

## Supporting African philanthropy where it is and where it could be

Halima Mahomed and Grégorie Muhr

As African economies grow, so does giving by Africa's wealthy. To better understand this development, UBS and TrustAfrica jointly undertook a study of wealthy givers in Sub-Saharan Africa, with a focus on Kenya, Nigeria and South Africa. The report, *Africa's Wealthy Give Back*, examines the motivations, understanding and values that underlie their giving, the means they use to do it, and the opportunities and challenges they encounter.

**Halima Mahomed** is a philanthropy programme adviser at TrustAfrica. Email halima@trustafrica.org

**Grégorie Muhr** is philanthropy adviser at UBS. Email gregorie.muhr@ubs.com

Using interviews and a survey, the study canvassed almost 100 respondents, mostly wealthy givers and a number of philanthropy experts. While the report is not intended to generalize to the larger population of wealthy givers, it provides interesting insights into philanthropic activities by wealthy Africans. Here we highlight three ways in which the philanthropy of this set of givers could be strengthened: encouraging more strategic philanthropy and impact measurement; tailoring infrastructure to the needs of African philanthropists; and expanding support for non-monetary giving.

### Encouraging more strategic philanthropy and impact measurement

The research reveals that African philanthropy is driven by passion and the will to make a positive difference in society. Eighty per cent of survey respondents, however, recognize that philanthropy is not strategic enough and that there is not enough focus on the root causes of problems. This finding was

also supported by the interviews, where some said that projects were selected on a 'gut feeling' rather than through disciplined due diligence processes.

While most interviewees agreed that measuring impact is important, over half of the survey respondents said that limited attention is paid to this. Many acknowledged that, as with project selection, most current ways to measure are based on emotion and a sense of satisfaction, rather than on structured methodologies.

There is considerable scope to support this type of passion-based giving but also to broaden and strengthen it through strategic planning and impact measurement. In fact, over half of the respondents are in favour of more exchange of good practice in order to 'do good' more effectively. Support institutions and philanthropy networks can accelerate this change by providing issue-based advice, supporting thematic research and facilitating collaborative forms of giving.

### Tailoring infrastructure to the needs of African philanthropists

Respondents confirmed that they generally manage their own giving and have little collaboration with other wealthy individuals. While interviews show exceptions who actively seek partnership, over half of the survey respondents indicated that there is a lack of coordination between philanthropists and NGOs and roughly a third believe that greater cooperation could help promote African philanthropy.

While a small number of respondents belong to philanthropy networks or are aware of infrastructure

institutions, the majority either do not know of them or do not engage with them. Only a third said that their giving is influenced by philanthropic associations or networks. This suggests that infrastructure institutions are not well attuned to the needs of givers. We need to think differently about how the sector supports this group of philanthropists.

### Expanding support for non-monetary giving

Giving by African philanthropists is multi-layered and occurs through many channels. While monetary giving is predominant, the giving of time, expertise, social capital and experience also plays an important role. Seventy per cent of respondents said they give in three ways or more, and formal and informal giving often co-exist. The philanthropic infrastructure sector in Africa, however, still focuses primarily on monetary giving. The findings thus suggest the need for a more holistic and contextual support environment to strengthen the non-monetary aspects of giving.

We hope the findings of the report will catalyse the debate on how better to support the philanthropy of Africa's wealthy, increasing its impact and encouraging others to embark on this exciting journey. While keeping in mind the transformative potential of a more strategic philanthropic process, the findings also raise an important question for the present: how can existing institutions support philanthropy where it is, and not just where it could be? @

To download the report  
[www.ubs.com/philanthropy](http://www.ubs.com/philanthropy)

## Russian giving generous but not thought-out

**Russians give more than is generally believed, according to *Russia Giving*, a new report from CAF Russia. The research finds that over 40 per cent of the population (33 million people) have given money to NGOs in the last 12 months, and only a fifth have never been involved in any charitable activities.**

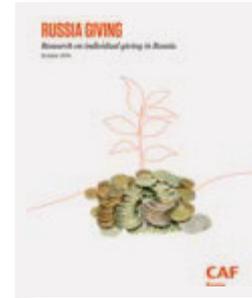
**T**he average annual amount donated is almost 5,000 RUB (US\$125). The urban population of Russia alone gives about 160 billion RUB (almost \$4 billion) annually, which is comparable with contributions made by the state, corporate donors and high net worth individuals put together.

However, the donations made by Russians are in most cases infrequent and spontaneous.

About half of donors make their donations less often than once every six months, and for 82 per cent the decision to donate is spontaneous. In other words, while a large number of people give money to NGOs, only a small proportion give as part of a thought-out process to achieve specific results.

