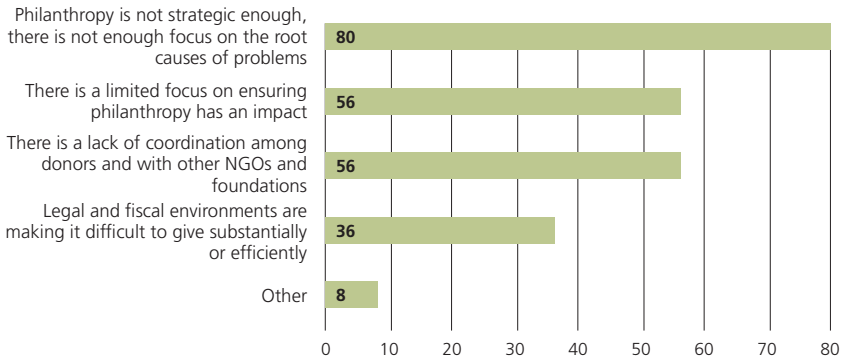
4.3 What needs to be done for philanthropy

Challenges in African Philanthropy

Many philanthropists give in an ad hoc and informal way and there are limitations when it comes to addressing underlying drivers and structural injustice. It is interesting to note that the challenge most identified by respondents is the lack of strategy and focus on root causes of problems. This is an issue that the philanthropic infrastructure providers needs to grapple with – in more direct ways and in more depth.

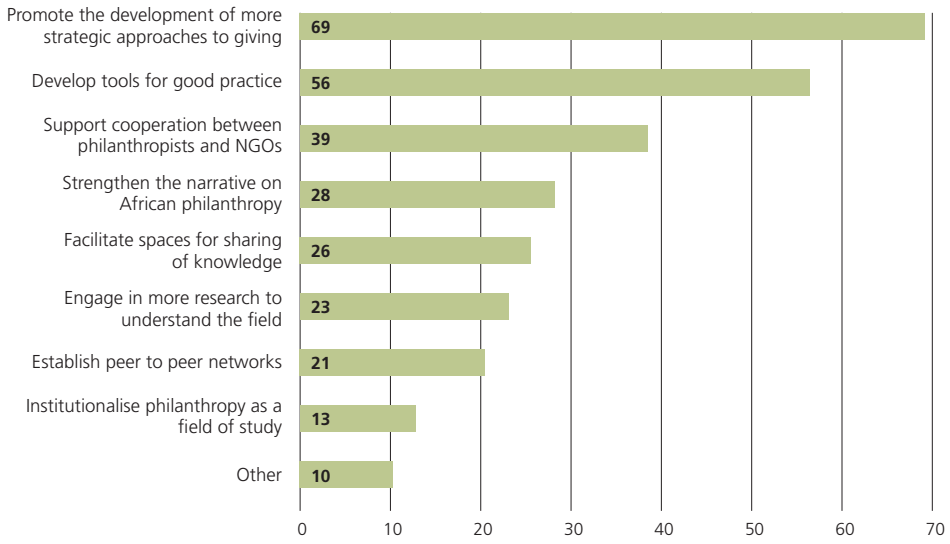
The lack of coordination between donors and with other NGOs and foundations was also prioritized. This is borne out both by the interviews and anecdotal information.

Figure 23: Challenges in African philanthropy
(% of respondents; n=39)



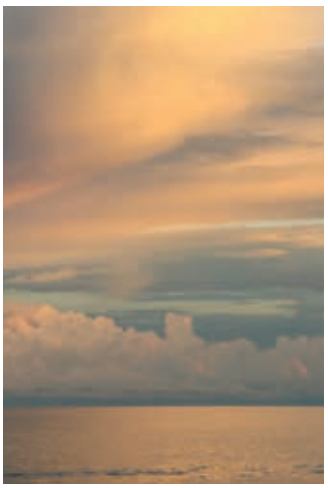
In exploring what needs to be done to promote philanthropy, two areas stand out: promoting more strategic approaches to philanthropy and developing tools for good practice. These tie in with some of the ideas about formalization and impact. The trend towards institutionalized giving, and the complexity of the development challenges in Africa both suggest the need for wealthy individuals to be more strategic about giving. Consistent with this is the need for good practice to be packaged, shared and celebrated, particularly successes as well as lessons that emerge from the African experience and are developed by Africans themselves.

