



## ***Executive Summary***

# **Philanthropy in Africa: proposals to strengthen localisation, identify intermediaries and transform funding systems**

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## Context and Objectives

The world is contending with a cost-of-living crisis, soaring energy costs, rampant inflation, unrelenting climate change, war in Europe and the Middle East, and changing geopolitical dynamics. This global turbulence is further intensified by the lasting effects of the Covid-19 pandemic, and a re-centring of issues of racial justice and the lasting effects of our global history of colonisation, since George Floyd's death in 2020. In this context, Africa continues to battle economic volatility, deeply entrenched inequalities, persistent environmental challenges, and societal shifts.

As a result of these realities, there is a visible evolution in the philanthropy sector, where we witness changes in the mindsets, practices, and priorities of traditional givers. At the same time, we are seeing the emergence of funding innovations and new players. There is an amplification of the *“shift the power movement,”* as well as a drive towards the *“localisation”* of development and humanitarian funding, and *growth in African philanthropy*. This is complemented by an increasingly vocal and active civil society, geared to driving policy change and transformative solutions to the World's biggest problems.

But, the conditions for philanthropy to provide needed support at the right levels aren't changing fast enough. The 2022 *Global Philanthropy Environment Index* reveals that the philanthropic environment showed only modest improvement at the global level, but not uniformly so. In Africa, North Africa continues to lag behind sub-Saharan Africa in making progress. Country and regional reports suggest that a consistent and enabling regulatory environment, state collaboration, and strong philanthropic traditions and supportive social values are essential to nurture philanthropy.

Against this reality, Oak Foundation seeks to deepen its understanding of the philanthropic landscape, find solutions to persistent problems and identify African organisations that can help expand Oak Foundation's climate, food, and natural security work in Africa. Through this research, Oak Foundation aims to **create shifts in existing power imbalances** in the philanthropic sector **to enable funding** that is:

- **respectful** of recipients of their funding and their organisations,
- **solutions focused,**
- **driven by local communities and organisations** that are at the heart of accelerating transformative **systems change** and are rooted in the **global south,** and
- **committed to** environmental, social justice and human rights work.

To these ends, the report unpacks the African context, providing:

**Analyses of the philanthropy landscape**

- identifying trends and emerging practice

**Insight into the existing dynamics of funding local actors**

- analysing barriers and enablers to enhance philanthropy practices in Africa
- identifying components of a systems-change approach to grant making, that centres localisation

**Understanding of the potential of African intermediaries in driving systems change**

- highlighting opportunity for direct funding to Africa, and raising the voices and visibility of local actors
- mapping potential intermediaries

**Guidance on the role of philanthropy in capacity building**

- emphasising localisation to ensure that philanthropic efforts are culturally relevant, strategically aligned, sustainable, and consistent with human rights

**Insights and recommendations**

- proposing changes in funding systems and practice

**Directory of intermediaries (Report 2, not for circulation)**

- provides insight into organisations interested in work with Oak Foundation and other funders as intermediary organisations

## Trends and practice of the philanthropy landscape

*Both the global and African philanthropy landscape are experiencing dynamic shifts – as global economic and political uncertainties, a digital transformation, and assertive social movements and organisations are reshaping how giving is conducted.*

**The number of foundations globally is increasing**, especially in Europe, given growth in wealth and incentives from governments for philanthropy, as they look for ways to supplement their budgets. At the same time, more and more wealthy people are opting to give without setting up traditional foundations.

In general, foundations have a low risk appetite and hence the **traditional preference for sectors like education, social services, and healthcare persists** over and above social justice and human rights issues. But, there is also growing recognition of the **United Nations' Sustainable Development Goals (SDGs) as a framework guiding philanthropic efforts**, steering the sector towards global priorities and more integrated, sustainable development initiatives. This emerging practice of **strategic philanthropy** aims to address **complex social and environmental challenges**, and emphasises:

- **long-term impact**,
- **measurable outcomes**, and
- **collaboration and partnerships** that leverage strengths and resources of the participating organisations.