The research revealed that there are still many barriers to individual giving, including distrust of NGOs and lack of understanding of the importance of their mission. People prefer to give directly to the end beneficiary to guarantee that their donation will be used to full effect.

Another issue is that the vast majority of Russian donors focus on helping children and disaster relief, followed by assisting adults



in difficult situations such as disability or extreme poverty. There are few

supporters for other causes.

The reasons for this limited 'philanthropic imagination' include a lack of awareness of less obvious social problems (refugee issues, homelessness); the stigma attached to certain marginalized groups (those living with HIV or addiction); and the underlying Russian belief that good health and a home are the basics of well-being, and the rest is unnecessary.

**To download the report**

CAF Russia: <http://tinyurl.com/RussiaGiving>

## Dutch millionaires using wealth for social ends

**Dutch millionaires are more generous than previously thought, according to research commissioned by ABN AMRO MeesPierson, the Netherlands-based arm of ABN AMRO Private Banking. This bears out the general picture of a generous society in which, according to a 2011 report, 85 per cent of households give.**

**T**he research looked at bank clients with a net worth of €1 million or more. Respondents have an average wealth of €4.7 million; 98 per cent are philanthropically active. The report, *From Wealth to Change*, distinguishes four types of philanthropist: the entrepreneur, the manager, the guide and the consumer. These labels allow philanthropists to position

themselves and stimulate dialogue among them.

There are four very striking findings from the research.

- ▶ On average bank clients donate over €11,000 to social causes per year.
- ▶ The willingness to spend more on philanthropy increases with rises in income and wealth.
- ▶ The bank's female clients are more generous than their male counterparts. Women donate 3.6 per cent of their income and men 3.2 per cent. This is true both of clients who inherited their wealth and of those who earned it.
- ▶ The source of wealth does affect giving behaviour. Poverty alleviation (both nationally and internationally), sports and democracy are popular with entrepreneurs who

own(ed) businesses themselves. Culture and the arts, animal well-being and human rights are the main causes supported by respondents who inherited their wealth. Those who acquired their wealth during employment show less pronounced preferences.

Though there is no definite relationship between philanthropy and responsible investing, there is a broad interest in the use of both to produce meaningful social impact. Forty six per cent of respondents invest responsibly and 80 per cent are interested in learning more about social enterprises. We expect responsible investing to grow significantly in the near future.

**To download the report**

ABN AMRO: <http://tinyurl.com/DutchGiving>

## New Coutts report shows philanthropy thriving

The 2014 Coutts *Million Dollar Donors Report* illustrates that major philanthropy is thriving around the world. Tracking donations worth a total of \$26.3 billion across the UK, USA, Middle East (GCC), China, Hong Kong, Singapore and Russia – up from \$19 billion in 2013 – the findings suggest that major philanthropy is becoming more prevalent, more visible and more organized.

The combined value of donations of \$1 million or more rose in all of the seven areas studied in this year's report. While the nature of philanthropy is clearly very different across the regions studied and any direct comparison would be misleading,

there are a number of trends worth noting. For example, echoing our findings last year, higher education topped the table of most popular causes in four of the seven regions (the UK, USA, Hong Kong and Singapore), and came second in a further two. Foundations attracted sizeable donations in many of the seven regions, with many major donors favouring them as a means of 'banking' mega-gifts to be distributed over longer periods of time. This suggests that more major donors are thinking long term – and support for foundations is also often accompanied by the employment of dedicated, professional staff. Major donors also tend to focus on causes close to home, except in the Middle East



(GCC) where donors focus on causes overseas.

This report is about more than just data. The

inspiring interviews with major philanthropists from across the regions demonstrate that philanthropy is driven by people's values, passions, interests and visions for a better society. Increasingly, wealthy individuals and families are seeing philanthropy as a key aspect of how they think about wealth succession.

To read the report and interviews

[www.coutts.com/donorsreport](http://www.coutts.com/donorsreport)

## Updates from Alliance

### ALLIANCE EDITOR TO STEP DOWN NEXT YEAR

After 16 years, Caroline Hartnell is planning to step down from her role as editor of *Alliance*. The transition will take place next summer, when there is likely to be a significant overlap between Hartnell and her successor. An excellent recruitment committee is in place, led by APT's new board chair, John Healy, former president of Atlantic Philanthropies.

The process of recruitment will start at the end of December – look out for the advert and full details on [www.alliancemagazine.org](http://www.alliancemagazine.org). We hope to have a new editor in place at the beginning of July.