Figure 24: Actions to promote African philanthropy
(% of respondents; n=39



There are also a number of surprising and informative findings. The first is that spaces for sharing knowledge and peer-to-peer networks were not ranked very highly. As these form part of the core of what philanthropy platforms do, more needs to be done to increase the relevance of these forums for wealthy givers as well as to highlight their potential. Another interesting finding is that strengthening the narrative of African philanthropy and the need for more research to understand the field were selected by at least a quarter of respondents. This is a positive development given that these are ideas that have relatively recently emerged.

5. Conclusion



This study has sought to provide insights into the motivations, practices and behaviors of a specific set of wealthy givers. The findings have affirmed strong notions of African philanthropy as different; of giving that is rooted in lived experience and strongly linked to values; of giving modes, practices and decisions that rely on a blend of formality and informality; and of giving that happens simultaneously in multiple ways and directed at different types of beneficiaries and issues, both within community but also beyond.

The study has also reflected some emerging questions around the limitations of the existing infrastructure in aligning to the realities of the ways in which giving by the wealthy happens; of the hesitancy of wealthy individuals to support and lend voice to addressing critical systemic issues that are deemed politically controversial or risky to business; of the need to explore how to support reflection on impact in ways that still retain relevance to the giver; and of the need to encourage conversation on the contradictions around ethics and resource governance.

Significant giving happens by wealthy individuals, but there is considerable scope for this to be both increased and strengthened. There is potential for private philanthropy to play a much more substantial role in African development, but this is a potential that is not as yet being met, particularly as Africa enters an important chapter in its development and discussions relating to the post-2015 development agenda.

Increasing the impact of African philanthropy

Coordinating efforts by aligning more closely with development priorities. The need to define the development priorities of the African continent following the close of the Millennium Development Goals in 2015 is becoming more pronounced. With a reduction in external aid flows, philanthropy has a potentially significant role to play in helping to fund the new development agenda of the continent. Nevertheless, we must be realistic and acknowledge that philanthropy on its own cannot address the entire set of development challenges found across Africa.

Moving towards more strategic philanthropy and impact measurement. Even if philanthropy is often driven by passion, there is a need to combine this passion with a move towards more strategic philanthropy. The impact of one's giving can be increased by developing a more in-depth understanding of the development challenge one seeks to address, and then defining a clear vision, creating a detailed (but always flexible) strategy with an action plan, and embracing the tools to measure the impact. Financial institutions, support institutions, and philanthropy networks can accelerate this change by providing advice, supporting thematic research, facilitating the mobilization of collective resources through collaborative giving, and creating platforms for peer-to-peer exchange. There is scope for strategies and models of how to identify and select grantees, understand impact and measure it in ways that are meaningful to both the giver and the recipient, and to enable and encourage learning on how to think about giving in more strategic ways.

Promoting and tailoring networks to the African context. Philanthropy networks and other forums need to explore how to engage in issue-based platforms as a way of supporting and strengthening giving by the wealthy. Spaces for sharing knowledge and experience with peers need to be more active and tailored to the nature of giving by the wealthy in the African context. For example, the packaging of resources and tools needs to take account of Africa's many languages and importantly, to be accommodated to the African context. It is important, however, that these spaces are able to be more relevant to private philanthropy's practice and contexts, while simultaneously supporting critical reflection on the role and impact of philanthropy.

Sharing best-practice and increasing collaboration. The development of electronic platforms and forums adapted to the African context could help the dissemination of good practice models, tools and strategies for more impact. Philanthropy on its own cannot address all the development challenges in African countries and at a continental level. However, there are opportunities for private philanthropists to engage with the state at several levels. To help advance this, good practice in public-private partnerships and collaborations among sectors should be documented, shared and discussed by wealthy individuals at key regional and continental forums.

Developing favorable regulations to encourage increased giving. Although the motivation to give is rarely driven exclusively by the existence of favorable regulations; measures that encourage giving and are easy to access by a philanthropist could be a way of increasing the level of giving. Further research is required to understand the ideal characteristics of such regulations so as to maximize their positive impact on philanthropic giving. Wealthy individuals would also appreciate an expedited process for creating vehicles and structures through which to carry out their philanthropy.