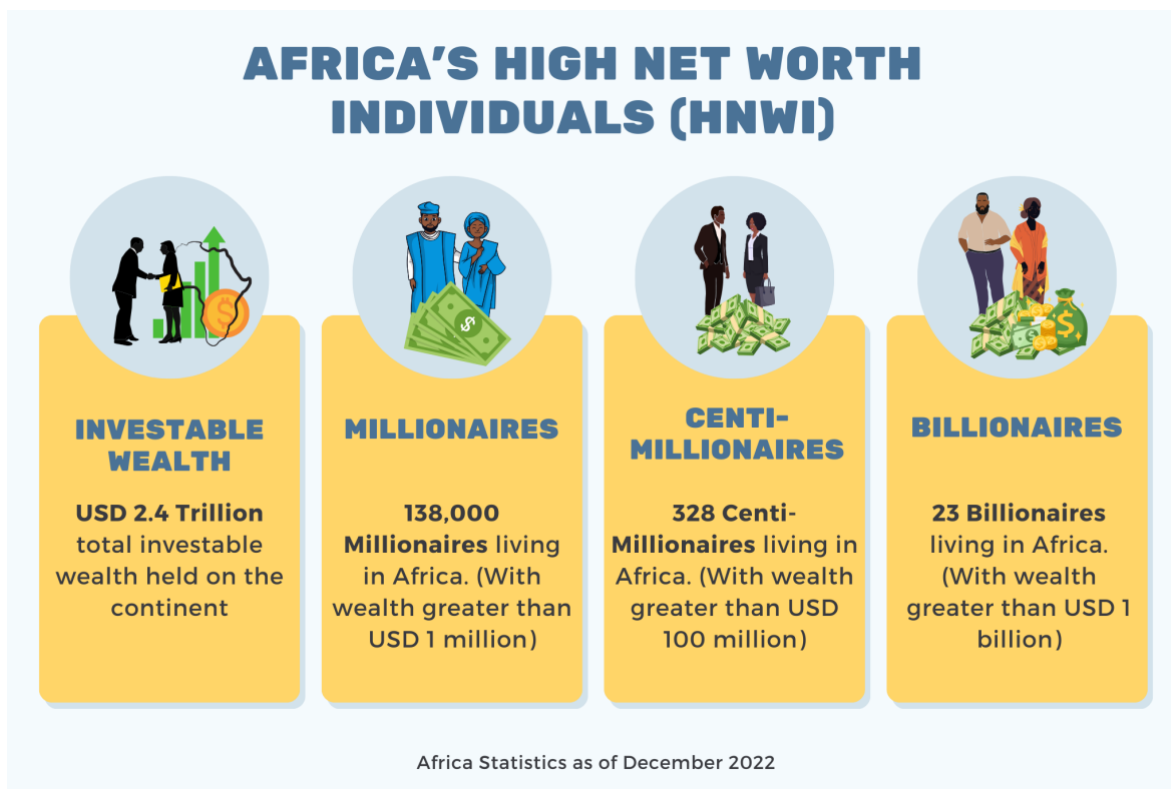
**Digital innovations are expanding the sphere of philanthropy.** For example, crowdfunding platforms and social media are making philanthropy accessible to a broader audience and allowing for more immediate, issue-specific interventions.

**In Africa, the philanthropy landscape is incredibly rich**, it is characterised by a diversity of actors, practices, and policies. Very old traditions of giving, rooted in cultures of solidarity, co-exist with more modern forms of philanthropic institutions and practices, bringing energy and opportunity to unlock more local resources, as well as challenges in terms of coordinating players and reinforcing collaborations.

The following is noteworthy **among actors**:

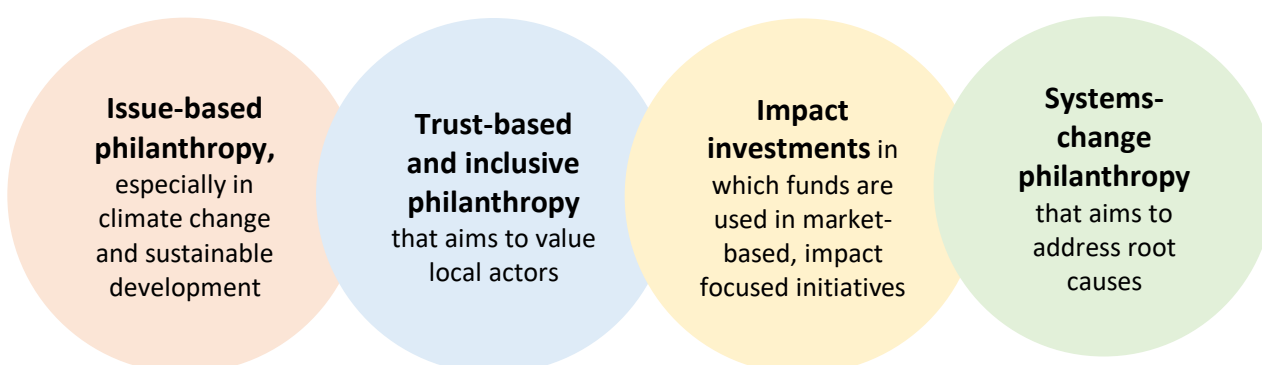
- **The growth of civic organisations** – including African funds, networks, and regional organisations – **has buoyed demands for power shifting** in funding and **created opportunities for funders to support local-led initiatives for social, environment, and human rights change.**
- **Corporate giving is increasingly strategic**, focusing on forming long-term partnerships with local non-profits and aligning their efforts with the SDGs to tackle poverty, education, and environmental sustainability.

- **High net worth individuals (HNWI)** continue to be **influential** in philanthropy. Africa's 'Big 5' wealth markets – South Africa, Egypt, Nigeria, Kenya, and Morocco – account for the majority of the continent's HNWIs (56%) and billionaires (over 90%), although the report notes a decline in the number of HNWIs due to prevailing economic challenges and emigration.