'I am confident that my successor will find *Alliance* in good shape,' says Hartnell. 'We have an excellent board of trustees, a first-class editorial advisory board, a great staff team and a brand-new website – and, most important of all, a network of people all over the world who write for *Alliance* and read our magazine and blog.'

### LATEST INTERVIEWS

In September we published an interview with **Paula Jancso Fabiani**, new president of IDIS in Brazil. In October we talked to **Akwasi Aidoo** and **Tendai Murisa** about the leadership transition at TrustAfrica. In November we talked to Moonpig founder **Nick Jenkins** about his philanthropy.

You can find these interviews and more exclusive content on [www.alliancemagazine.org](http://www.alliancemagazine.org)

### THE MARCH 2015 ISSUE WILL HAVE A SPECIAL FEATURE ENTITLED ...

#### Why should philanthropy support the arts?

This question will be put to ten foundations/philanthropists and ten arts organizations and artists as part of a special feature looking at the role of philanthropists and foundations in supporting art and social change. Should

they fund artists directly to create the art they want to make? Should they fund theatres and galleries to make art more available to more people? Should they fund only work that explicitly promotes social change? And what about supporting the arts in their own right? These are among the issues to be addressed in the March issue of *Alliance*.

**Guest editors** are Hania Aswad, Naseej Foundation, Jordan, and Fiona Ellis, Millfield House Foundation, UK

### COMING UP IN FUTURE ISSUES

- ▶ Uses of feedback: whose measures really count?
- ▶ A changing landscape: philanthropy the world over
- ▶ Philanthropy and the post-2015 agenda

### FOLLOW ALLIANCE ACROSS THE WEB

[f alliancemagazine](https://www.facebook.com/alliancemagazine)

[@alliancemag](https://twitter.com/alliancemag)

[in LinkedIn](https://www.linkedin.com/company/alliance)

[www.alliancemagazine.org](http://www.alliancemagazine.org)

## New collaborative fund seeks to improve philanthropy

**The Fund for Shared Insight is a collaborative effort among seven funders that pools financial and other resources to make grants to improve philanthropy. Shared Insight is rooted in the belief that foundations will be more effective and thus make an even bigger difference in the world if they are more open. This includes both sharing what they are learning with others and listening to the perspectives of others, with a laser focus on listening to the people whom philanthropy ultimately seeks to help.**

**T**he Fund for Shared Insight expects to grant out \$5 million or more each year for the next three years. The first round of grant decisions will

be announced before the end of 2014. An open RFP process in the autumn of 2014 elicited almost 200 proposals across three categories:

- ▶ advancing the practice of non-profits and foundations using feedback loops to listen to, learn from and act on what we hear from the people we seek to help
- ▶ advancing the research base on integrating feedback from the people we seek to help so that it can better serve funders and practitioners, including the identification of leading indicators of change
- ▶ supporting the philanthropic infrastructure to create and/or expand efforts to increase foundation openness

'We are thrilled with the enthusiasm in the field for new

ways of listening and responding to the expressed needs and preferences of the people we seek to help with our funding, from students to the elderly and many in between,' said Fay Twersky, co-chair of the Fund for Shared Insight and Director of the Effective Philanthropy group at the Hewlett Foundation.

The initial seven funders of Shared Insight are the David and Lucile Packard, Ford, JPB, Rita Allen, William and Flora Hewlett and W K Kellogg foundations and Liquidnet. Shared Insight is a sponsored project of Rockefeller Philanthropy Advisors. The collaborative welcomes other funders to join this effort.

#### For more information

Contact Melinda Tuan at [melinda@fundforsharedinsight.org](mailto:melinda@fundforsharedinsight.org)

[www.fundforsharedinsight.org](http://www.fundforsharedinsight.org)

## New initiative aims to get donors to give better

**Many people look at getting people to give more. Giving Evidence and the Social Enterprise Initiative at the University of Chicago Booth School of Business are starting work looking at getting people to give better. First, we're developing a 'white paper', to be published early in 2015, to collate what is known about effective giving, what isn't yet known, and what would be useful for researchers to find out.**

**T**he way donors give is important, so perhaps persuading them to give better would have the same social effect as getting them to give more. For instance: the cost of raising capital for charities is about 20-40 per cent, against only about 3-5 per cent for companies, and charities turn away some donors who are fiddly to deal with. Plus money doesn't always go where it's most

needed: for example, about 90 per cent of global health spending goes on 10 per cent of the disease burden. And making many small gifts is demonstrably more wasteful than making a few large ones.

Furthermore, perhaps it's easier to get somebody to give better than to get them to give more.

We aim to identify questions which non-profits, funders and other practitioners want answered about making giving better, and to encourage researchers to address them. Those questions include the following:

- ▶ How do various donors (including foundations, corporates, individuals) define a 'successful gift'?
- ▶ Is success affected by (eg):
  - being hands-on?
  - gift size?