Broadening the scope of activities through which a wealthy individual can achieve impact. Donations are the most common approaches for wealthy Africans to 'do good'. Professional grantmaking activities are also of increasing interest to African philanthropists but could be implemented more broadly. In addition, although gaining popularity in the rest of the world, except for a few clear examples, using investments for impact (either through impact investing or sustainable investing) is still not common. Further support and education on the benefits of this form of investing should be envisaged.

Encouraging potential role models to step forward. Philanthropists whose activities contribute to substantive impact should be encouraged to use their successes and positions to inspire others. In this way best-practices can be promoted and shared and others can be encouraged to become engaged. Understandably, many wealthy individuals, even if they have considerable leverage and influence with the state and would be able to raise contentious issues and perspectives, are reluctant to do so. By stepping forward as role models and being part of a community of like-minded individuals, there is potential for wealthy individuals to play a greater role in advocating for the development issues they support and in raising issues that may not receive obvious popular support.

6. Research Methodology

Nature of the sample and limitations of the study

This study is based on the work and expertise of UBS and TrustAfrica, with the support of SGS Consulting. It employed both qualitative and quantitative methods in the form of a survey and in-depth interviews. The data collection period ran from September 2013 to May 2014.

A total of 95 people participated in this study: 39 of these were survey respondents, the remainder comprising the interview sample of 42 wealthy individuals or representatives of wealthy individuals, and 14 philanthropy experts. The interviews were conducted in a semi-structured manner using a questionnaire guide. For the most part, survey and interview respondents were different. Only ten respondents participated in both the surveys and the interviews.

There is no suggestion that the sample is in any way representative. Given the difficulty of accessing the sector in question, interview respondents were approached through networks, service providers and institutional and personal contacts. Survey respondents were approached through a variety of channels, many in person. It must be noted that self-selection can be an influencing factor on the data.

The findings must be viewed as a snapshot of a particular segment. The findings are not intended to provide the basis for generalization about the population of wealthy individuals across Africa, but rather to offer insights and analysis on particular issues. In addition, because access to wealthy individuals proved to be challenging and anonymity was in some cases required as a condition of participation, a deliberate or random sampling method was not employed.

The differences between givers across various demographics proved statistically insignificant for this sample. Therefore, in this study generalized statements about private philanthropists within a certain country, ethnic group, gender or age group have been avoided unless interviews provided compelling evidence.

Part of the challenge of the study was to agree on a functional definition of ‘wealthy individuals’ as well as philanthropy. The study did not use a rigid definition. It is acknowledged that some definitions of High-Net-Worth individuals, such as the one by Merrill Lynch (World Wealth Report, 2012), of those having investable assets of USD1 million or more, may not be suited to the African context. Therefore, for the purpose of this study and in order to fit better with the African context, we defined ‘wealthy individuals’ as individuals with an annual income exceeding USD150,000 or having investable assets of more than USD500,000.

The study acknowledges the possible existence of country-specific developments that affect how ‘wealthy individuals’ is defined and understood.

7. Research Partners

The research and analysis for this report was undertaken on a collaborative basis between TrustAfrica and UBS, with research support being provided by SGS Consulting and its local partners.

UBS

UBS draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. We combine our wealth management, investment banking and asset management businesses with our Swiss operations to deliver superior financial solutions. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centres, and employs approximately 65,000 people.

UBS Wealth Management provides comprehensive financial services to wealthy private clients around the world - except those served by Wealth Management Americas. Its clients benefit from the entire spectrum of UBS resources, ranging from investment management to estate planning and corporate finance advice, in addition to specific wealth management products and services.

As one of the leading service providers to Ultra-High-Net-Worth clients worldwide, UBS is very active in philanthropy advisory through its UBS Philanthropy and Values-based Investing department.