- **Diaspora giving is a powerful force for development.** Remittances alone amounted to over \$80 billion in 2020, surpassing foreign direct investment and official development assistance.
- **African philanthropy organisations** – both philanthropy networks and community funds/ foundations – **are actively building African owned and run funds** and supporting “blended” giving that brings together resources from local, national and global levels.

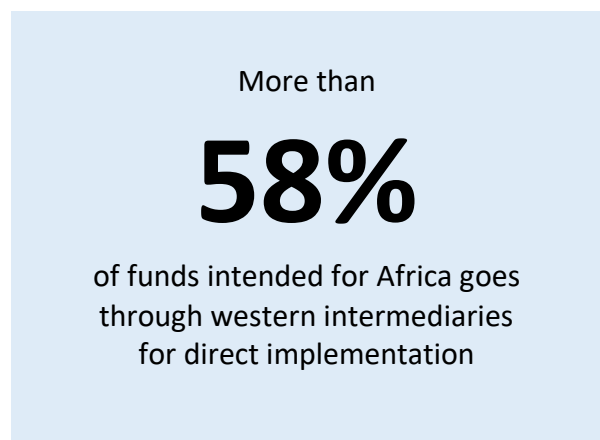
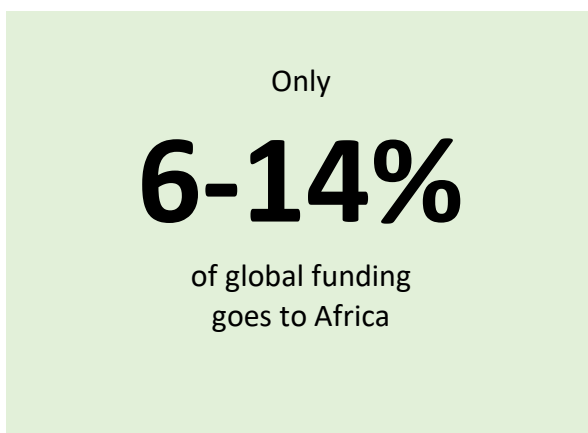
The following practices in philanthropy are increasingly prominent:



In all these practices emphasis may be given to:

- **Long-term, sustainable impact**, guided by the SDGs,
- **Diversity and inclusion** to reflect and incorporate the voices of the communities they aim to support,
- **Collaborations to pool resources and expertise**,
- **Data analysis and quantitative research to maximise efficiency and effectiveness of philanthropic activities**, and
- **Capacity strengthening** initiatives to empower non-profits.

**Despite this growth, resilience and new practices in philanthropy, key challenges remain** that are impeding localisation and the fullest impact of philanthropy in Africa:



## Dynamics of localisation – and local-led development – in philanthropy

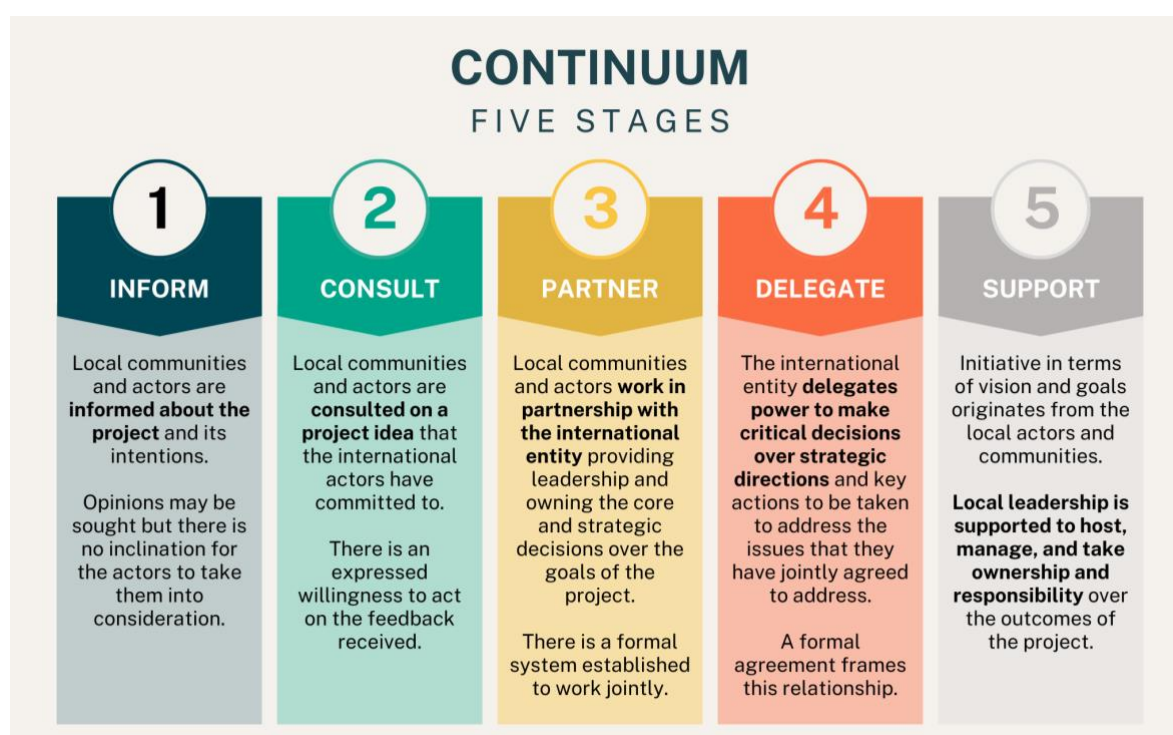
*The funding community has committed to ensure at least 25% of funds go directly to local actors.*