- donors working together (eg in giving circles)?
- how and whether the grant is tracked?
- whether the donor gives, lends or invests?
- ▶ What does it cost to raise and manage grants of different sizes?
- ▶ How and when can one influence the cause that a person supports?
- ▶ How do donors choose causes, charities or grantees, and how influence-able is that?
- ▶ How do donors choose processes (eg for sourcing grantees, selecting which to support)?

However one defines success for a grant, *it would be useful to know (wouldn't it?) whether and when and how the chance of success is affected by how the donor gives.*

#### To get involved

Please send relevant material to [jo.beaver@giving-evidence.com](mailto:jo.beaver@giving-evidence.com)

## Third Olga Alexeeva Memorial Prize launched

On 13 November *Alliance* magazine announced the launch of the Third Olga Alexeeva Memorial Prize. This prize was established in memory of Olga Alexeeva, founder of Philanthropy Bridge Foundation (PBF), by former PBF trustees in honour of her memory and beliefs. The prize is awarded annually.

The prize of £5,000 will be awarded to an individual who has demonstrated remarkable leadership, creativity and results in developing philanthropy for progressive social change in an emerging market country or countries. The prize will be for the individual winner to use at their discretion.

This year, for the first time, *Alliance* will be organizing the prize in association with WINGS, CIVICUS and the Global Fund for Community Foundations. The aim of this collaboration is to broaden the reach of the prize.

Working through their members and networks, we hope they will be able to help us to identify a more diverse group of candidates from a greater range of countries.

A shortlist of up to six finalists will be developed by the three founders of the prize:

- ▶ **Maria Chertok** CAF Russia, a former PBF trustee
- ▶ **Caroline Hartnell** *Alliance*, former PBF chair
- ▶ **Jenny Hodgson** Global Fund for Community Foundations, a former PBF adviser

The shortlist will be reviewed and a final winner selected by six judges, all of whom possess a rich knowledge of social change philanthropy, particularly in developing and emerging contexts:

- ▶ **Akwasi Aidoo** Humanity United, formerly with TrustAfrica
- ▶ **Andre Degenszajn** GIFE, Brazil
- ▶ **Christopher Harris** Working Group on Philanthropy for Social Justice and Peace, USA

- ▶ **Alice Lau** Guangdong Harmony Community Foundation, China
- ▶ **Kavita Ramdas** Ford Foundation, India
- ▶ **Larisa Zelkova** Vladimir Potanin Foundation, Russia

The winner will be invited to deliver a keynote speech at a global philanthropy conference in 2015 – details to be announced. In addition, all shortlisted candidates will be invited to the conference as special guests, and profiled in a supplement accompanying the June 2015 issue of *Alliance*.

**Now all we need is good nominations!**

The closing date for applications is 28 February 2015.

For more information and to download the nomination form

[www.alliancemagazine.org/olga-alexeeva-memorial-prize](http://www.alliancemagazine.org/olga-alexeeva-memorial-prize)

[olgaalexeevaprize@alliancemagazine.org](mailto:olgaalexeevaprize@alliancemagazine.org)

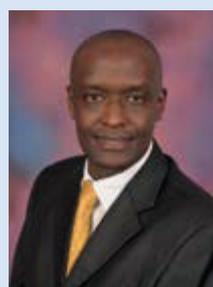
### PREVIOUS PRIZE WINNERS

In 2013, the First Olga Alexeeva Memorial Prize was awarded to Jane Weru and Kingsley Mucheke of the Akiba Mashinani Trust, Kenya ‘for their innovative work to build assets among the most marginalized community in Kenya – landless slum dwellers – and for the way they have developed a philanthropic mechanism to support transformational efforts by that community’.

*‘Winning the award came as a pleasant shock that strengthened my resolve to reach deeper, go further, work harder and give more of myself to help the over 700,000 poor people living in Nairobi’s Mukuru slums. The global recognition helped tremendously at the local level as it gave us credibility, especially with government officials and policymakers,*



Jane Weru



Kingsley Mucheke



He Daofeng

*who became more responsive towards the allocation of resources to provide land, housing, water and sanitation in slums.’*

Kingsley Mucheke

In 2014, the Second Olga Alexeeva Memorial Prize was awarded to He Daofeng, CEO of the China Foundation for

Poverty Alleviation (CFPA) and chair of the board of the China Foundation Center, for his ‘significant, creative, far-reaching and, at times, courageous contributions to expanding the field of Chinese philanthropy and putting it on a trajectory to support progressive social change’.