Turning philanthropic aspirations into real impact requires both rigorous thinking and the power of execution. This is why we provide our clients with a global team of experts who can help make sense of the many motivations for philanthropy. Emotions, passions and values play a prominent role: a sense of duty to society, a tradition built on family values, a passionate interest, or a life-changing experience. Some philanthropists seek direct involvement with their beneficiaries. Others prefer to remain behind the scenes. Whatever their motives, needs and expectations, our structured and tested advisory approach ensures that our clients' philanthropy is personal and rewarding.

UBS Philanthropy Advisory covers the complete value chain in philanthropy.

Strategic advisory: Adopting a structured advisory approach, we help our clients reach sound decisions about philanthropic ambitions in private advisory sessions. This can include finding the best local partner for their philanthropic work, defining the optimal positioning niche for the foundation, creating a structure for social investment or re-aligning a foundation's strategy.

Knowledge exchange platforms: UBS Philanthropy Advisory also offers access to the best philanthropic thinking and practice through a truly global offering of platforms in multiple languages.

UBS Optimus Foundation: Established by UBS in 1999 the UBS Optimus Foundation is our clients' connection to a world-class grant-making team who select only the most innovative and impactful projects which help improve the lives of children across the globe, making good philanthropy easy.

TrustAfrica

TrustAfrica is a public foundation that strives to secure the conditions for governance, equitable development and African philanthropy throughout the continent. Led by Africans, it convenes dialogues, awards grants, builds knowledge and provides technical assistance to advance these goals. TrustAfrica is led by seasoned professionals from more than a dozen countries across Africa and the Diaspora, operating on the conviction that Africans must set the agenda for development and take the lead in implementing it. TrustAfrica has a program presence in more than 25 African countries, maintains partnerships with several of Africa's leading institutions, and has built a strong reputation as a strategic landscape interpreter and an effective convener.

Based in Senegal, TrustAfrica, working with partners in Africa and in the Global North and strives towards achieving the closely related goals of political and economic transformation. TrustAfrica's work is anchored in three program areas: Governance (Democracy and Civil Society), Equitable Development, and African Philanthropy. The work on this research has been led through TrustAfrica's philanthropy program, which seeks to align external philanthropic resources with African agendas as well as to cultivate indigenous resources that support the continent's own priorities for democracy and development. This program aims to (i) Build and disseminate knowledge on the nature, role, potential and impact of African philanthropy through research, publications, advocacy and convenings; (ii) Advance the narrative practice and impact of social justice philanthropy in Africa; and (iii) Strengthen the field of philanthropy through facilitating collaborative networks, learning platforms, collective philanthropy positions, critical reflection and a more enabling environment for giving on the continent.

SGS Consulting

SGS Consulting is a consultancy based in Johannesburg, South Africa. SGS has a long history of working in the HIV and AIDS and sexual and reproductive health fields, education and community development in South Africa, the continent and globally. This experience extends to the development of regional HIV and AIDS strategies for SADC, SADCPF and EAC; leading country proposal development for the Global Fund; monitoring, evaluation and organizational development of regional NGOs and networks of NGOs; and extensive work done with the United Nations system in South Africa, the Southern African region and internationally.

SGS participated in the midterm review of the NSP for South Africa and is a registered consultancy of the Southern Africa Technical Support Facility that sources consultants on all aspects of, and interventions that relate to, HIV and AIDS. In addition, SGS specializes in monitoring and evaluation in the health field for the South African Presidency (developing a capacity building program on M&E for the country) and provinces, and in education (contracted as the M&E consultancy to the largest corporate-funded school improvement program in the country by Kagiso Trust and Shanduka).

The Technical Support and Dialogue Platform (TSDP), a project of SGS Consulting, is an innovative facility that offers technical support to civil society organizations in an effort to ensure they become sustainable, relevant and impactful. TSDP's work falls into two major themes: Philanthropy and Access to Social Justice for the Poor.

SGS has a team of five in its offices based in Johannesburg and one other resource based in Nairobi, Kenya and works with a network of consultants across the country and beyond, drawn into defined areas of work based on their expertise.

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9. Appendix

Published by	UBS Philanthropy Advisory TrustAfrica	
UBS Philanthropy Advisory	Project management and interviews:	Grégorie Muhr
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Photos	Grégorie Muhr	
Design	BLYSS, Zurich	
Printer	Neidhart + Schön AG, Zurich	

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Print | ID: 53232-1410-1014

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