*Localisation – and indeed local-led development – is key to unlocking the power of communities and organisations in Africa. Localisation seeks to empower local communities and organisations in decision-making and resource allocation and through this to catalyse concerted actions and impact. It aims to **address power imbalances by ensuring that fund recipients set their own priorities**, which leads to more effective and efficient responses to development challenges.*

*Local-led development goes a step further by not only emphasising local participation but also ensuring that local communities and organisations have primary leadership in identifying, designing, implementing, and evaluating development projects*

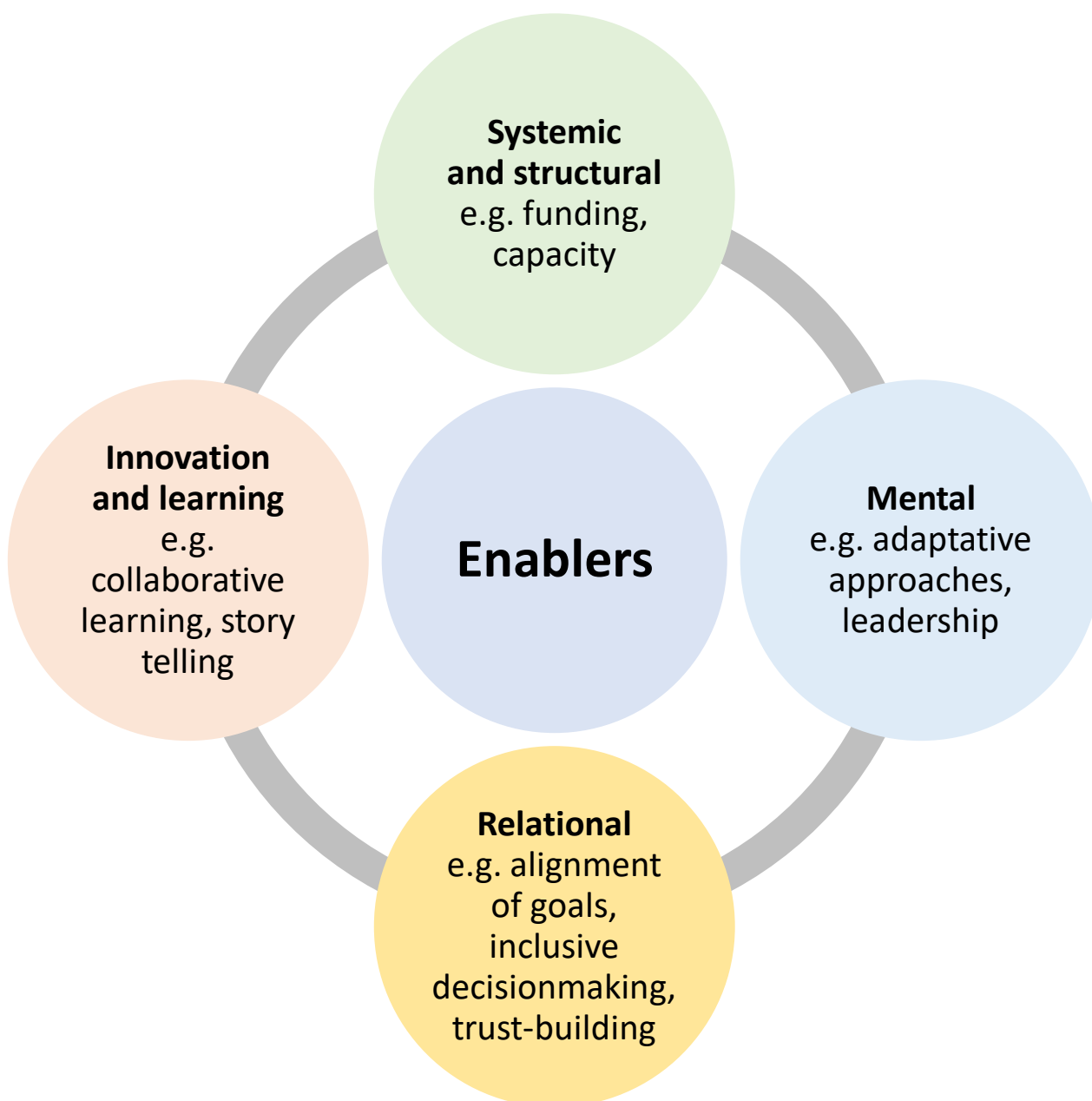
Localisation and local-led development are gaining recognition as crucial for sustainable philanthropic efforts. This involves funding local organisations directly and decentralising decision-making power to target countries, shifting away from the traditional global north-centric funding models.

Getting to local-led development can move along a continuum from being less locally led to substantially locally led. This progresses loosely follows these five stages:



However, empowering local communities and organisations in funding processes is not without **challenges**. Regulatory barriers, unequal power dynamics, and cultural misunderstandings continue to undermine progress.

**Enabling factors require multi-dimensional enablers that are well aligned, including:**





## Mapping African Intermediaries

*Transformation in funding requires diverse, well-aligned strategies. A thoughtful, deliberate, and incisive approach to **intermediaries can catalyse shifts in philanthropic ecosystems** by helping change funding patterns, processes, relationships, and being responsive to both funder and local actor needs. Funders need to re-examine their own systems and engage with local actors in identifying roles for intermediaries, selecting intermediaries, and redefining funding relationships. **A first step to meaningful funder-intermediary-recipient relationships is recognition of the value and assets each brings to the collaboration.***

**Intermediary organisations are most frequently engaged by funders to bridge the gaps between their foundations and fund recipients, with the overall objective of extending their reach and impact.** This centres the funder and their needs, interests, and priorities over and above those of the fund recipients.

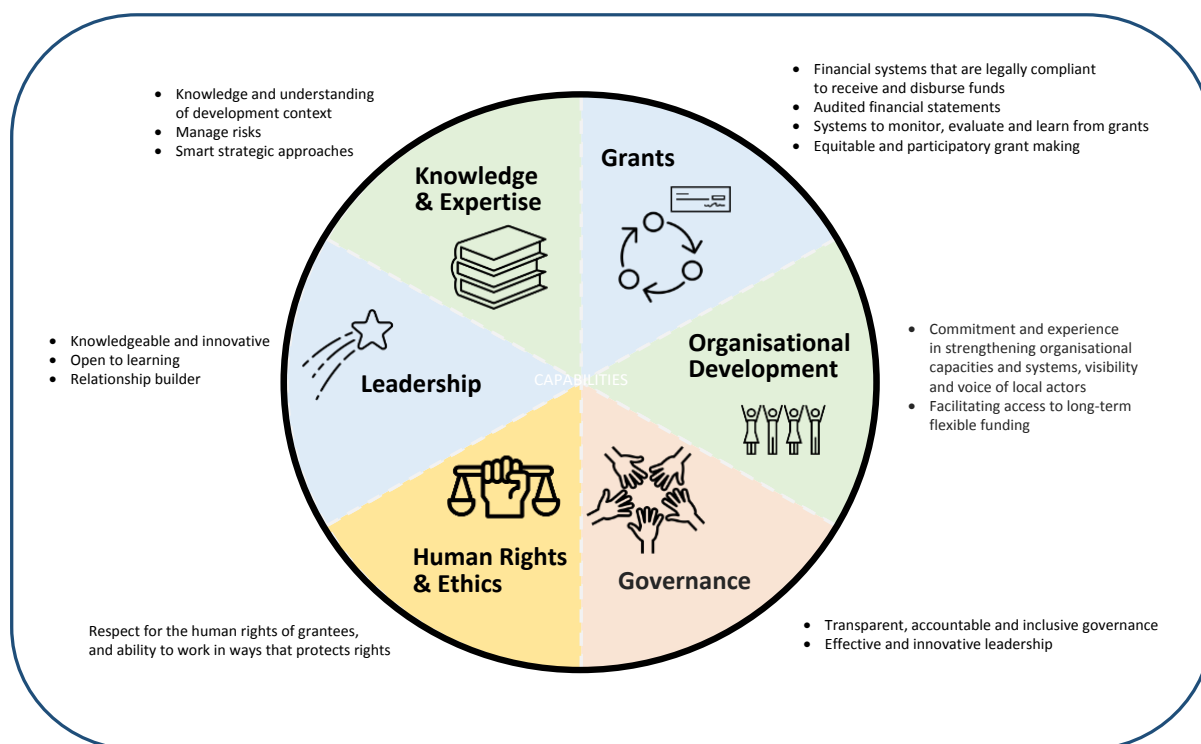
**New approaches are needed** that centre the local communities and organisations – that are at the heart of accelerating transformative systems change – in defining the role of intermediaries:

Recipient organisations believe that they should be **actively engaged** in selecting the intermediary, as trust and respect, are key factors **and in defining their roles**, or at the very least provide a check on the funders' choices. They value relationships built on solidarity and finding African solutions. To this end, many support moving towards participatory funding systems where they are engaged in identifying recipients and deciding on priorities.

In tandem with a focus on localisation and local-led development, we envisage **intermediaries that have effective fund management capacities and are also:**



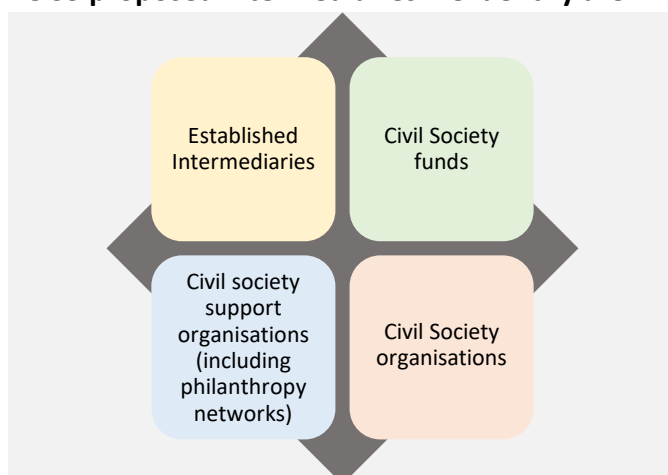
**Skills, capabilities, and experience** in funding, organisational development, inclusive governance, human rights and ethics, leadership, and relevant knowledge are essential for unlocking impactful funding and locally led development:



**African organisations have significant potential as intermediaries**, given their proximity and local understanding, they are able to:

- **operate nimbly and astutely in complex social, political, and legal circumstances,**
- **provide nuanced and strategic insight into funding strategies** for creating systemic social justice, environmental, and human rights change, and
- **have established respectful, mutually-accountable, and equitable relationships with potential recipients of funds,** or the ability to foster and maintain such relationships.

**The 35 proposed intermediaries we identify are:**



Other actors in African philanthropy are also potential collaborators for funders. These include **community funds, corporates, and High Net-worth Individuals**. Community funds and foundations provide an important opportunity to engage those working at community level to create sustainable and transformative systems change.

**Deciding on the kind of intermediary to engage** must be based on a clear understanding of the role that intermediary will take on. Considerations include:

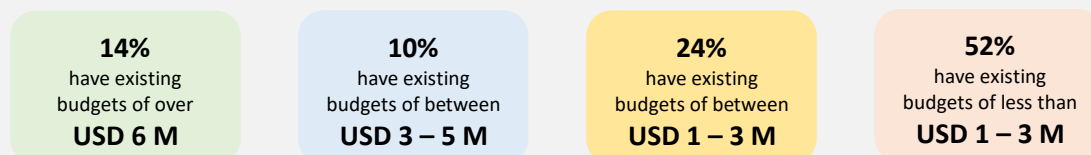
**Their skills and resources:** All proposed intermediaries have essential skills, but different capacities.

**Established intermediaries, civil society funds, and civil society support networks in (general) demonstrate:**

- Track records in managing **significant funding portfolios** and engaging funders,
- Ability to **reduce bureaucracy and risks in re-granting**,
- **Strategic approaches** with significant impact in social justice, environmental, and human rights issues,
- **Positive relationships** with civil society organizations and donors,
- Skills to operate in **complex political and legal realities**, and
- Well-established, **credible leadership and governance systems**

**Civil society organisations are important prospective intermediaries. They are at the heart of social and environmental justice struggles.** Many already have extensive networks and are engaged in re-granting or acting as fiscal agents in consortiums. They too demonstrate leadership, good governance, knowledge, and some organisational development capacities. They are effective relationship builders and networks, creating vast opportunity for collaboration, inclusion, and impact.

#### Spotlight on: Financial management experience



**Their reach:** The intermediaries have significant reach across Africa's 55 countries and five regions: North Africa, West Africa, Central Africa, East Africa and Southern Africa.

- Nearly half work at the pan-African level (16 organisations).
- 11 have a regional focus.
- Seven are national organisations. These are particularly important in countries, with expansive territory, weak infrastructure, or weak communications technology. National organisations also have a key role in reaching local actors.

**Their constituencies** which include food producers, women, youth, indigenous people, and local communities.

**Their interests:** The proposed intermediaries have different interests (including gender justice, climate change, human rights, food security, and natural security), and favoured ecosystems (e.g. drylands, tropic forests) in which they want to work.

**Equality in relationships matter immensely.** Enlarging the opportunity these intermediaries offer is depended on at a minimum **treating intermediary as partners, with their own**

**policies and priorities and not simply as agents.** Many organisations have well-articulated strategies and deep understanding of African realities, and can actively lead or co-create funded actions. Relationships must be built around mutual respect and trust.

Supportive relationships can help ensure impact. Funders need to recognise that in addition to the costs of intermediation there should be **support for organisational development**, not only to address any gaps in skills and system, but as part of a continued process. It is also important that opportunities are extended to sub-grantees.

**Civil society organisations are alive to the potential for the intermediary relationship to exacerbate unequal power dynamics** and are keen to structure this relationship in ways that contribute to **movement building and strengthening the capacity of sub-grantees.** Donors must take care to work with intermediaries to structure grant making that promotes equity.

**Taking a human rights lens to the triad of relationships** among funder-intermediary-recipient can help build trust and respect. The Human Rights Funders Network identified these principles, derived from human rights to guide their work:

|                            |  |                                  |   |
|----------------------------|--|----------------------------------|---|
| Power sharing and shifting | <i>To challenge how power is held and to transform how power is used.</i>  | <b>Accountability</b>            | <i>To recognise our own institutions and selves as accountable to the organisations, activists, and movements we support.</i> |
| Collective care            | <i>To ensure the safety and well-being of activists and to ensure the sustainability of movements.</i>                       | <b>Community driven</b>          | <i>To support community-led groups and to commit to community-inclusive decision-making processes.</i>                        |
| Equity                     | <i>To deconstruct our biases and apply an intersectional lens in addressing the root causes of injustice and inequality.</i> | <b>Adaptability and learning</b> | <i>To recognise the importance of innovation, create space for candid feedback, and to foster a culture of learning.</i>      |

## Strengthening capacity of local actors: a role for philanthropists

*Local organisations in Africa face a myriad of challenges that impede their ability to operate effectively and achieve lasting impact through their initiatives. To address these challenges, Oak Foundation should consider a multifaceted and strategic approach to capacity strengthening. This approach should encompass several key themes emerging from our consultations with African actors at local, national, regional, and pan-African levels.*

Oak Foundation's strategic commitment to local-led development necessitates a robust capacity strengthening framework. This entails:




- **Sustainable Funding and Support:** Diversifying funding methods to address resource constraints and enable strategic resource allocation, including for organisational strengthening, skill-building, strategic planning and leadership development.
- **Flexibility and Systems Approach:** Implementing adaptive funding and comprehensive systems thinking to address both immediate and systemic challenges.
- **Mission-Driven Capacity Strengthening:** Integrating capacity efforts with the mission of local organisations, ensuring continuous adaptation and alignment with evolving needs.
- **Navigating regulatory and environmental challenges:** Advocating for favourable regulatory environments and providing resources to navigate these complexities, including for legal assistance and policy advocacy
- **Fostering collaboration and networking.** Encouraging and facilitating collaborations among African entities, supporting their networks, and facilitating new platforms that enable them to learn from each other, share best practices, and amplify their collective impact.
- **Impact measurement and advocacy:** invest in robust impact measurement frameworks that help organisations demonstrate their effectiveness and adapt their strategies based on evidence. This includes providing tools and resources for rigorous monitoring and evaluation, as well as training on data collection and analysis.
- **Technological Innovation and Economic Alignment:** Utilizing technology and cultural competence to align capacity-strengthening with local economic strategies, thus enhancing social and economic resilience.





## Insights and recommendations

We suggest that the report is used to:



The future of African philanthropy hinges on the ability to **integrate local expertise**, **respect for cultural values**, and the **empowerment of community-led solutions**, which can collectively drive transformative and sustainable development across the continent. Our findings advocate for a **systems-change approach to philanthropy**, recommending:

|  |   |
|--|---|
| <p>Adopt systems change approaches</p>          | <p>Fund systems change initiatives that:</p> <ul style="list-style-type: none"> <li>• understand and address <b>root causes</b> and not just symptoms, and</li> <li>• undertake a <b>deep analysis of the entire ecosystem</b> to (1) reveal <b>actor dynamics</b> and (2) identify <b>leverage points</b> for sustainable impact.</li> </ul> |
| <p>Encourage cross sectoral collaborations</p>  | <p>Foster partnerships that:</p> <ul style="list-style-type: none"> <li>• bring <b>diverse groups</b> together,</li> <li>• <b>collaborate</b> on <b>common goals</b>, and</li> <li>• ensure that <b>all voices are heard</b> and <b>resources are optimised</b>.</li> </ul>   |
| <p>Invest in collaborative approaches</p>       | <p>Support collaborative projects that:</p> <ul style="list-style-type: none"> <li>• involve <b>multiple actors</b>, and</li> <li>• foster a culture of <b>cooperation</b>, <b>co-learning</b>, and <i>collective impact</i> (e.g. coalition, action networks and other peer action groups).</li> </ul>                                       |

|   |   |
|---|---|
| <p>Support community-led and community-<b>centred</b> programming</p>  | <p>Invest in programmes that are designed and led by the community, ensuring that they are tailored to local needs and contexts by:</p> <ul style="list-style-type: none"><li>• providing <b>flexible funding</b>,</li><li>• allowing for <b>adjustments</b>, and</li><li>• basing this on <b>real-time feedback</b> and <b>changing circumstances</b>.</li></ul>   |
| <p>Engage grassroots organisations and proximate leaders</p>           | <p>Invest in local organisations by:</p> <ul style="list-style-type: none"><li>• Actively involve grassroots organisations and leaders in <b>decision-making processes</b>. Consider task forces, working groups, and advisory councils models to enhance your inclusive decision making processes.</li><li>• Fund initiatives that <b>empower</b> local leaders to lead transformative projects.</li></ul> |
| <p><b>Center indigenous and global south knowledge</b></p>           | <p>Prioritising the inclusion of indigenous knowledge to build opportunities for success by:</p> <ul style="list-style-type: none"><li>• investing in <b>local expertise</b> in shaping priorities and strategies, and</li><li>• <b>supporting organisations</b>, as needed, in the design, implementation, and evaluation of projects.</li></ul>   |
| <p>Provide <b>unrestricted</b> funding</p>                           | <p>Offer unrestricted or multi-year funding that:</p> <ul style="list-style-type: none"><li>• allows organisations to allocate resources <b>where they are most needed</b>,</li><li>• promotes <b>agility</b> and <b>long-term planning</b>, and</li><li>• <b>avoids creating unnecessary criteria</b> for funding that erects barriers for local actors.</li></ul>   |

**Support capacity building and organisational development**

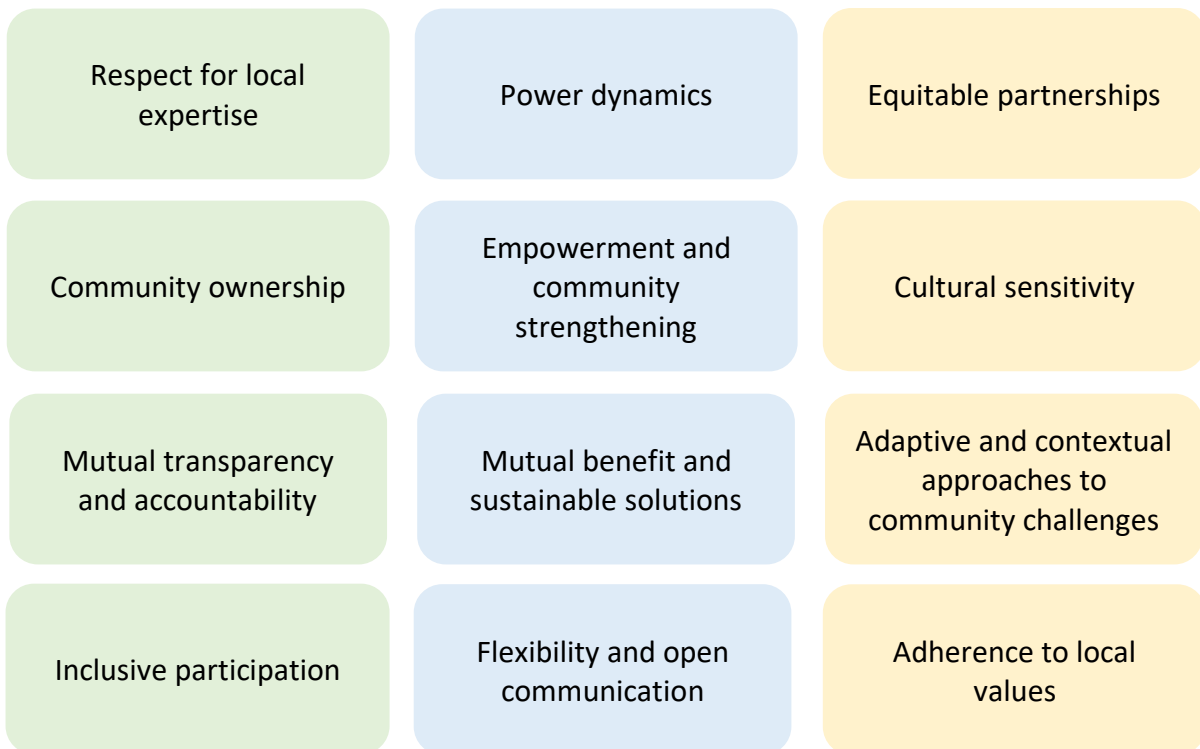


Support capacity building and organisational development by:

- Moving to **flexible and sustainable funding** by:
  - providing **general operational support** that allows organisations to allocate resources based on their most pressing needs to enhance their agility and long-term planning capabilities; and
  - **supporting local fundraising and resource mobilisation** by encouraging initiatives that enable local organisations to generate their own financial support, reduce dependency on external funding, and promote sustainability.
  
- Investing in **capacity building** and **technological support** including:
  - investing in training for **leadership development**, strategic planning, and financial management to strengthen organisational capacity.
  - improving **access to technology and technical assistance** by providing the necessary **technological infrastructure** and support to enhance data management, communication, and impact measurement capabilities.
  
- Supporting **advocacy and collaboration** by:
  - fostering **collaborative networks and partnerships** among local organisations to share resources, knowledge, and best practices, building a robust ecosystem for local-led development,
  - advocating for **favourable policies** to create an enabling environment for local organisations, helping them navigate legal and regulatory complexities, and
  - **promoting cultural sensitivity** to ensure that organisational goals align with the cultural contexts of the communities they serve, by encouraging respect for local norms and practices to foster greater community engagement.



**Intentional introspection is an essential step in building transformative practice** that helps unlock localisation, including on:



We suggest that foundations embark on a process that is inclusive, flexible, and includes a locally driven deep dive to unpacking the above-mentioned issues and develop a strategy to guide funding practice. This may include:

