



# THE STATE OF INSTITUTIONAL PHILANTHROPY IN EAST AFRICA - 2021



**East Africa  
Philanthropy Network**

Promoting Philanthropy in East Africa

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



## THE STATE OF INSTITUTIONAL PHILANTHROPY IN EAST AFRICA - 2021

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Year of Publication: - 2022  
Design & Typesetting: David Waswa

## ACKNOWLEDGEMENTS

The East Africa Philanthropy Network (EAPN) sincerely appreciates members of the network who were instrumental in sharing information and reaching out to their strategic partners to engage in the East Africa Giving Research 2021. The outcome of the study was made possible because of their dedication and support.

Sincere gratitude to the Tanzania Philanthropy Forum under the auspices of Tanzania Philanthropy Organization (TPO), Philanthropy Forum of Uganda (PFU), and Kenya Philanthropy Forum (KPF) who continue to steer the growth of philanthropy at the national level. The study benefitted from their knowledge, networks, and experience limiting the bottlenecks associated with identification and reception among target respondents.

Special thanks to the Foundation for Civil Society (FCS) in Tanzania and CivSource-Africa in Uganda, for coordinating and supporting the data collection process in Tanzania and Uganda respectively.

EAPN also appreciates Susan Njambi Odongo and Mike O'maera for providing leadership in the research design, Dr. Judith Nguli for her support in data analysis, and Ida Maritim for editorial support.

Special regards to Evans Okinyi, CEO - EAPN, and EAPN staff for steering the study to completion and providing strategic leadership and support.

## FOREWORD

The East Africa Philanthropy Network is happy to present its bi-annual report on giving practices in East Africa. The study undertaken in 2021 has been one of building insights into the region's giving practices in the last two years; and the increased interest and appreciation of givers in the East African context.

In this last decade, the evolving nature of philanthropy in Africa has spurred an interest in understanding how philanthropy is organized. In addition, the growing interest to appreciate local narratives of our giving practices has led to a demand for knowledge on philanthropy that is locally driven.

The study reveals that the practice of philanthropy is rooted in the people's cultures in the East African region. At the same time, it presents the emerging interests, existing tensions, and opportunities that givers interested in supporting the region's socio-economic growth should pay attention to in building a robust ecosystem for philanthropy.

This study is not just for practitioners in the field of philanthropy; its outcomes provide insights to other development players of a growing field of players whose contribution to the socio-economic agenda in East Africa cannot be overlooked.

As the East Africa Philanthropy Network, we commit to continue supporting the growth of vibrant African philanthropy through evidence building and promotion of local knowledge.

We invite partners on this journey of growing the knowledge on philanthropy in East Africa.

Enjoy the read!

**Evans Okinyi**  
**CEO, East Africa Philanthropy Network**

## EXECUTIVE SUMMARY

The State of Institutional Philanthropy in East Africa - 2021 study, focused on uncovering the perspectives of institutional givers, their sources of giving, their priority constituents, and their contribution to the Sustainable Development Goals. It also explored partnership building and accountability as tenets that support the enabling environment of giving in East Africa.

The study targeted institutions that are and continue to promote local giving practices. From community-based entities, family-owned, and to private social entities. The study demonstrates the growing wealth of information and knowledge on local giving in Kenya, Rwanda, Tanzania, and Uganda.

From the study, the following observations and recommendations are shared with both practitioners and strategic partners in their role of growing philanthropy in the East Africa region.

- There is a need to establish a guideline at the East African level that informs the national legal frameworks on giving practices. This will enhance recognition of and collaboration in the philanthropy sector.
- The growth of philanthropy capital depends on:
  - ▶ Moving towards long-term investments and focusing on impact
  - ▶ Tapping into the growing potential of individual giving.
  - ▶ Exploring flexibility in innovation and partnerships that promote systemic change.
- Technology plays a critical role in emerging giving practices.
- Growing local ownership is recognizing:
  - ▶ The future of philanthropy is in communities – but require the capacity to anchor, mobilise resources and nurture alternate leadership.
  - ▶ Reviewing the partnership model for special interest groups from “recipients of support” to “partners bringing change”.
  - ▶ Building a local support base, building a local constituency for civil society action, getting people to think, engage with and care about a cause. Philanthropy must explore the ecosystem of community mobilisation of resources continually. The growth of community philanthropy is the future of changing society.
- Philanthropy leadership and governance must seriously consider maximizing local skills and talents.
- Philanthropy must invest in partnerships and collaborations.
  - ▶ As an effective way for organizations to increase their impact and engage a broader audience on a key issue.
  - ▶ As a vehicle to drive innovative strategies and improve the alignment of investments to enhance collective impact around a shared mission - promoting partnership with the private sector, government, or even another foundation.

These recommendations further reveal an opportunity to grow knowledge and research on local giving practices and their contribution to social change and development in the region.

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## ACRONYMS AND ABBREVIATIONS

CAF	Charities Aid Foundation
CBOs	Community Based Organisations
CSOs	Civil Society Organizations
CSR	Corporate Social Responsibility
CSA	CivSource Africa- Uganda
EA	East Africa
FCS	Foundation for Civil Society
GFCF	Global Fund for Community Foundations
HNWI	High Net worth Individuals
NGOs	Non- Governmental Organizations
SDGs	Sustainable Development Goals
SIFA	Social Investment Focused Agenda
SMEs	Small and Medium Enterprises

## BACKGROUND

The East Africa Philanthropy Network (EAPN) seeks to enhance the knowledge base and promote best practices for organised philanthropy. This will be realised by investing in research and innovation, documentation, and dissemination, and offering capacity strengthening support to EAPN members and other philanthropy actors. EAPN recognises the need for relevant data as a basis of effective monitoring, reporting, and coordinating philanthropy efforts in the ever-changing landscape of institutionalised philanthropy in East Africa.

The giving practices in East Africa continue to grow

and evolve. Emerging practices are also witnessed thanks to growing demographics, technology, and emerging social issues. On this basis, EAPN undertakes studies of local giving in East Africa to determine the contribution of local philanthropy towards social change, enhance philanthropy knowledge, and generate evidence for public policy advocacy.

The study for 2021 aims to establish the local giving practices and trends within the philanthropy ecosystem and their contribution towards social change and development in the East Africa region.

### Objectives of the research

1

To establish the landscape of local giving in East Africa, establishing the current and emerging local giving practices in East Africa.

2

To share insights towards strengthening the future of giving culture in East Africa.

### Working Definitions

- **Philanthropy:**

In the African context, philanthropy is described in simple terms such as “giving” or “helping” when describing horizontal giving, which is sometimes referred to as “African philanthropy” or “philanthropy with African characteristics”. For this study, philanthropy will refer to the act of giving financial, technical, or material resources for the public good, which seeks to improve human well-being.

- **Institutional philanthropy/giving:**

Is a practice of organised giving, where non-profits make grants for charitable purposes in a specific country, community, or region. This study encompasses corporate giving, community giving, and civil society organisations in the philanthropy spaces.

- **Giving practices:**

This term is used interchangeably with philanthropy, recognising a varied understanding of the term philanthropy. The term also aimed at easing respondents’ input into the study, recognising that some have philanthropy practices but do not necessarily consider themselves philanthropy actors.

- **Philanthropy organisations:**

Are those organisations with centrally controlled resources directed towards a set of defined charitable aims in the broader society.

- **Civil society organisations/Civil society:**

Civil society organisations have and continue to be intermediaries for givers to reach their targeted beneficiaries. They have been initiators of philanthropy processes, existing to mobilise resources and respond to a social interest or need for the public good. They include trusts, foundations, non-governmental organisations, and community-based organisations.

## INTRODUCTION

The African Philanthropy sector is thriving. The long and deep roots of solidarity and traditional giving (manifest as *Ubuntu* in Southern Africa and *Harambee* in East Africa and many other forms of solidarity) have significantly evolved from its fragmented and largely informal nature to an organised shape practised in different forms.

The growing organised trend in philanthropy has been associated with the existence of, and responses to, poverty, injustice and inequality, and the nature of African societies' integration into the wider world. The continent's systemic and structural challenges that have led to high inequalities, reduced public social spending, fragile peace, high levels of food insecurity and poverty, and other problems have necessitated philanthropy actors to fill in the gap.

Philanthropists offer a supporting role of providing products and services to the burgeoning and marginalised low and moderate-income class. Arguably, the philanthropy sector has been a force for good necessary for building a resilient, sustainable, and democratic Africa.

In East Africa, domestic philanthropy is scaling up because of the continued social cohesion among communities, growing wealth among the middle-income households and High-Net-worth Individuals within the region.

Currently, the region houses more than 30 billionaires, many of whom have established significant philanthropies. Unlike the previous years; commonly practised individual giving, communities, families, High Net worth Individuals, and corporations are moving away from 'chequebook philanthropy' to more effective, structured, and professionalised ways of deploying capital for social good.

The long-standing tradition of philanthropy

experienced through the cultural practice of giving has seen the continued interest in building giving communities that give back and re-invest in formal and informal development systems. Arguably most of these giving practices have not been well documented due to the ad-hoc organisation of giving that existed (Houghton, 2013)<sup>1</sup>.

However, studies done in recent years demonstrate that the giving practices within communities are organised and structured to align to the African social values within those spaces – and are thus not as “ad-hoc” (GFCF; 2016 et al.). This recognition enables local giving practices to be institutionalised within a community system.

There is a belief that institutional philanthropy encourages more strategic investment approaches, facilitates collaboration, and has a greater impact on economic and social challenges. This is because of its due diligence processes, stronger focus on metrics and impact assessments, tracking of results and interventions. Therefore, with the stated proliferation of institutional giving in the East Africa region, it has never been more important to accurately assess the institutional giving landscape than now.

In the wake of the COVID 19, EAPN commissioned a study that sought to establish the Impact and Implications of COVID-19 for Philanthropy work in East Africa. The purpose of the research was to identify emerging trends, practices and adaptations that have been occasioned by COVID-19 in the philanthropy sector, and the lessons thereof.

As concerns sources of funding, the research revealed that the number of philanthropy actors receiving resources from local sources, increased, while those receiving funds from international sources declined in 2020 compared to the year before. This implies a closing of the gap between international and local funding sources.

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<sup>1</sup>Ngondi- Houghton C & Kingman A (2013), The Challenges of Philanthropy in East Africa, in Moyo B & Aina T (Ed) Giving to Help, Helping to Give: the Context and Politics of African Philanthropy, Dakar, pg.131-168

The sources with the most growth were - own generated resources at 46.6%, followed by individual and community giving at 42.9% each, and government at 32.1%. There was on the other hand a decline in number of recipients of multilateral agencies, International NGOs, and Foundations/ Trusts by 4.5%, 4.5% and 3.6% respectively. Similarly, those receiving support from individual givers dropped by 7.1%, possibly due to people holding back resources due to related uncertainties.

More than any other region in Africa, East Africa's

## The landscape of giving in East Africa

The giving landscape is seen in its various forms from individual giving, community giving, faith-based giving all of which have influenced and informed institutional giving as is practised in East Africa. This segment provides an overview of these giving practices demonstrating vibrancy of giving in the region.

### Individual giving



Individual giving in East Africa is entrenched in the '*harambee*', '*ujamaa*' and '*ubuntu*' culture that has informed and strengthened horizontal giving. The Charities Aid Foundation Report on giving in East Africa (CAF, 2020)<sup>2</sup> seconds this, stating that the '*harambee*' spirit underpins the one-to-one giving or assistance within communities borne from a sense of togetherness. Individual giving remains the biggest yet under-documented and unstructured form of giving in East Africa. The East African middle-class gives approximately a quarter of their earnings every month to help others (CAF, 2020).

East Africa perceived economic growth, with a specific emphasis on the middle class; has presented

advancement in philanthropy and promotion of e-philanthropy has transformed the region's giving channels. The region's progress in mobile money used as a tool to donate has tremendously increased giving. Mobile money has opened doors for people of lesser means to contribute to the discourse compared to traditional giving vehicles. The region's growing internet connectivity has removed logistical limitations in philanthropy, leading to a shift in how individuals and institutions participate in philanthropy.

a chance for individual giving to shift from family and immediate community to the vast expanse of institutionalised philanthropy.

CAF (2020) research shows that 100%, 98%, and 97% of individuals in Uganda, Kenya, and Tanzania supported a group of individuals in 2019<sup>3</sup>. Moreover, the research showed that individual giving is further influenced by the response to need (charity) rather than alleviating suffering (philanthropy). Therefore, this has seen individuals geared towards social causes in social infrastructure, emergency, and disaster relief, and less towards social change interventions (Moyo, 2010).

However, the tendency for individuals to support structured organisations like civil society is still young; the majority have interests in supporting beneficiaries directly or through religious institutions.

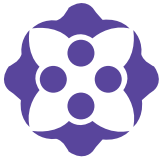


### Faith-Based Giving

Religion is ranked the second-highest motivation for individual giving in East Africa; considered a strong driver that influences individuals giving practices. Religious institutions, faith-based organisations, have been a major organisation of interest to individual giving.

<sup>2</sup>Charities Aid Foundation. (2020), Growing Giving in Kenya, Uganda and Tanzania. <https://www.cafonline.org/about-us/international/growing-giving-in-kenya-uganda-and-tanzania>

<sup>3</sup>Ibid



### Community giving

Community giving has been due to the "Ubuntu" spirit across African nations; East Africa is no exception (Moyo, 2010). Community giving in East Africa is a way of life taught in tradition; these structures can be traced back to before independence countries in the East African region.

Community giving flows from individual giving and can further be facilitated by community development efforts initiated by governments, corporates, or individuals. The bloodline of community giving is unity. Community philanthropy in East Africa is heavily motivated by the vision of building vibrant communities and giving voices to the powerless' (GFCF, 2018).



### In-kind Giving and Volunteerism

Giving in kind is prevalent in East Africa as sharing is ingrained in the culture responsible for economic growth. Many have benefited from economies of scale, from the simplest hand-me-downs from older siblings to receiving left-over fertiliser from a neighbour. Charities Aid Foundation (2020) states that gifts in kind are an important form of community support in East Africa.

Volunteering is a common form of local giving in East Africa. The East African region values volunteering and consider it a moral responsibility. A second motivator besides moral obligation is to advance their career or increase experience. Volunteerism and collective efforts are important products of social capital that result from trustworthiness among persons. A modern form of social capital manifests itself in the motivation to volunteer for career advancement and broadening experience (Anheier et al., 2010)<sup>4</sup>.

<sup>4</sup>Helmut K. Anheier, Stefano Toepler, Regina A. List (2010) International Encyclopedia of Civil Society.

Institutional philanthropy encourages more strategic investment approaches, facilitates collaboration, and has a greater impact on economic and social challenges

## INSTITUTIONAL GIVING

The different forms of philanthropy mentioned above have been influenced by cultural and socio-economic structure. This study, therefore, seeks to highlight institutional giving in East Africa cognizant that:

- The nuances of giving practices in Africa continue to emerge. Therefore, the study limits itself to focus on the givers perspective, considering a structured/organised system of giving within a single giver or a collective with direct control over resources directed towards a charitable purpose.
- There are ad-hoc and informal models of African giving. Hence, the study identified respondents beyond the usual philanthropy field – who have a structure or model for their giving practices. Informed by the fundamental structures around the basic act of giving focuses on the giver's nature and the beneficiary (as shared in the study, frameworks of a new narrative for African philanthropy - 2013)<sup>5</sup>.

### Situational Analysis of Institutional Giving in East Africa

Institutional giving in East Africa is currently experiencing a visible period of change. The growing public awareness of philanthropy in the region including legislative and regulatory changes have promoted public grant-making charities and other forms of institutionalised giving in the region. The current giving ecosystem comprises civil society organisations, high-net-worth individuals (HNWI), community, corporate foundations and trusts.

Philanthropy was and continues to be largely experienced through civil society organisations. These include, trusts, foundations, non-governmental organisations, and community-based organisations. Civil society organisations are recognised as the

initiators of giving practices, based on their ability to mobilise resources to achieve the public good. They have and continue to be intermediaries or conduits for givers to reach their targeted beneficiaries. Most civil society organisations have supported philanthropy efforts from international givers through grants and, more recently, through crowdfunding initiatives.

There has been an interest in growing local resource mobilisation, partly raised by several dynamics. These include the changing interests of international donors; the growing status of East Africa (Kenya and Tanzania) is now recognised as middle-income countries, removing them from the list of priorities countries for development support).

In addition, the increased focus by communities to self-mobilise; and middle-class citizens to give back has awakened the non-profit sector to move beyond training on local resource mobilisation. They increase their focus on strengthening systems and structures to support local giving practices and resource mobilisation initiatives.

In recent years, increased large family-run business conglomerates that have precipitated high-net-worth individuals' have reached the third or fourth generation of wealth creation, popularising institutionalised philanthropy in the region. These have included small and huge foundations established by corporates, wealthy individuals, celebrities, sports personalities, and former presidents.

Others include community-based foundations, trusts and many voluntary based organisations; others are faith-based forms of giving. In their book, Aina and Moyo (2013)<sup>6</sup> detailed the different forms and expressions of philanthropy in Africa. It is anticipated that with the same trajectory of wealth creation for

<sup>5</sup>Dalberg Research and Dalberg Global Development Advisors (2013), Frameworks for a New Narrative of African Philanthropy, African Grantmakers Network/Southern Africa Trust, South Africa.

<sup>6</sup>Moyo B & Aina T (Ed) 2013, Giving to Help, Helping to Give: the Context and Politics of African Philanthropy,

ten years, institutionalised philanthropy is anticipated to increase by 25% by the year 2030.



The return of younger generations from studying and working abroad to run family businesses in East Africa has also contributed to increased institutionalised philanthropy among wealthy families and entrepreneurs in the region.

Some of the key philanthropists include Dr Manu Chandaria, a national business leader who has established business innovation and incubation centres to promote entrepreneurship in Kenya and sections of the region. Mo Dewji Foundation in Tanzania has been working closely with local communities in Singida and other parts of the country. The Nnagabareka Foundation in Uganda, closely associated with the traditional Kingdom of Buganda, has been addressing critical and complex development challenges.

However, this is not to overlook undocumented HNWIs who would prefer to keep their philanthropy activities discreet and informal. This is largely due to fears around attracting the scrutiny of individual wealth from regulators and the public.

Corporate entities operating in the region have increasingly engaged in institutionalised giving, either through associated foundations or directly giving to institutional philanthropists. This is a

shift from the previous ad-hoc CSR to a more strategic and sustainable investment approach involving grants deployment for individuals and institutions. Local corporate foundations include financial institutional-based foundations like Kenya Commercial Bank Foundation, Equity Group Foundation, I&M foundation, and those that emanate from the corporate sector like Safaricom Foundation, Vodacom Foundation, and MTN foundation.

Foundations can be private, public, family-run, corporate, or community foundations, and other philanthropy vehicles include donor-advised funds, and direct giving. Corporate foundations, generally established by the corporate entity or the corporation's founder, another common form of foundation is the community foundation. This form of institutionalised giving is a public charity supporting local community needs in each geographical area.

They offer numerous grant-making programs, frequently including donor-advised funds, endowments, scholarships, field-of-interest funds, giving circles and more. From the existing data, most community foundations in East Africa are funded by donations from individuals, families, businesses and sometimes grants from external sources.

International development organisations continue to support development work in the region and have often channelled this support through local foundations or even non-profits. The grants have often come from the North, West and even the East. This support has largely supported the institutionalisation of giving in the region to continue to grow local philanthropy.

Social entrepreneurship is emerging as a popular type of institutionalized giving. This model slightly deviates from the traditional model of giving, intersecting with the foundation's profit-making



aspect. Worth mentioning is the popularity of social enterprise in the EA region. It plays the role of change agents in the social sector and has been correlated with weak governance and the weak macro-economic environment of the region.

According to J. Gregory Dees, the rise of social entrepreneurs is directly related to the failure of government and political models to bring about meaningful social change. It also has roots in the growing competition for public funding, the incursion of for-profit entities into traditionally non-profit sectors, and the fundamental belief by many in the power of wealth creation.

### **Enabling environment for Institutional Giving**

The enabling environment for institutional giving consists of regulatory, policy frameworks including and other driving factors in the philanthropy ecosystem that affect giving. It is important to note that philanthropy actors are legally recognised based on their good public interests.

Thus, there is no standard framework that clearly distinguishes institutional giving practices in East

Africa. As the appreciation of philanthropy in the development sector grows, so does the environment in which philanthropy operates.

### **The regulatory and policy frameworks**

A myriad of legislative frameworks characterises the regulatory framework for philanthropy. However, a common denominator is the presence of legislation for non-governmental organisations as the primary vehicle that supports social good in the region. Some laws regulate social enterprises, community-based organisations, trusts, societies, and foundations differently, based on the different country contexts.

This multi-faceted outlook of the philanthropy sector has contributed to the limited data on the contributions of philanthropy to the East African economies. Governments in the East African region align in their approval of philanthropy and display knowledge of its importance. Consequently, they have different incentives and initiatives stipulated by their laws to promote philanthropy.

“ The rise of social entrepreneurs is directly related to the failure of government and political models to bring about meaningful social change.

\_\_\_\_\_  
J. Gregory Dees

## Kenya



There is an array of legal frameworks in place for the promotion of the philanthropy sector. They include the NGO Coordination Act, the Companies Act, the Trust deed Act and the Income Tax Charitable donations regulations. However, there remains ambiguity and a lack of definition in the philanthropy legal framework.

The NGO Coordination Act will be repealed upon the commencement of the Public Benefits Organizations (PBO) Act 2013. The PBO Act seeks to create a new legal, regulatory, and institutional framework for non-profit organisations doing public benefit work under a single law (Council on Foundations, 2019)<sup>7</sup>.

The Act seeks to establish a new regulatory body that will provide processing, registration, and

deregistration of PBOs and advise the government on PBOs and their role in developing and monitoring PBOs' compliance under the law. The Act also benefits registered members, including tax exemptions on membership fees, donations and grants, and preferential VAT treatment (Council on Foundations, 2019). However, the political intrigues around the commencement of the Act are still unknown, despite continuous lobby efforts by CSOs.

There are tax incentives for philanthropy; nonetheless, few individuals are aware, and those with this knowledge have not made efforts to claim philanthropy-related tax incentives and exemptions, 94% of the 13% of individuals aware of tax incentives in Kenya have not used them (KCDF, 2018)<sup>8</sup>.

## Uganda



NGOs are primarily governed by the NGO Registration Act 1989, NGO Registration Amendment Act 2006, and NGOs Act 2016. Certain types of NGOs are required to have additional supplementary registration, such as Advocates (Legal Aid to indigenous Persons) Regulations (2007) Section 4 for NGOs that deal with providing legal services (Council on Foundations, 2020)<sup>9</sup>.

There is a lengthy and elaborate procedure for registering a domestic NGO, which includes the submission of a work plan, recommendations from two sureties, the recommendation from the Resistance Committee seconded by chairs of the committee and District administrator of the area the NGO will operate in (Tiwana, n.d.)<sup>10</sup>.

Foundations and trusts are governed by Trustees Act, Trustees Incorporation Act and are registered under the Ministry of Lands, Housing and Urban Development. Upon registration, they are stipulated to "provide grants and in some cases, loan financing at a more affordable rate to NGOs, community-based organisations, and private organisations in support of their goals and objectives." (Council on Foundation, p. 4, 2020).

Council for Foundations (2020) adds that the Income Tax Act provides for "exempt organisation" status to religious, charitable, or public education institutions and organisations issued with a written ruling from the Commissioner stating that they are an exempt organisation.

<sup>7</sup>Council on Foundation, (2019), Non-profit Law in Kenya. [www.cof.org/content/nonprofit-law-kenya](http://www.cof.org/content/nonprofit-law-kenya)

<sup>8</sup>Kenya Community Development Foundation, (2018), Creating an Enabling Environment for Philanthropy through tax incentives. [https://www.kcdf.or.ke/downloads/PhilanthropyTaxIncentive\\_Report.pdf](https://www.kcdf.or.ke/downloads/PhilanthropyTaxIncentive_Report.pdf)

<sup>9</sup>Council on Foundation, (2020), Non-profit Law in Uganda. <http://cof.org/content/nonprofit-law-uganda>

<sup>10</sup>Tiwana, M. S. (n.d), Analysis of the Restrictive Aspects of the Uganda NGO Registration Act, 1989, the NGO Registration (Amendment) Act, 2006, and the NGO Regulations, 1990. Civicus. <http://www.civicus.org/media/Analysis-Uganda-NGO-legal-framework.pdf>



In Tanzania, mainland Tanzania and Zanzibar have different legal frameworks governing NPO law and philanthropy. The government of mainland Tanzania through the Written Laws (Miscellaneous Amendments) (No. 3) Act of 2019 focuses on NGOs as the main form of NPO, albeit other forms of NPOs existing such as societies and trusts Council on Foundations (2021)<sup>18</sup> writes they require to register as NGOs if they are to engage “in activities that benefit the community or public” (p. 3). NGOs registered must adopt the standard NGO Constitution provided in NGO A-FORM No.16.

Council on Foundations (2021) reports that Zanzibar’s registration of NGOs is done under the Societies Act; however, the term NGO is not used; rather, the terms used are “society” and “company limited by

guarantee”, which are defined as any organisation that has completed the registration process in the Societies Act for the former and the latter a company whose members’ liability is limited as stipulated in the Zanzibar’s Companies Act, 2013. On obtaining “charitable” or “religious” status, organisations qualify for partial income tax exemption as stipulated in the Income Tax Act, 2019 (Council on Foundations, 2021).

A new bill governing NGOs is set for consideration in 2021, which would significantly change the legal framework for Non-profit organisations in Zanzibar. CSOs are not specifically recognised and protected by the Tanzanian Constitution, Articles 12 to 29 guarantee protection of rights and responsibilities, including CSOs’ actors (FCS, 2018)<sup>11</sup>.



In Rwanda, NGOs are governed by Organic Law no.55/2008, enacted in 2008. In 2011 Law 04/2012, Law 05/2012, and Law 06/2012 were passed to govern national, international, and faith-based organisations. These laws were drawn up after consultations with various actors such as Rwandan civil society organisations, international civil society organisations, local experts, and international experts; ICNL (2013)<sup>12</sup> states that the laws are not perfect but show a positive step towards creating an enabling environment for civil society.

The NGO law regulates the registration of NGOs, which is inexpensive but time-consuming due to onerous reporting and limits the government’s power to deny NGO registration. Additionally, the

law established rights and procedures for NGOs to participate in policy and legislative development. It made provisions to strengthen NGOs’ internal operations and legitimacy (Pratt et al., 2014)<sup>13</sup>.

The Rwandan Civil Society Platform (n.d.)<sup>22</sup> states that the legal framework for civil society in Rwanda underwent comprehensive reform with adopting the three laws in 2011, namely: Organic Law no. 04/2012, Law no. 05/2012 and Law no. 06/2012. Moyo et al. (2010)<sup>14</sup> write those foundations and philanthropy, governed by NGO and business laws that are flexible and non-intrusive regarding the state’s power, lack sufficient incentives. Moyo et al. (2010) add that these incentives are key in enabling the growth and expansion of domestic philanthropies.

<sup>11</sup>Foundation for Civil Society, (2018), The State of Philanthropy in Tanzania Report.

<sup>12</sup>Tengera, G. (2010). Sub-Saharan Africa Country Reports. The International Journal of Not-for-Profit Law, Volume 12, Issue 2. [www.icnl.org/resources/research/ijnl/Rwanda](http://www.icnl.org/resources/research/ijnl/Rwanda)

<sup>13</sup>Pratt, B., Hayman et al., (2014), Legal Frameworks and Political Space for Non-Governmental Organisations: An Overview of Six Countries: Phase II. EADI Policy Paper Series.

<sup>14</sup>Bhekinkosi, M., Nkhalamba, M. and Kagoro, B. (2010), Rwanda Philanthropy Partnerships and Outreach Strategy Report.

## Partnerships in Philanthropy

Partnerships in philanthropy have long since been viewed as avenues for procuring funding in not only Africa but the philanthropy ecosystem as we know it. Collaborative philanthropy and partnerships, especially in the local context, have been largely undervalued in East Africa.

Fowler (2016)<sup>15</sup> observes that corporate partnerships have primarily been for resource mobilisation. For a long time, the North and South model has been considered optimal in the self-sustainability of non-profit, reflecting a utilitarian ethic. Local corporates' orientation towards domestic resource mobilisation is still in East Africa and particularly slow in Tanzania and Uganda. The evolution of these partnerships to leverage services and expertise from the corporate field is young but a viable way to increase the vibrancy and reach of philanthropy in East Africa.

Van Dyk & Fourie (n.d.) argue that a shift occurs with many philanthropies in East Africa increasingly opting

for local funding from the government or other local partnerships. There is a desire to move international funding from a primary source to a tertiary source (Nation builder, n.d.)<sup>16</sup>. Scepticism of aid partly due to lack of power-sharing and a gamut of debts have dampened sentiments on international donors.

In Kenya, the government has largely collaborated with institutional philanthropy. (Offer details). In 2016, Social Investment Focused Agenda (SIFA), an initiative from the deputy president's office, in collaboration with other philanthropy actors, launched the Guidelines for Effective Philanthropy Engagement in Kenya. The guidelines seek to address barriers and challenges facing the philanthropy sector in Kenya<sup>17</sup>. One of the successful government-philanthropy efforts has been GoK-Equity Group Foundation partnership which has sought to enhance secondary education financing.



East Africa increasingly opting for local funding from the government or other local partnerships.

Van Dyk & Fourie



<sup>15</sup>Fowler, A. (2016), NGO-Business Partnership and North-South Power Perspectives from African Philanthropy.

<sup>16</sup>Nation Builder, (2020), More NPOs, Less Funding: What does this Mean for the decade ahead? Published January 30, 2020, <https://proudnationbuilder.co.za/more-npos-less-funding-what-does-this-mean-for-the-decade-ahead/>

<sup>17</sup><https://www.eaphilanthropynetwork.org/resources/guidelines-for-effective-philanthropic-engagement-initiative-in-kenya>

## RESEARCH METHODOLOGY

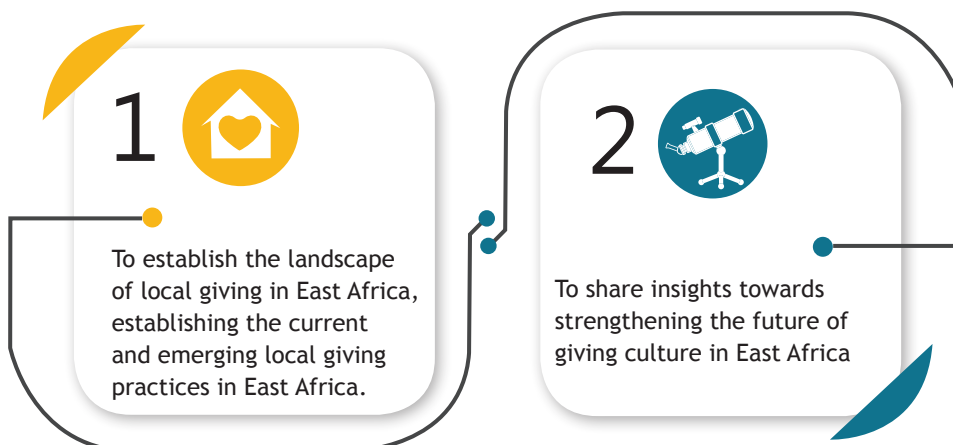
### Scope

EAPN combined both qualitative and quantitative methods in the four East African Countries, and data was collected from three key sources:



The study leveraged concurrent triangulation, a mixed-method approach involving collecting and analysing qualitative and quantitative information from secondary and primary sources. The research adopted a broad mixed-method approach landscaping study of institutional philanthropists' giving trends, namely: NGOs, CBOs, Societies, Companies limited by guarantee.

The following key objectives informed the formulation of the research tools: -



## Methodology rationale

The rationale for the mixed-method approach was the ability to offer a more complete and detailed understanding of the local givers. Quantitative research provided data points outlining the landscape of giving.

Beyond the quantitative study that offered depth characteristics of the respondents, the qualitative

research focused on offering the breadth of the study through giving voice to the respondents, which affirmed their quantitative responses.

Moreover, the key informant interviews provided a more open and discursive platform through which the participants provided rich and informed perspectives of the East Africa giving landscape.

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## Research Limitations

### I. A substantial limitation of data

There is limited existing data on institutional givers at a national level. Even though governments collect a vast amount of detailed information about the institutional givers during the registration, it is rarely made available to the public. There is inaccessible public disclosure by the institution themselves. The available data is also not structured.

In addition, the legal status of institutional givers is vague, with no clear distinction on their different types and approaches in giving. As elucidated in this report, social enterprises, trusts, and corporate philanthropies have no stand alone legal registration despite their unique characteristics.

### II. COVID 19 crisis

The COVID-19 pandemic resulted in organisations shifting focus to managing the situation. Thus, some critical stakeholders were unable to participate in research activities.

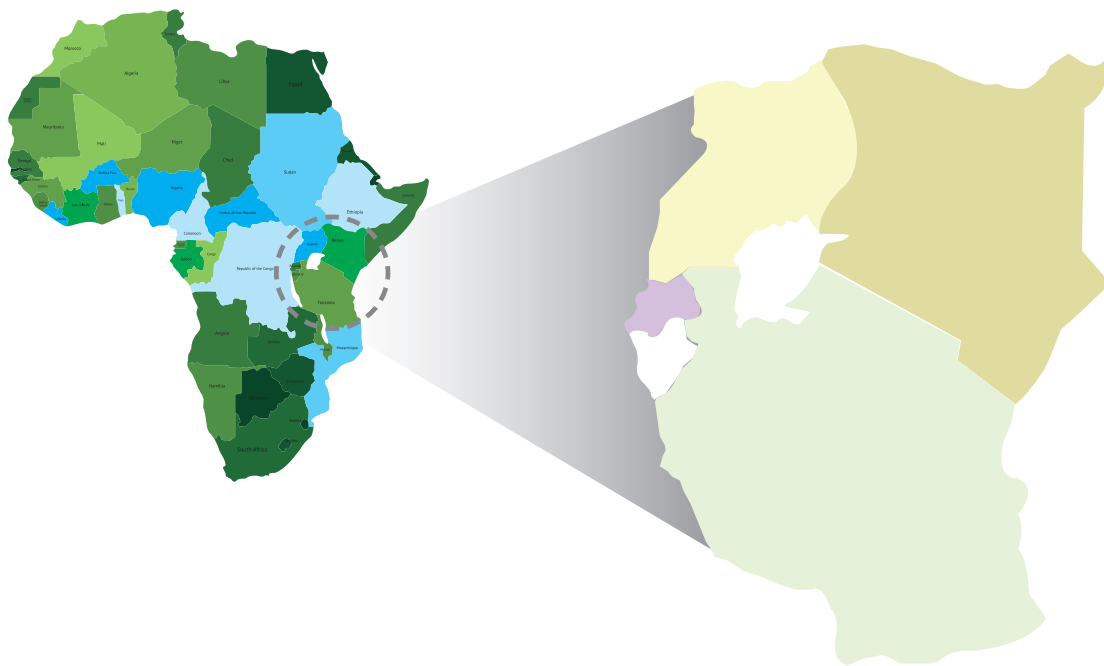
### III. Willingness to share information

Largely, philanthropy activities, especially around the East Africa region, are often private due to tax implications. Therefore, some organisations were reluctant to disclose information.

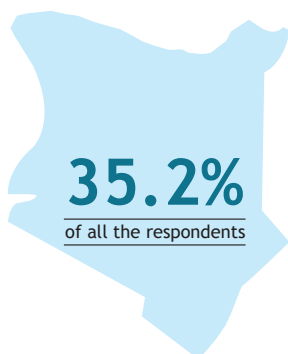
## FINDINGS

This report represents a detailed analysis of the institutional giving landscape in East Africa in 2021 and the trends commonly preferred by institutional givers in their giving practices. The data collected from 106 respondents from **Kenya, Uganda, Tanzania, and Rwanda** was extrapolated to define the giving landscape of the four East African countries.

It further provided insights on the current and emerging local giving practices predominant in the four countries. From the in-depth key informant interviews, the data shed light on various ways to strengthen giving practices in the region.



### 1. Givers in East Africa



#### Kenya

Kenya, which has long been viewed as the heart of East African givers, represented about 35.2% of all the respondents. The data corresponds to the high prevalence of giving in Kenya compared to other countries in the region.

The popularity of institutional giving is increasing as compared to the East Africa Giving Report of 2012<sup>18</sup>. This is attributed to the increasing number of organisations within the philanthropy sector. The country houses the fourth-highest number of High-Net-Worth individuals (HNWI) in Africa; most wealthy individuals now practice institutionalised giving.

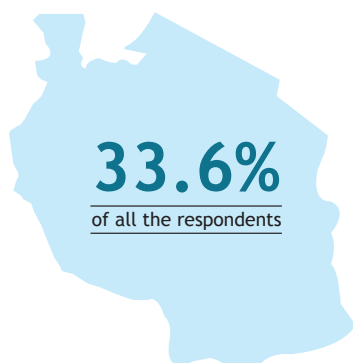
<sup>18</sup>East Africa Philanthropy Network 2012 , East Africa Giving Report

The enabling environment for institutional giving underpins its popularity in Kenya for the last two decades. The country's favourable legal and fiscal environment has promoted institutional philanthropy in the country<sup>19</sup>. The legal framework permits categorising philanthropy institutions ranging from non-governmental (NGOs), community-based organisations (CBOs), Companies Limited by Guarantee, Societies, and Trusts. The clear categorisation with listed benefits and clear requirements makes it easy for a group of givers to formalise their giving arrangement.

However, the strong legal framework still lacks fiscal incentives which would enhance further growth of institutional giving in the country. Despite Non-Profit Organisations (NPOs) being directly exempted from paying Income tax the procedures for the other tax exemptions such as custom duty exemptions are lengthy, tedious and discouraging. In fact, most CSOs are not even aware of availability of such tax benefits<sup>20</sup>. Indeed, the recent push for the commencement of the Public Benefit Organization Act 2013 (PBO Act) is anticipated to *increase* the institutionalised giving in the country.

Specifically, it will open the space for the Kenyan Civil Society by creating a system of incentives to promote institutional giving in the philanthropy sector. The Act will promote accountability by highlighting clear guidelines to promote and safeguard local giving practices, thriving philanthropy<sup>21</sup>.

## Tanzania



Tanzania came second, representing about 33.6% of the respondents. Tanzania's incredible cultural diversity has advanced formal and informal giving. Due to the weak non-governmental sector legal framework, institutional giving had not gained popularity until the 1990s. Since then, the sector has been growing and evolving positively due to the rich culture of individual giving based on cultural and religious beliefs, which has slowly been structured into giving organisations.

As the number of High-Net-worth Individuals (HNWIs) increases, they are forming foundations and NGOs to offer their support, thus transforming the philanthropy sector in Tanzania. According to Forbes 2019, the country takes the lead for the most newcomers to Forbes's "Africa's Richest 50".

However, there is need for legal reforms which would lead to a suitable environment for the growth of philanthropy in the country. This is evidenced by the lack of proper philanthropy definition, which is used similitude with 'charitable' and 'charity' and mentioned passively within the Tanzanian law. Within the Tanzanian law, the scope of philanthropy is regulated in a fragmented manner under the NGO's Act, No.24 of 2002, the Companies Act, Cap 212; The Trustees Incorporation Act 1956 and the Societies Act Cap 337. There are also several oversight ministries, state departments or agencies charged with overseeing the philanthropy sector. Complying with these different regulatory regimes is complicated, time consuming and costly. In addition, there is minimal fiscal and tax incentives necessary for promoting local philanthropy.

In Zanzibar, the philanthropy legal framework is included passively in the Societies Act of 1995, the Waqf and Trust Commissions Act of 2007, and the Persons with Disabilities Act of 2006. Even though there is a provision for tax incentives in Tanzania, they are limited in flexibility and scope. The procedure

<sup>19</sup>Yetu Initiative 2018, Corporate Philanthropy in Kenya

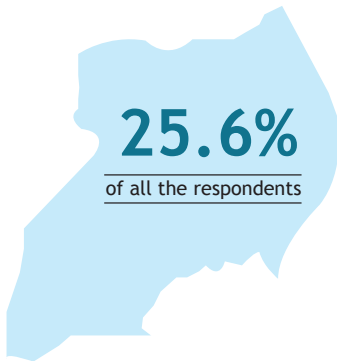
<sup>20</sup>Fanikisha report 2016, The institutional strengthening Standards for Kenyan Civil Society Organizations

<sup>21</sup>Wings Report 2018, The State of Philanthropy in Tanzania



of acquiring the exemptions is tedious, and the Commissioner of the Tanzania Revenue Authority has discretionary power to grant or not to grant tax exemptions. In order to be granted tax exemption, the organization must be a resident entity of public character, registered as charitable organization, and established to relieve poverty or distress of the public, advance education or provide general public health, education, water, road construction, or maintenance<sup>25</sup>.

## Uganda

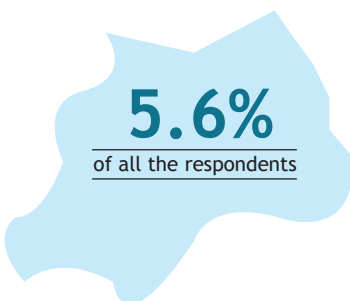


Uganda came third, representing about 25.6% of the respondents. The growth of giving practices in Uganda has largely been informed by cultural practices towards social causes in Uganda. The institution of the Kingdom in Uganda created a sense of centralised operations. People brought gifts/ support to the king. Then church picked a similar framework – Which created the framework for institutional giving. The culture of individual giving that has contributed to institutional giving.

Like its region counterparts, Uganda’s legal framework does not protect CSOs, or organisations engaged in philanthropy. Government regulations, especially for philanthropy activities or organisations in the human rights or democracy docket, are somewhat restrictive. The stigma and treatment received from the government dissuade givers as they do not want their contributions to go to waste.

The lack of knowledge of laws, the inadequacy of laws in matters of philanthropy, and the lack of implementation or partial implementation of the law is a common challenge. Actors in Uganda allude to their restrictiveness and the negative effects on their operations, particularly in their giving to effect social improvement (Civsource, 2020).

## Rwanda



Rwanda was represented by the least number of respondents, up to about 5.6%. Indeed, the philanthropy space in Rwanda is still emerging. However, the term philanthropy is not well defined explicitly in the law. Unlike the rest of the East African countries, the Government of Rwanda has moved steps ahead in rolling out philanthropy initiatives at both national and local levels.

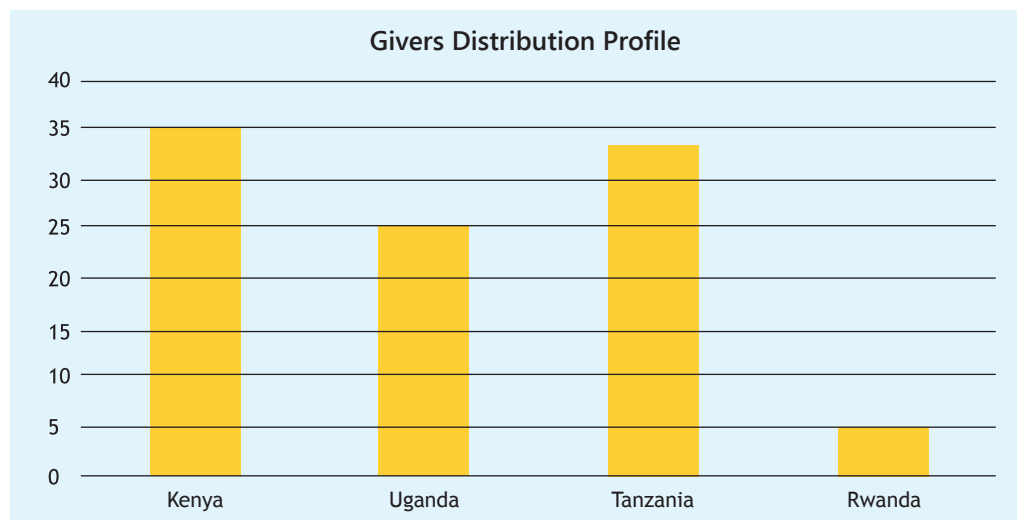


Figure 1

<sup>25</sup> Tanzania Revenue Authority, The Income Tax Act, Section 64

## Cross-border philanthropy in East Africa

There is evidence that there is cross-border giving within the region. The data indicated that 8% of institutional givers operated in more than one country in addition to the country of origin. Cross-border philanthropy is highest among the four member countries of the network. This could be attributed to several factors including; Pan-Africanism, historical, social and movement building activities. Informed by the need to solve similar East African

challenges, institutional givers have set up institutions spread among the four countries for a wider reach in a cost-effective manner. This is a common practice from international institutional givers as compared to local/ indigenous givers. From donors' perspective, cross-border philanthropy strengthens the network operations of their giving institutions, from service delivery and intermediary institutions and community foundations.

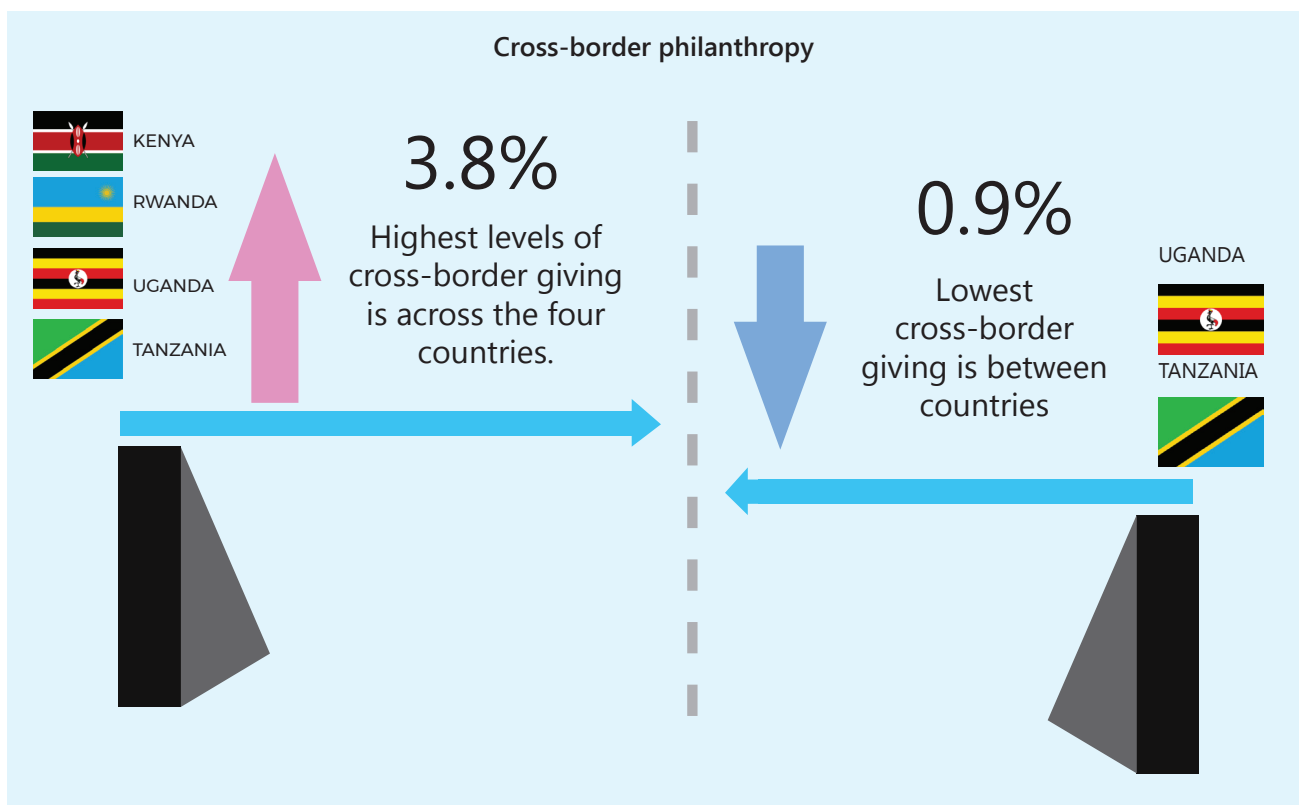


Figure 2

## Most preferred registration types

Generally, in the four countries, institutionalised givers are registered as Non-Governmental Organisations (NGOs), Community Based organisations (CBOs), Companies Limited by Guarantee and Societies. The four ways in which philanthropy institutions can be registered are considered minimal and limiting in achieving the potential of philanthropy within the East Africa region. None of the four jurisdictions in East Africa has specific registration for registering philanthropy organisations such as trust and foundations.

From the survey responses NGO registrations is the most dominant form of registration at 64.2% amongst givers followed by Companies Limited by Guarantee at 18.9%. This category of institutionalised giving is unique because it accommodates the interests of foundations and trusts in an alternative resource mobilisation mechanism that allows them to grow their giving portfolios.

CBOs accounts for 8.5% of the institutional givers. Normally, CBOs are geographically placed at a common locality addressing specific grassroots challenges. Societies are the least preferential registration by givers accounting for about 7.5% of the respondents. This group of institutional givers consist of private members clubs, faith-based organisations, political parties. Their scope is limited to the interest of members.

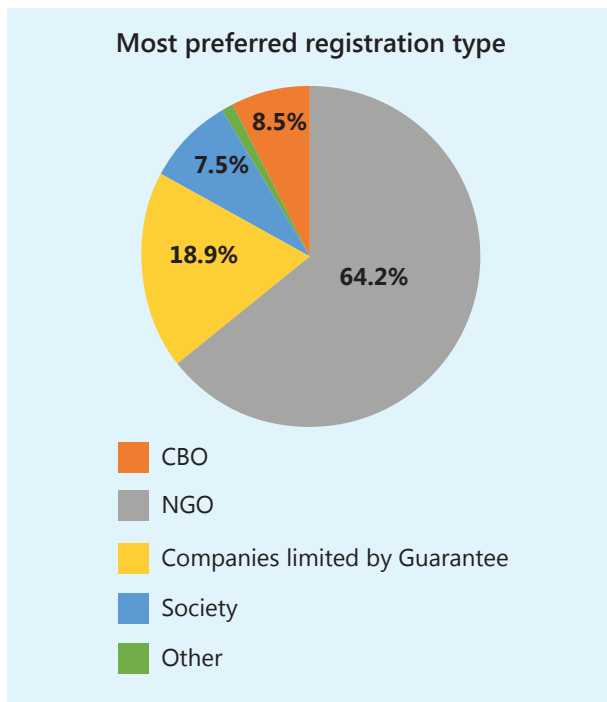


Figure 3

The survey investigated the distribution of registration types per country. The popularity of the type of registration is dependent on the policy framework of a given country. The high prevalence of NGOs in the region can be attributed to the policy framework in the respective countries.

## 2. Areas of operation

The survey indicated that most institutional givers' preferred to give at a national level than international or region-based geographical scope. In the four countries, more than half of the respondents indicated that they preferred to support initiatives in-country to monitor the recipients' activities.

About 23.6% indicated that they preferred to support recipients at the regional level regardless of their country in the East Africa Region. Only 13.2% of

the institution givers carry out activities at a smaller region-based level, while 12.3% of institutional givers have opened to support causes at an international level.

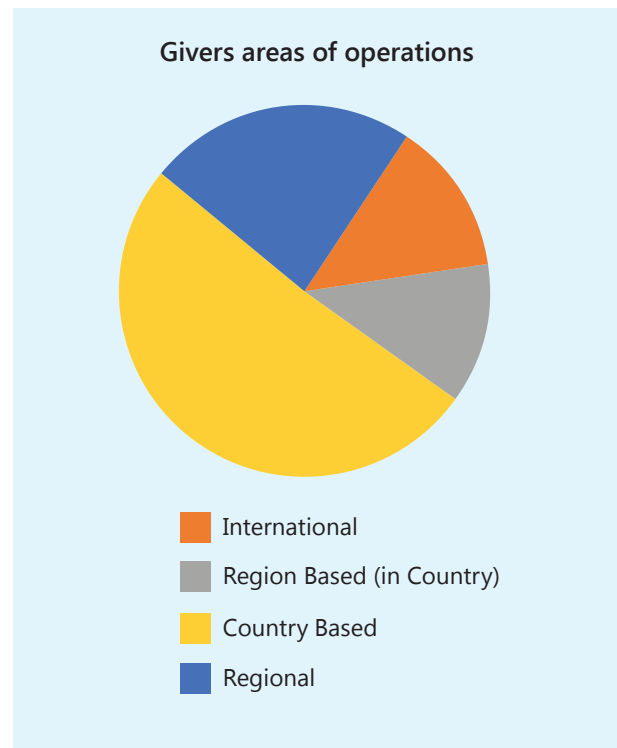


Figure 4

## 3. Years of practice in philanthropy

The length of time dedicated giving practices demonstrates the region's giving culture. A longer duration of giving practice influences the organisation's grant-making, strategies, and operations positively. It further strengthens governance, decision-making, and risk tolerance of institutional givers towards a robust philanthropy landscape.

From the survey, a majority of the respondents (32%) have between 11-20 years of experience as institutional givers. This corresponds to the time institutionalised philanthropy began to take shape in the region. Institutional givers with more than 20 years of giving experience were least represented at 16%.

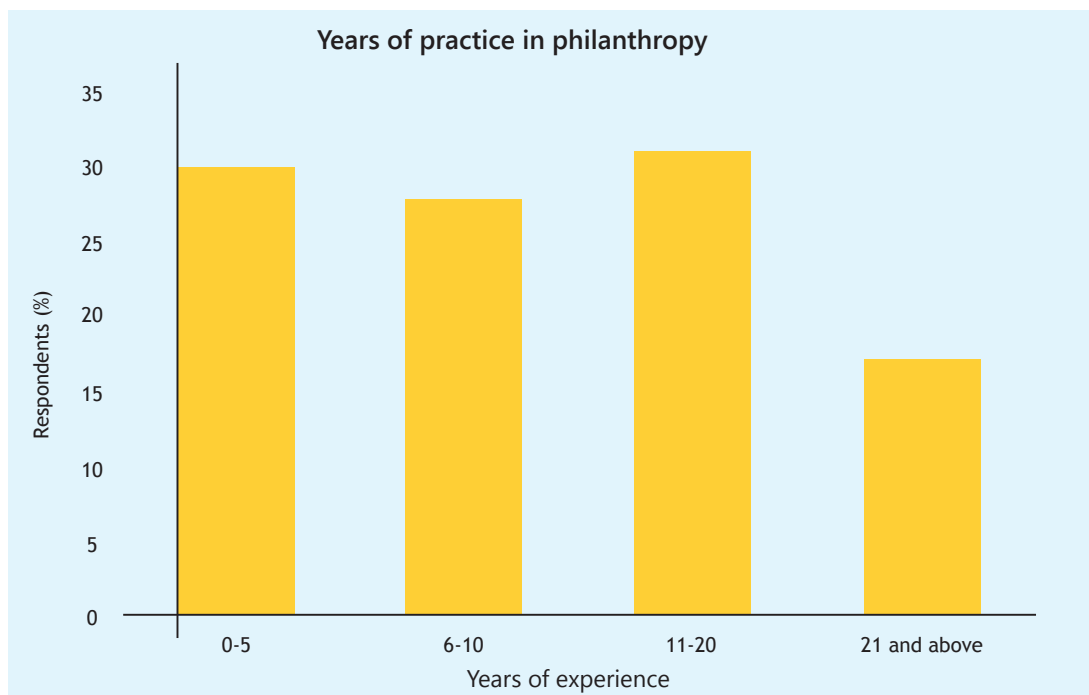


Figure 5

In observing the disaggregated data, the findings indicate that institutional giving among CBO's is not older than 5 years. This study outcome is attributed to the fact that the registration option for CBOs is a recent phenomenon that was non-existent about 15 years ago, with most CBOs operating as self-help groups.

Similarly, most of the company limited by guarantee are ten years and less. The recent growth of companies limited by guarantee can be attributed to

the growing number of HNWI's in the region who have formed foundations as channels of giving back to the community.

Societies have over 20 years of practice. This is explained by societies being the oldest forms of registration within the non-profit sector dating back to the pre-colonial era. In the absence of other giving channels, the colonialists used church societies to support healthcare, education, and other basics to lower-income households.

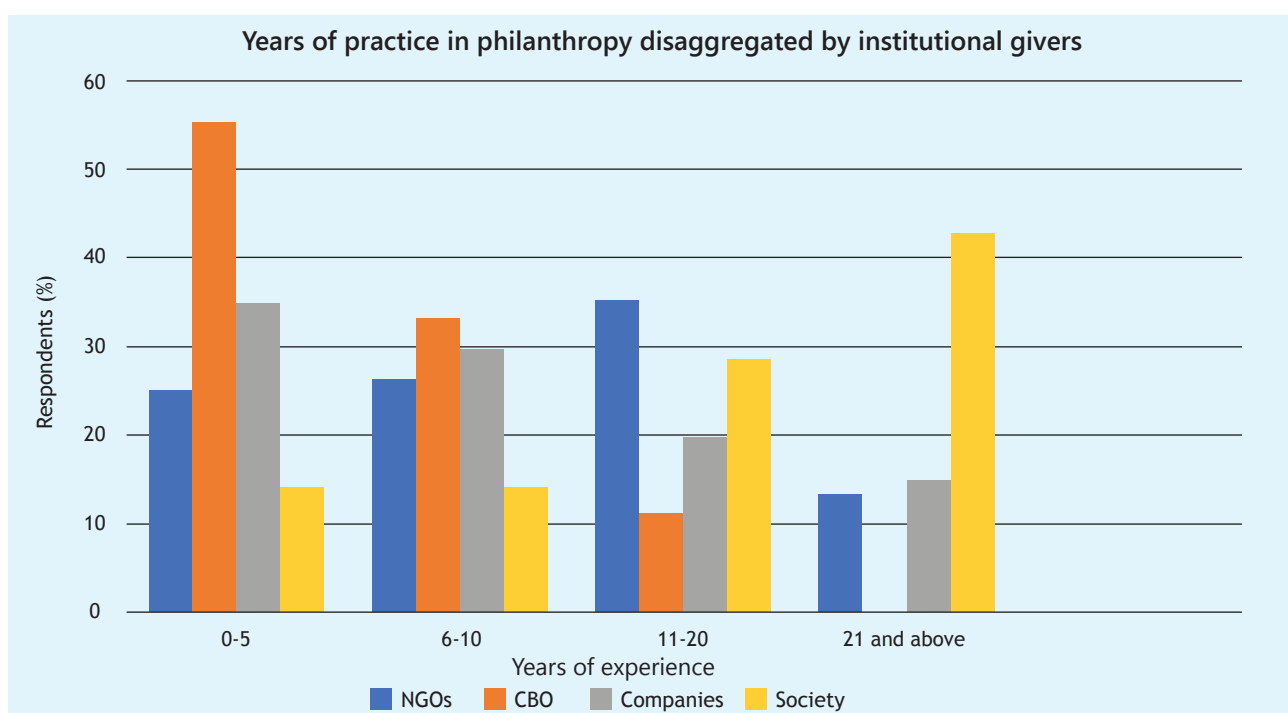


Figure 6

## 4. Givers' annual contribution

One of the most challenging areas of philanthropy data collection is extracting financial information from philanthropy organisations. There is evident tension within foundations aspiring for transparency on the one hand and a desire to safeguard the privacy and security of financial information. This leaves little room to specify amounts flowing in and out of the philanthropy sector in the region. It is safe to acknowledge that there is significant unquantified giving, even at the institutional level, that is never documented, especially in-kind giving.

Going by the survey data that required respondents to give estimates, about 48% indicated that they give less than \$50,000 annually. It demonstrates that the practice of "minimal contribution" giving correlates with individual giving in the region where many people contribute little amounts per person to a given cause.

It brings out the *ubuntu* nature driven by the connectedness of the community, where individuals and organizations prefer to give towards a social cause.

Another interesting statistic was that big-ticket institutional givers offering more than \$1,000,000 were significantly high at about 13.2%.

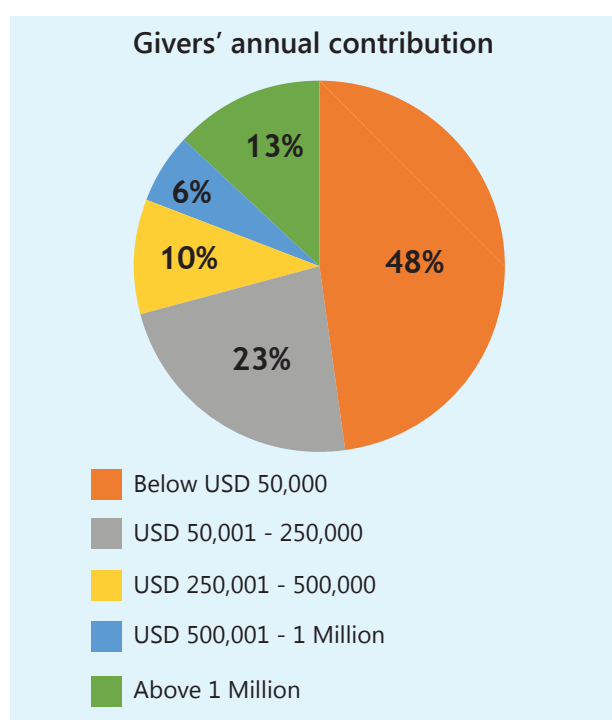


Figure 7

On disaggregating the survey data by the composition of givers, majority givers offering less than \$50,000 were CBOs at about 78%. This result is expected owing to the size of the institutions. NGO's giving is varied, with more than 50% giving more than \$50,000 annual contribution. Generally, NGOs giving depends on the type of operation that the organisation is involved in, together with supporting guidelines of the country.

Most companies limited by guarantee give less than \$250,000. The benefits of tax rebates on philanthropy giving have not yet taken root in East Africa. Some of the target respondents indicated that proper tax saving mechanisms would inspire more giving. Nevertheless, most of the respondents in this category, especially foundations operating under mother companies, enjoy corporate tax savings in the reporting of the parent companies.

Societies recorded the highest category of givers, with about 43% giving to a tune of \$250,000 and about 29% giving more than \$1,000,000. This trend is expected since societies consisting of faith-based institutions, family associations and membership clubs, faith-based institutions and associations have been in existence for a long time. Their giving is related have existed for a longer time. Their giving practice is seen as "a duty than more than will". Their giving is related to their high connectedness to the causes they support.

## 5. Channels for raising resources

To better understand the landscape for raising resources, the data was further disaggregated by the type of institutional givers.

CBOs access their giving resources largely from individual donations (40%), closely followed by company proceeds (33%) and staff giving (20%). Only about 7% of CBOs access resources from international grants. Individual donations statistics are exceptionally high due to their operation model, which entails solving individuals' problems at the grassroots level. Their low level of operations with limited visibility is more likely to attract individuals

well known to them. Company proceeds feature prominently in the second position based on the resources raised through partnerships and collaborations.

NGOs access their giving resources from individual donations (28%), anonymous donations (21%), international grants (19%), company proceeds (11%), staff giving (11%). Due to their popularity, it is expected that NGOs mobilize resources through a variety of channels. External grants remain common among NGOs however, the fact that this survey was undertaken during the COVID-19 could explain why it came third to individual and anonymous giving.

Company proceeds (25%) and individual donations (23%) are the top preferred channels for companies limited by guarantee. This is expected because of their mode of operation, which sometimes entails impact investing. An impact investing model requires a portion of returns in the form of company proceeds donated to the organization. Individual donations on the other hand are commonly associated with income from foundations associated with HNWI's both from local and abroad sources. Staff giving (18%) and crowdfunding (18%) came

third. These channels of giving seem to have ceded ground, with a significant number of givers choosing them as preferred channels of accessing giving resources. Both vehicles are emerging in the region as innovative ways to adapt philanthropy practices especially by social enterprises and other variations of organizations listed under companies limited by guarantee.

Emerging giving practices are expected to be high among the foundations due to their flexible nature and less strict financial reporting mechanisms than NGOs. The recent rise of crowdfunding platforms such as *M-Changa* has made e-philanthropy possible. International grants were the least preferred channel at 5% among the companies limited by guarantee.

Societies utilize only two funding vehicles individual donations at 56% and company proceeds at 44%. These statistics can be explained by the fact that societies are largely composed of members who support a certain cause with both short- and long-term results. Further, some societies are corporates whose proceeds are plowed back into supporting the operations of the society.

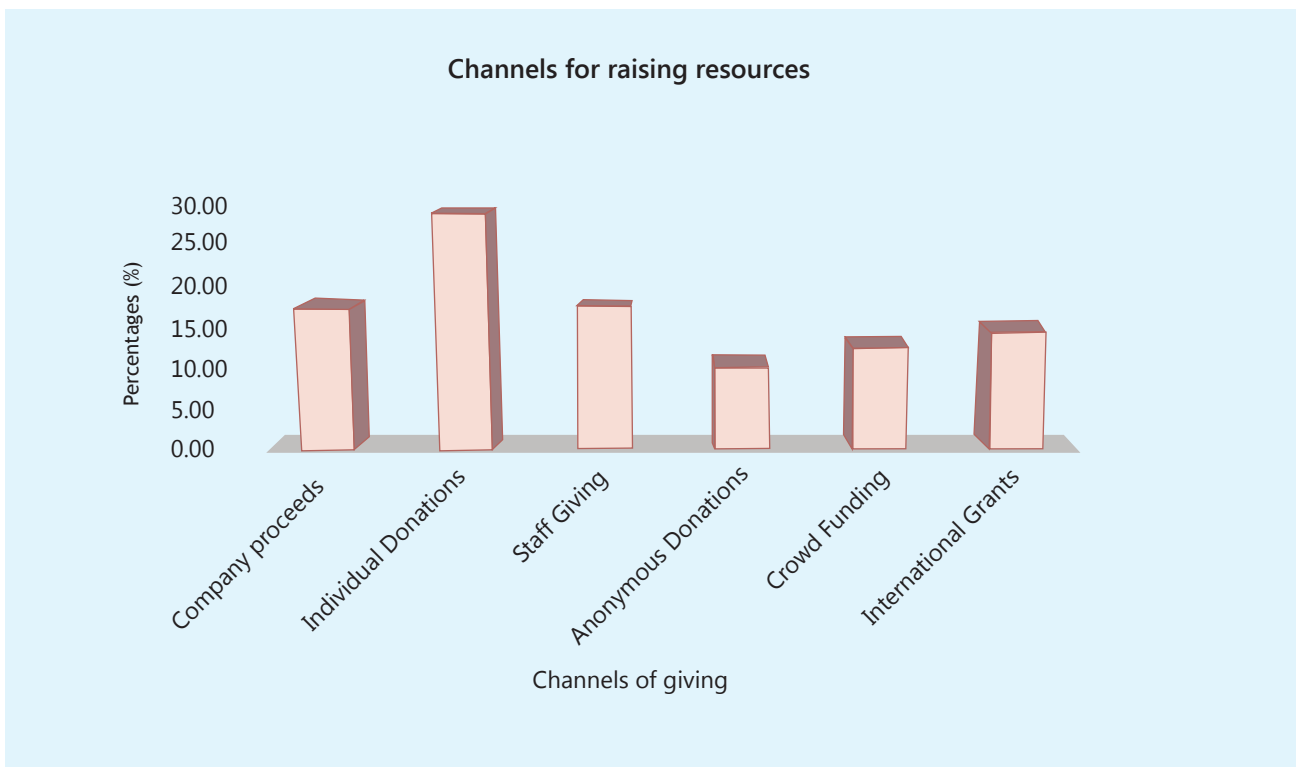


Figure 8

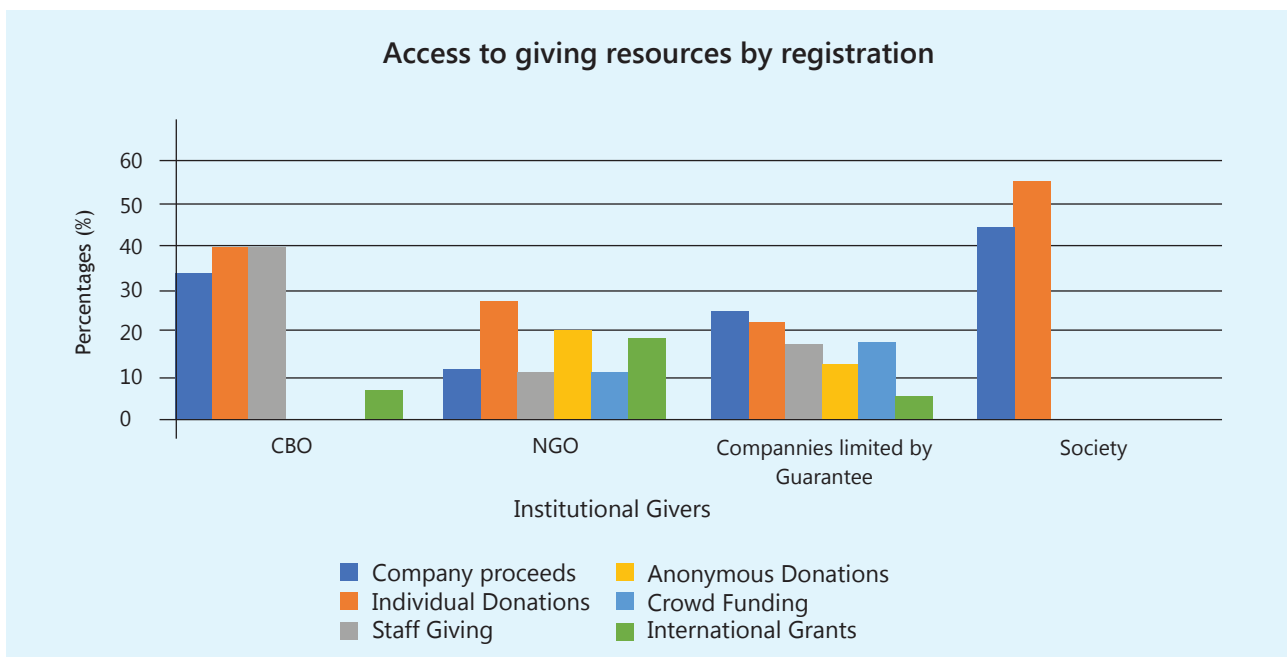


Figure 9

## 6. Givers' Motivation

Giving in East Africa is motivated by several factors. Some of the factors identified by the survey included: the desire to create meaningful and measurable social change, need to establish social equity, religion, passion to give back, individuals life experience, desire to network and desire to remain rooted to ones community. Like other regions globally, the desire to impact society is among the leading motivation for giving in the East Africa Region. The respondents cited the need to create "meaningful and measurable social change" as a key driver for why they give. One respondent cited "deeply influenced by the unequal society we live in, there is a need to give to those whose fairness has been unrightfully taken away from them".

Indeed, the wealth disparities and lack of basic needs from the majority poor have led the HNWI's to establish foundations to combat the inequalities, particularly given the government's limited capacity to provide the essential services.

The passion of giving back was also identified as a core reason for giving in the region. Giving back creates a sense of social responsibility created by "Ubuntu" obligates givers to reciprocate benefits they have received from the society.

Further, it creates a good personal experience among the institutional givers. For example, the HNWI's who have escaped poverty are more likely to form foundations and deeply involve themselves in giving to those still suffering.

Notably, some donors form foundations from an unfortunate place such as life-threatening illness or trauma. One of the respondents cited that the founder established this foundation out of his challenges battling cancer. His death wish was, "no one should die of cancer due to lack of early detection". Since his condition was detected at advanced stages, he created a foundation to promote early diagnosis for breast cancer patients through subsidised rates of cancer screening and medications.

Networking was also identified as a motivator towards giving in the region. Growing up in a community where charitable giving is openly discussed and practised can be a childhood influence that shapes giving across an individual's lifetime giving. It is such philanthropy activities that unite and strengthen the fabric of the community over many generations.

Personal affiliations were also identified as a key motivator to philanthropy giving in East Africa. This

especially applied to NGOs funded by diaspora who cited the need to create organisations to support the women, children and the vulnerable towards social justice. An emotional link to their roots and community ties leads many East Africa in the diaspora to give back to their homeland as the principal philanthropy target.

Lastly, a sizable number of respondents indicated their motivation for institutional giving to religion. Religion is traditionally viewed as a driving force for generosity in the East Africa region boosting philanthropy causes. For example, for religious purposes, Islamic believers are encouraged to make donations called

“*zakat*”, used to buy food and clothes for the poor or the building of hospitals and orphanages. It may be argued that “*zakat*” contributions do not build self-reliance or fight poverty, but they are still valid solidarity mechanisms.

Christian generosity is also another expression of philanthropy concern in education, health, and water. East African churches are examples of religious, philanthropy institutions as they perform daily voluntary work to support financially and morally the poor.



## 7. Development sectors supported by institutional givers

Globally, the expanding infrastructure to promote, support and professionalise giving is driven by the gap that such institutions feel within the development space.

While philanthropy institutions are driven by moral obligation and social responsibility they are inevitably responding to development priorities identified at national and international levels.

Of all the respondents, more than 39% gave to more than four development areas. Only 20% supported one development sector.

Optimally, social development in the region is intrinsically connected. Efforts to disaggregate the development sectors have been futile, and such; has made it more meaningful to address an array of SDGs for the desired social change.



Since the SDGs were adopted in 2015, there have been concerted efforts to encourage institutions in the philanthropy sector to support and engage in activities that will address the 17 SDGs, either independently or through public-private partnerships. Such alignment is sometimes difficult to assess.

Most of the scant tracking of philanthropy investments globally reports on issues-focused support, far less frequently on the population that will benefit or the activities that will contribute to sustainable development. Likewise, this survey indicated that institutional givers were not locked into giving for a particular SDG but rather a mixture of SDGs.

The survey data disaggregating the popular SDGs indicated that SDG 8, **achieving decent work and economic growth**, attracted the highest percentage of givers at 24.83%. This has particularly changed the prominence of education-focused philanthropy, which long attracted funders both locally and globally. As governments in the East African region invest in policies promoting education among the underserved, the population of educated and unemployed youth has increased.

Africa faces an unemployment crisis and the East Africa Region has not been spared. The crisis has led to other challenges which include radicalisation and extremism. Thus, institutional givers seem to have shifted gears to solve this most pressing crisis of the current times.

SDG 5, **gender equality**, came a close second, attracting about 24.16% of institutional givers. In Africa, gender inequalities have cost the continent about 60 billion annually. The cases of Gender-Based Violence were reported to increase more so during the recessionary pandemic period. It is therefore not surprising that institutional givers have prioritised reduced gender parity in the region.

SDG 13, **climate action**, came last, attracting about 8.05%. There are a couple of reasons why SDG 13 lags in popularity among the institutional givers. Largely, climate action has been overlooked by funders and common citizens as the scientific area that requires technical intervention. The support for climate action is expected to be low because of the knowledge gap in understanding climate action and programming. This has remained the preserve of few policy-oriented organisations.

In further disaggregating the data, by givers classification, CBOs have the highest support of about 28% to youth empowerment and lowest support to climate action by 4%. Most CBOs and self-help groups are youth-focused and are therefore inclined to address the emancipation of young people.

The survey further indicated that NGOs support women, girls and youth empowerment equally at 25% and supports health at 21%. NGOs support for youth employment corroborates the need by policymakers and development organisations to mitigate the youth unemployment who are at largest at-risk population posed by social income inequalities. The limited supply of opportunities to meet the growing demand and pressures of qualified and educated youth.

Likewise, NGOs are keen to support women as part of the marginalised group in the region to alleviate socio-economic inequalities. Health showed up as a priority within the NGO sector to complement government efforts alongside the healthcare value chain, especially for the marginalised groups. For instance, NGOs have partnered with the government to offer healthcare services to the poor in marginalised areas.

Health got the highest support from Societies health followed by Education at 25%. This is because societies, especially faith-based organisations, are skewed to supporting basic needs of the society

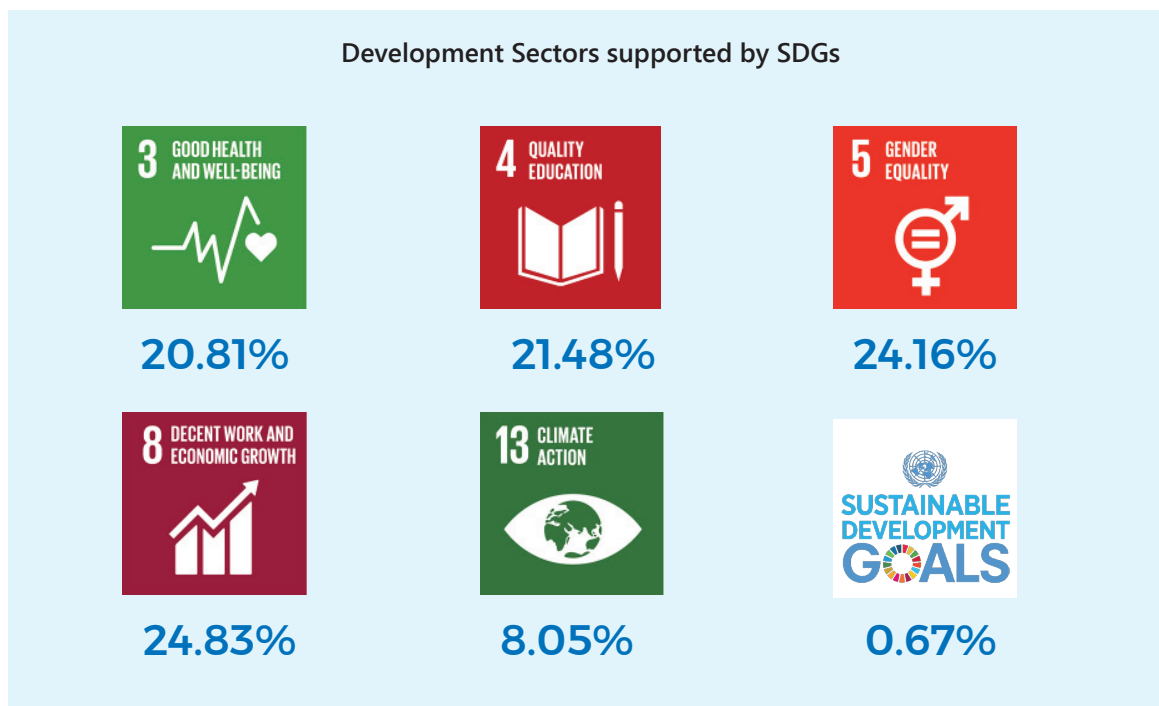


Figure 10

## 8. The primary target groups supported by institutional givers

The main target groups supported by institutional givers are either formal or non-formal. This survey isolates special interest groups as the most attractive recipient group.

A special interest group is a community within society. Members of these groups share an interest in advancing a specific area of knowledge, learning or technology where members cooperate to affect or produce solutions within their field, and may communicate, meet, and organise conferences. They include Persons with Disabilities, women, and youth.

The change in the growing interest of social inclusion programming for the excluded groups from a charity model to a holistic approach of inclusion has prompted givers to establish an organised system of giving for this group.

The survey identified special interest groups as a common target for institutional givers practices by about 34%. This is so even though there is no clear registration for them. The trend follows closely with the emotional triggers to elevate the position of this group of recipients and connectedness that givers feel to supporting fewer disadvantaged individuals.

Notably, self-help groups are more likely to be connected to special interest groups in rural areas due to grassroots presence. It's not thus surprising that Self-help and CBOs, which have related models of operation to self-help groups, are following closely at 26% and 22%.

Local NGOs interest only about 12% of the givers; local institutional givers are often attracted to CBOs compared to NGOs. This is due to the perceived external support accorded to NGOs through grants. Indeed, the survey also indicated evidence of cross-giving where local NGOs support local CBOs in implementing projects. Data indicated that NGOs were drawn to offering their support to self-help groups and the least interested in offering support to fellow NGOs beyond special interest groups.

The private sector, as a target constituent, is considered by only 5% of givers. This group constitutes start-up businesses, small and medium enterprises (SMEs), and social enterprises.

Support to International NGOs is the least represented. Largely, international NGOs that receive support from other international NGOs is still minimal in the region.

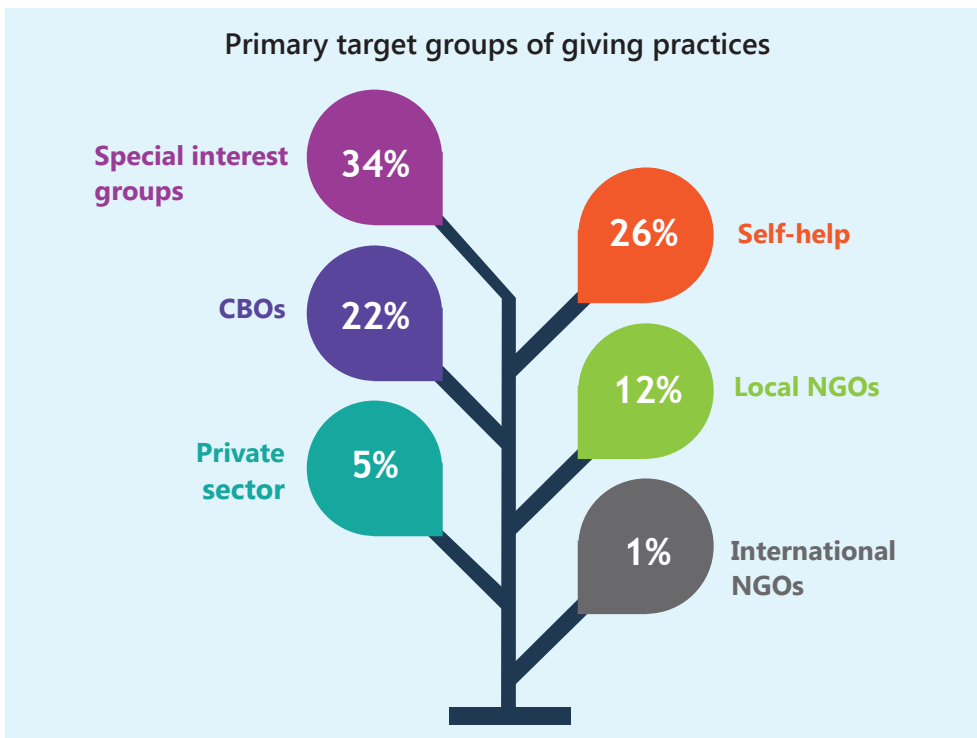


Figure 11

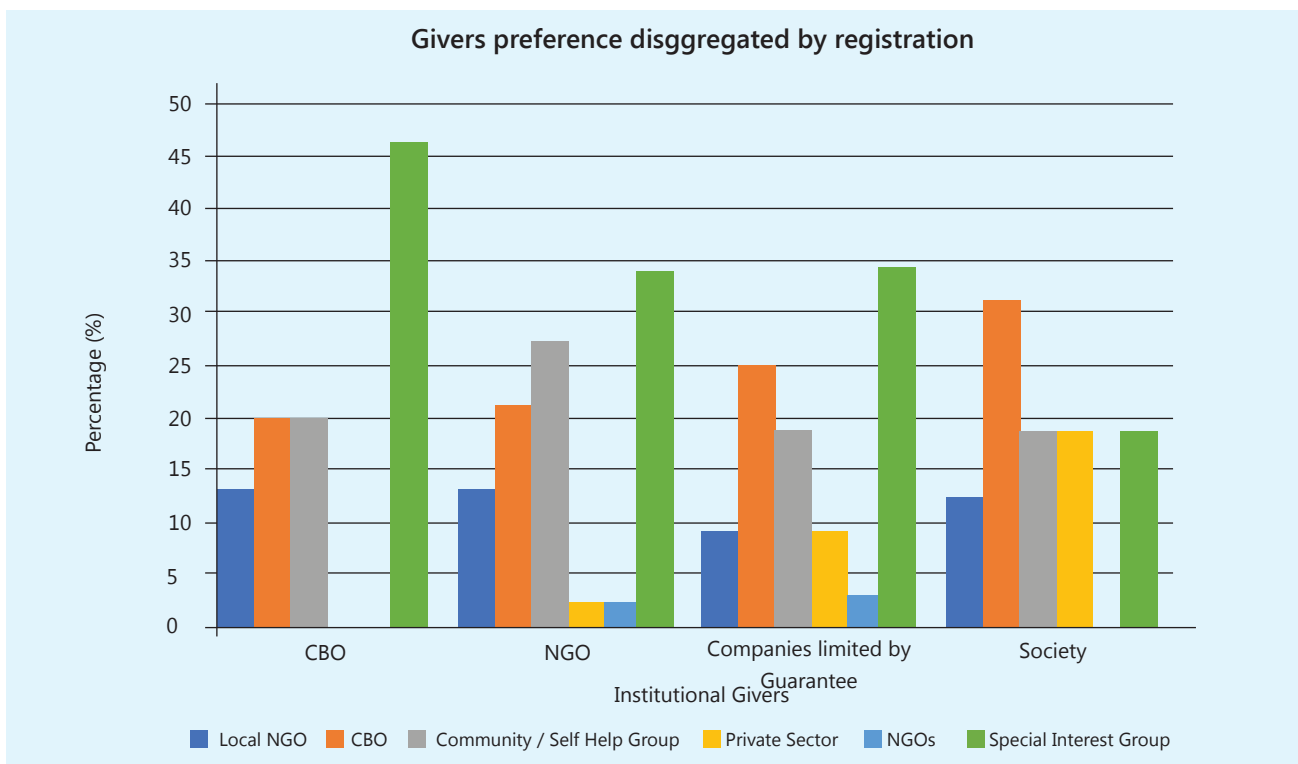


Figure 12

## 9. Institutional Giving Channels and approaches

Philanthropy channels vary with jurisdiction depending on the regulatory structure and the common donor practice in each country. It also depends on how involved a donor would wish to be in the philanthropy process. Largely, donors prefer

simply to provide a monetary gift with minimal time involvement with the recipients.

Indeed, some donors chose to remain anonymous in their grant-making. However, high engagement

embracing long-term involvement in grantee organisations and multiple giving channels.

Observing the survey data, The institutional giver in East Africa prefers a mix of approaches. Of all the respondents, 30.2% indicated six ways of giving: grants, sponsorship, staff giving, in-kind giving, individual donations, and community giving. They use diverse ways since they mostly give to diverse causes.

The use of grants was the most popular channel by about 35%. Grants are the traditional ways local institutional givers have operated within the years. They are structured in an easy way to trace and account for processing, thus its popularity among the local givers. So long as international support continues to be offered in the form of grants, there are chances that grants will continue to lead.

In-kind giving was found to be common as well by about 31%. In-kind, which refers to giving in non-financial terms, is getting recognised in the region over time. Notably this giving approach has been in practice for a long time dating back to the existence of *Ubuntu*. There are chances that it is largely practised than it is accounted for. In-kind giving enables institutional givers to feel connected with the context where they are working and build a strong social capital promoting strong collaboration, networking, and trust among the actors.

The respondents recorded an inclination to community giving by 23%. Community giving is initiated efforts to marshal the group's resources to tackle a community-specific need. Community giving is practised within a given geographical scope or for a particular cause.

Only 5% of the givers were inclined to online giving. Whilst relatively new in Africa, the presence of crowdfunding platforms that offer the opportunity to raise resources for specific interest causes, such as, *M-Changa*, is expected to grow this giving in East Africa. This low static represents the vehicles minimal use. However, internet infrastructure in the region is growing hence might increase awareness and trust among local givers in future.

Sponsorship and events as a giving channel account for 6%; sponsorship in this context refers to financial and non-financial support to support an event. It is a growing area considering that events and sponsorship have been aligned to high-end corporate givers for a long time, which is still gaining traction within the larger philanthropy arena. With the diverse type of institutional givers, there are new or innovative ways of fundraising that are beginning to emerge, with this being one of them.

Lastly, the lowest channel of giving is diaspora giving at about 2.7%. As the conversation on the importance of private social investment to contribute to global social change increases, diaspora giving has proportionately flourished. This approach is expected to increase over time, perpetuated by the vast migration and movement of people.

On disaggregating the data, to observe how different classifications of givers prefer giving, CBOs used both grants (31%) and in-kind giving (31%). Local-level grants are commonly used to support causes such as education, building local infrastructure.

On the other hand, supported by their grassroots operation, it is rather expected that CBOs are involved indirectly in offering in-kind support to their recipients. Compared to CBOs, NGOs had a lower inclination to in-kind giving at 27% compared to CBOs at 31%. NGOs inclination to Grants (32%) is also expected to be closely connected to their operating model. Online giving is also taking shape among the NGOs at 4%.

Companies limited by guarantee preferred grants (30%) and least appreciated online giving 2%. The in-kind giving was also popular at 24%. Notably, such organisations were in-different about sponsorship and community giving (22%). Societies were quite keen on in-kind giving (50%). The next second is grants at 20%. Notably, they are indifferent to community giving, online giving and sponsorship giving (10%)

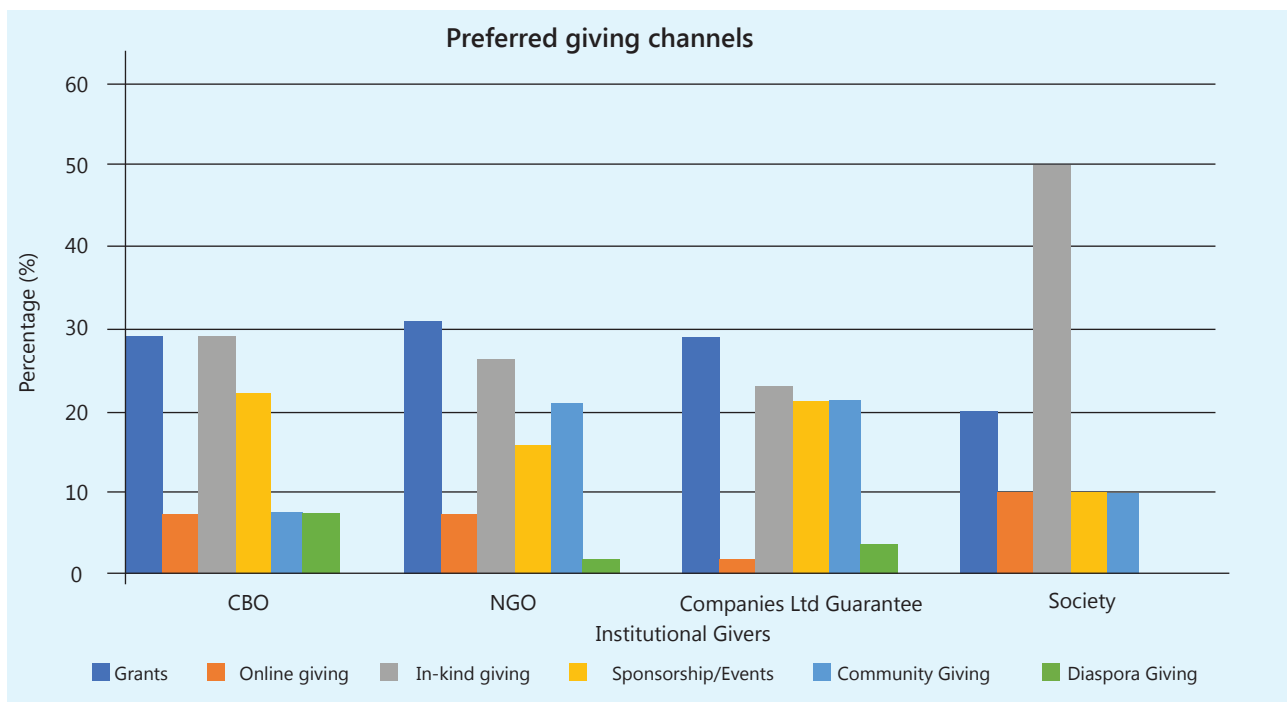


Figure 13

## 10. Preferred financial platforms for giving

The trend for giving platforms in the East Africa region is increasingly liberalised as mobile-based giving takes shape, especially in this post-COVID-19 era. Before online platforms, people used closeness and reciprocity within the framework of *Harambee* to support giving within the communities. This framework encouraged trust between the donor and enhanced trust, the currency for philanthropy.

Bank transfers came top as the most preferred platform for giving. This can be explained by the fact that it is the oldest channel of giving hence its preference with development partners. Further, bank transfers are transparent and clear, making it easier for development partners and government to track the donations for monitoring and regulatory purposes.

Mobile giving comes second at 30.1%. It is not surprising that donors have adjusted to mobile giving as the preferred platform of giving in the East Africa region due to the rampant use of mobile and web-based money transfers. This is in addition to the revolutionary nature of COVID-19 measures, with some governments such as Kenya requesting mobile-based transactions to reduce the spread of the virus.

Mobile-based giving is advantageous owing to high reachability and affordability as compared to banks. Mobile giving has expanded its reach internationally with Vodafone and Safaricom, allowing transactions across Africa and North America.

According to 2020 COVID-19<sup>26</sup> reports institutional givers reported using mobile-giving at least 30% of their time disbursing their donations. It is highly likely that the low uptake of this channel is due to its weaknesses in traceability and accountability. This could be the reason donors have not adopted it fully.

Online giving, which entails raising web-based money such as PayPal, came at a distant third, reflecting about 16.2% of the givers. Online giving is enabled by digital connectedness, which is still scarce but growing within the region. Even though this mode of giving is expansive in terms of geographical scope, providing a good platform for cross border support, it is still minimal within the East Africa region.

Risks associated with sending money via the internet, especially to Africa, has limited institutional givers from participating in online giving. Safety measures to protect both institutional givers and recipients are necessary to enhance this giving channel.

<sup>26</sup>EAPN study; Impact and Implications of COVID-19 on Philanthropy Work in East Africa 2020.

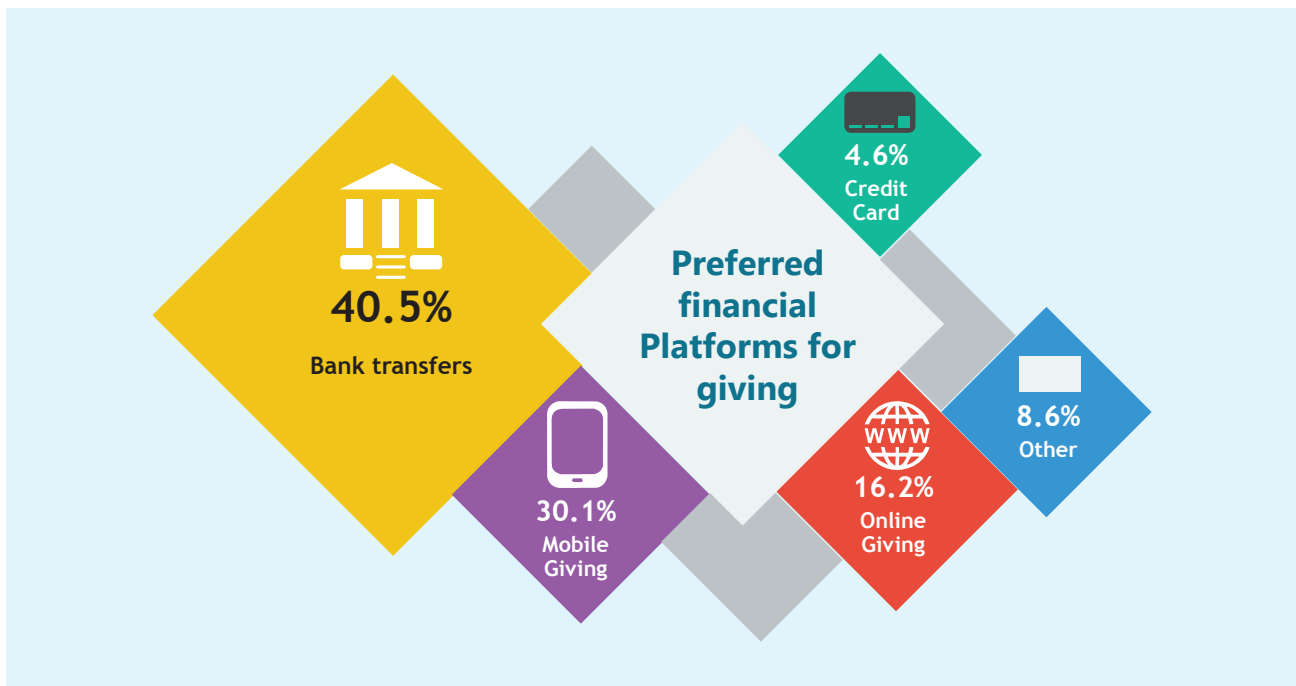


Figure 14

Moreover, giving in Africa is largely driven by the trust which is absent in online giving. To overcome this challenge and optimize digital connectedness, the “art of telling the story” has been made possible by the web-based platforms acting as tools to move givers into giving.

Even though its sustainability is questionable, research shows that institutional givers would commit to giving if the story’s credibility resonates with causes, they are willing to support. Indeed, it offers the givers an opportunity to explore more information about the cause of their giving and make a well-informed decision on giving. A good example of philanthropy that has maximized the power of stories using online giving is the #GivingTuesday East Africa movement.

Credit cards accounted for 4.6% of giving. The statistics are not surprising since credit card payment is still at the developmental stage in the region compared to other peers such as South Africa. Generally, institutional givers’ use of credit cards is

quite limited due to the processing fee accompanying credit card transactions. Given that the region’s fintech ability has created a digital overdraft facility, credit card growth is not expected to catch up.

The disaggregated data shows the characteristics of various institutional givers. Bank transfers were most popular among the NGOs 45% and Societies 50%. This result corresponds to the fact that they are still rooted in the traditional ways of transferring money. Moreover, most of the regulatory requirements in the region recognise bank statements as opposed to mobile money statements.

Mobile money transfer was popular among companies limited by guarantee by at 38%. This is closely associated with the modernity of operation associated with company by guarantee. Online giving was most popular at CBOs at 31%. Even though they are closely aligned to non-monetary giving, it is reasonable that the small-sized nature of giving is done online than in banks.

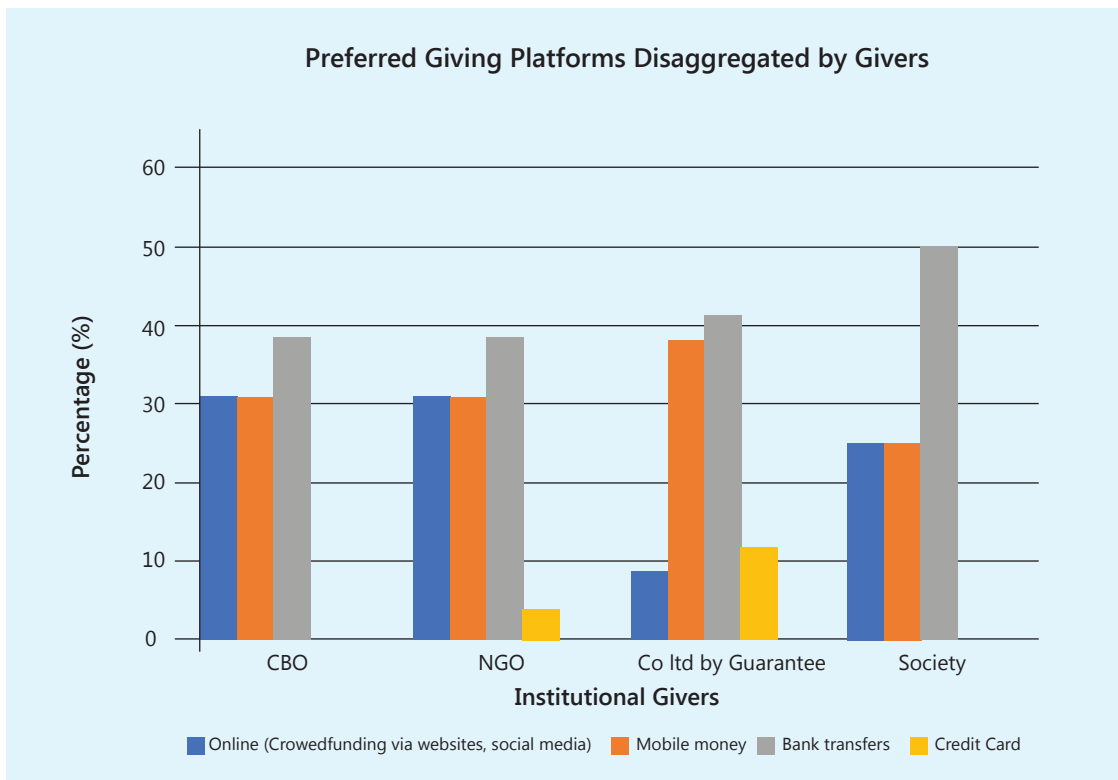


Figure 15

## 11. Benefits of Giving

There are a variety of ways in which institutional givers benefit from giving. The most popular reason was the increased scope of impact at 40%. Based on *Ubuntu* legacy, most people are set out to give with a view of improving the community status.

For instance, givers would be interested in changing the community status and thus offer scholarships for the girls who would change how the community lives. As the adage goes, "Educate a woman and educate a village perception of the community."

Personal fulfilment was cited by 22% of givers surveyed in the study as a benefit of giving. This is because giving increases the giver's profile while satisfying oneself, leading to self-actualisation. In East Africa, where either Christian or Muslim denominations dominated the region, giving has a religious connotation bringing givers closer to their superhuman being.

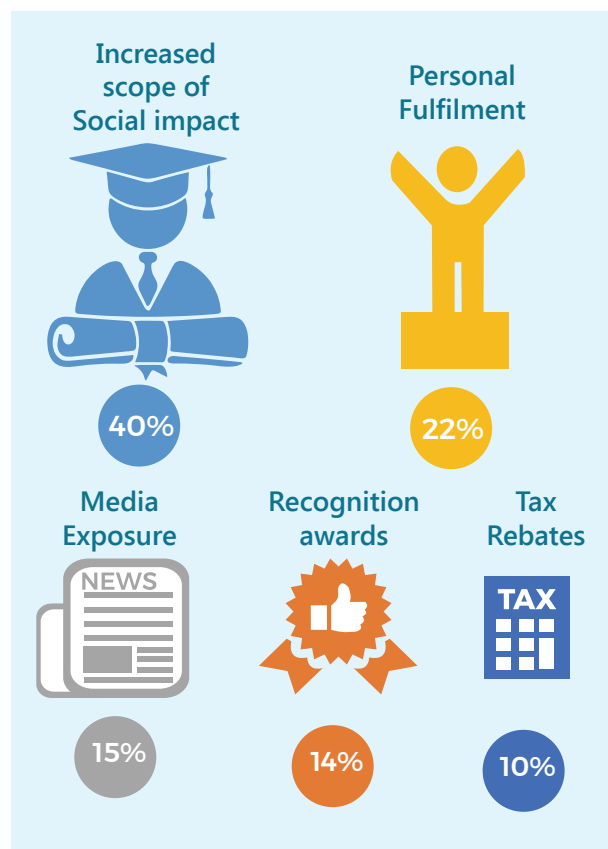


Figure 16

Media exposure was cited by 15% of the givers surveyed as a benefit of giving. The benefit being derived here is not as a shining spotlight, but rather as a tool for visibility which is useful for growing givers resource base as well as accountability.

Recognition and awards were recognised as a benefit of giving by 14% of the respondents. The sector uses recognition and awards to demonstrate the sector’s contribution to development work from a givers perspective. This exposure grants the givers strong goodwill and builds their trust capital among the community.

Tax rebates were recognised as the last benefit by 10% of the respondents. Even though most institutional givers are interested in tax rebates, claiming tax rebates is somehow complicated in East Africa, and thus most people do not take advantage. The bureaucracy involved in claiming the tax rebates that necessitates hiring tax experts has led to many entities being unable to pursue it.

The data is further disaggregated to identify the benefits as per different types of givers. CBOs

indicated personal fulfilment as their highest benefit. This is indeed expected owing to the direct benefit they get from supporting people at the grassroots level. NGOs cited high social impact as their highest benefit of giving. Most NGOs are established with the need to provide social services, do good and transform humanity.

Companies limited by guarantee are also powered by the need to create change on the ground, and thus their most important benefit is social impact followed by personal fulfilment. The foundations that operate under companies limited by guarantee are established by individuals whose mission to help is a priority benefit.

Societies indicated social impact as the highest benefit that they can accrue from giving. Indeed, such organisations are created by individuals whose need to create a social change supersedes the need to preserve their need to preserve their contributions.

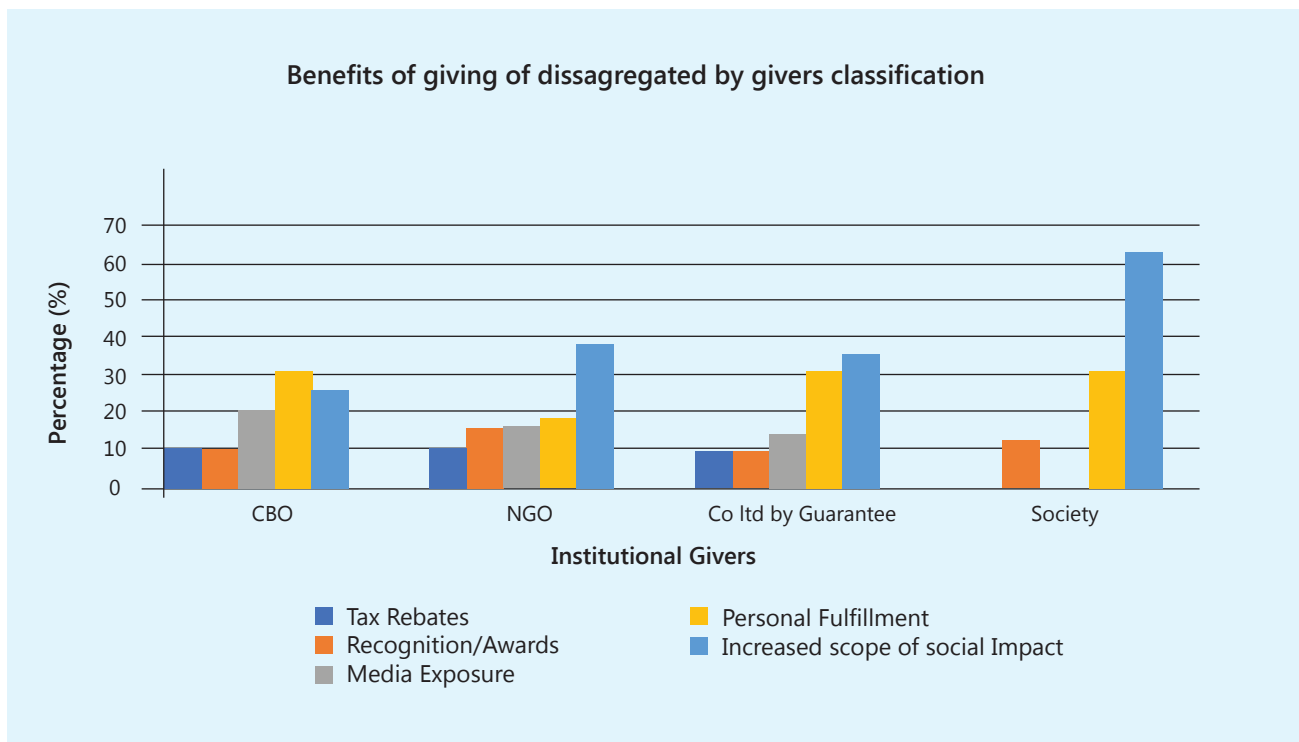


Figure 17



## Tax exemption in Tanzania

In Tanzania, charitable and religious organizations are entitled to income tax exemptions. In order to be granted exemption, the organization must be a resident entity of public character, registered as a charitable organization, and established to (1) relieve poverty or distress of the public; (2) advance education; or (3) provide general public health, education, water, road construction, or maintenance (The Income Tax Act, Section 64-Subsection 8)

Persons (individuals, corporations, non-government organizations, and others) are allowed to receive tax exemptions for amounts contributed to registered charitable organizations (approved by the Commissioner to operate as charitable organizations), as referred in Section 64, Subsection 8 of the Income Tax Act. The exemption for a year of income shall not exceed two percent (2%) of the entities income calculated without a deduction.

No taxes are imposed on cross-border transactions. The only obvious costs are bank charges that must be paid by either a sender or a recipient charitable organization. Bank charges are taxed, and it is banks that pay taxes to the government. Theoretically, banks pay taxes through the charges they deduct from customers. In practice, however, the customers pay. In fact, banks are now charging more to compensate the amount of tax they pay to the government. Any cross-border transaction requires clearance of the Central Bank to control money laundering and the flow of money intended to support activities of terrorist groups. There are no restrictions on the activities that funds from abroad can support, but institutional givers are required to be apolitical.

## 12. Accountability



Figure 18

Some institutional givers find power and freedom without mechanisms holding them accountable to the broader society. In contrast, others see the same absence and the lack of input from outside voices as potentially problematic or, in other words, diminished trust.

Generally, the corporate governance of institutional givers is not defined thus differs widely. This leaves institutional givers at liberty to be informally accountable to their development partners, the founders, populations, and communities they support, a geographic region, a chosen cause, or a set of values. Notwithstanding, the policy landscape of a specific country in the region defines to whom the institutional giver is formally accountable, either their boards or the government.

The survey indicated that 27% of the institutional givers feel accountable to their target constituents. With the need to build trust among their recipients, the givers feel obliged to include their needs in their processes. Indeed, as givers seek to change society,

it would be impossible to do so without including the recipients affected most by the change.

The concept of dynamic accountability has prompted an increased need to account to people. The increased discussion on people-centred development has prompted more engagement of people.

Following closely second is the accountability to partners by at 26%. The changes in the sector may have transformed the need to be more accountable to people. Partners would feel secure to continue funding givers if they are accountable. Government comes third at 17% while auditors come fourth at 12%. It is expected that institutional givers would feel less accountable to the government or auditors because their relationship with both entities is occasional and on a needs basis and often driven by regulatory requirements.

The desire to be accountable to peers is the least at 10%. The weak partnerships and collaborations among institutional givers does not inspire accountability.

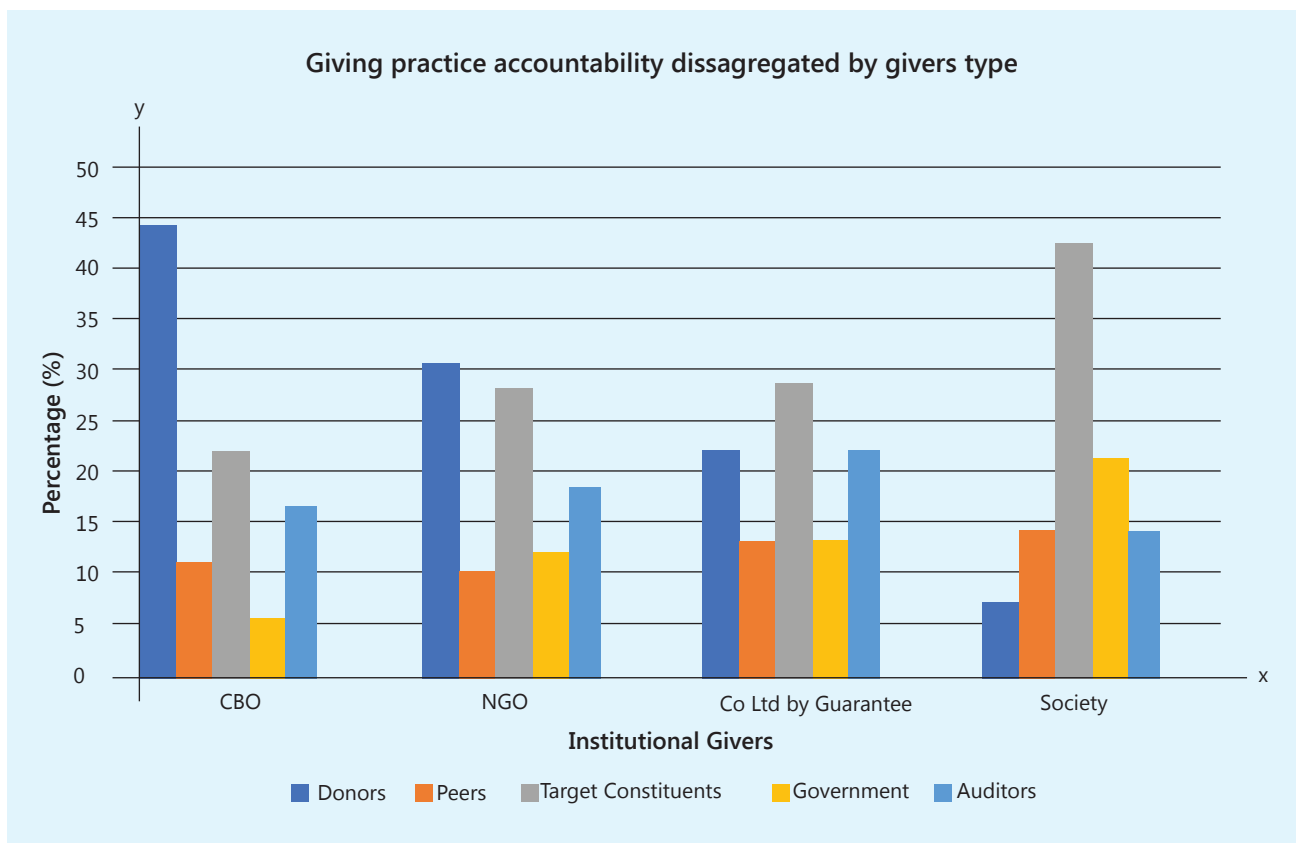


Figure 19

### 13. Accountability standards and principles

Institutional givers adhere to standards and principles as a key guiding compass for their operations. However, the lack of harmonised standard operating procedures and scarcity of philanthropy practitioners has posed a great challenge. As a result, institutional givers have had to adopt varied principles and standards.

Among the recipients, 48% indicated that they are more concerned about professional standards than other standards and principles. 31% indicated their caution for being on their right side of the law as their main guide, while 18% indicated the industry standards and principles as their priority.



Figure 20

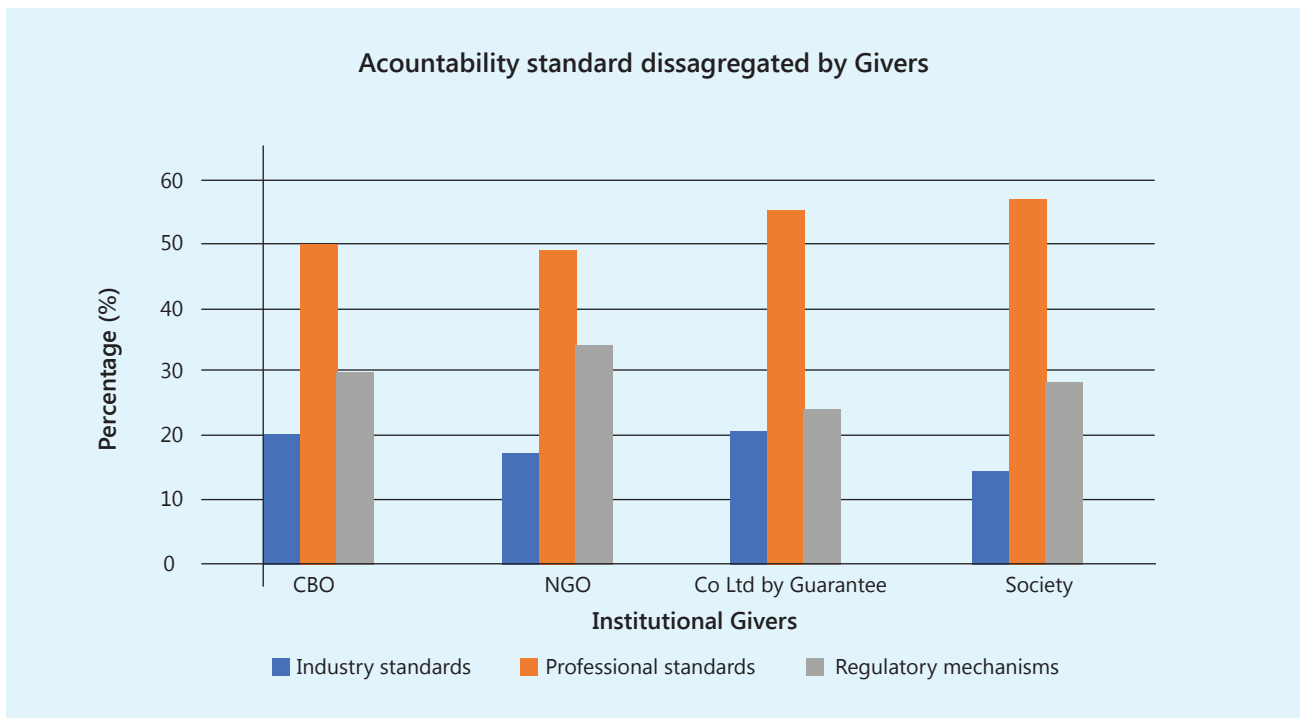


Figure 21

In observing the disaggregated data, the same trend follows for all the institutional givers. Notably, professional standards seem to be a critical concern among NGOs. This is largely driven by the compulsory legal obligation to prepare and submit annual

reports on their activities, audited financial reports, and pay annual fees for NGOs in all the countries in the East Africa Region. Regulatory mechanism follow suit due to the continuous efforts to control terrorism and money laundering.

## 14. Challenges that hinder giving

As the breadth and depth of philanthropy activities in the East Africa region continue to expand, challenges hinder the sector's development. Most respondents cited limited funding of institutional givers denies them the capability to address the most pressing community needs.

According to a recent report of African philanthropy<sup>27</sup>, African institutional givers are generally underfunded compared to institutional givers headquartered outside the continent. The trend persisted despite the COVID-19 pandemic, where many seemed to offer financial and non-financial help to Africa. Notably, privately owned foundations in the region have received 33% of large gifts compared to NGOs, CBOs, and societies.

Emerging technological infrastructure that supports online donations and blockchain technology emerged as another challenge. As donors move to online donations including requesting reports and board meetings virtually institutional givers find it difficult to keep up with such demands. This is because of the low internet connectivity especially in rural areas, and limited technical capacity among the recipients.

Another cited challenge included low skill level in running the philanthropy organisations. Not all institutional givers have the skills to promote organisational development and achieve effective strategic planning and operational management, resource mobilisation, networking, lobbying, communication, and organisational evaluation. For example, for resources mobilisation campaigns to be successful, the philanthropy organisations need to have committed boards of administration that can play several key roles.

Respondents also cited inadequate legal frameworks by the government as a challenge affecting the growth of the institutional givers. The lack of proper definition for philanthropy as well as limited specific legislation guiding the philanthropy sector. Even for such unspecific laws, they have not been updated for a long time to accommodate the emerging trends in the sector. For example, the lack of clear standards regarding fair and reasonable compensation for trustees and the board of directors led to the collapse of some institutional givers due to unreasonable expenditures. Moreover, establishing standards that strengthen accountable governance of philosophies for the sustainability of institutional givers.

<sup>27</sup> The Bridgespan Group 2021, The Landscape of Large - Scale Giving by African Philanthropists in 2021



## 15. Approaches towards partnership engagement

Partnership engagement is key in a thriving philanthropy space. Traditionally, international partners have collaborated with East African players to implement the programs they are funding. However, several international social investors are changing their investment strategies, evident through increased collaboration and co-investment with East African players.

East African partners can bring local knowledge and network, which assists in more scalability and sustainability of the initiatives. This partnership takes various forms such as strategic collaboration, forming funding alliances, cost-sharing, among others. These collaborations are formal (for instance, working with academia or development partners to receive training) or informal (such as collaborating with other CSOs to avoid the duplication of effort).

This research identified that 34% of institutional givers in East Africa partner for strategic reasons. They identify a strategic partner within the value chain to strike a collaboration into achieving their goals. For instance, Equity Foundation has partnered with the Mastercard Foundation for its Wings to Fly Program. Students from disadvantaged communities are provided scholarships to study at renowned universities across the world. Through this initiative,

both the foundations want to create a long-term impact by empowering and skilling a generation of youth.

The Segal Family Foundation has also partnered with several East African organisations, including the BESO Foundation in Uganda, to improve the lives of children and women in rural Uganda through access to quality education.

From the survey, 20% of the respondents entered partnerships for the sake of forming funding alliances. Naturally, institutional givers have been found to prefer forming consortiums by binding together institutions seeking support to co-jointly put funding proposals.

Cost-sharing was mentioned by 18% of respondents as an approach to engaging partners. Owing to reduced donor funding in the region, institutions have found a creative way of collaborating to manage shared resources. As the philanthropy funding diminishes, it will require greater collaboration between and among the philanthropy ecosystem entities.

Joint ventures was identified by 15% of respondents as an approach to partnerships. A joint venture

happens when two or more organisations create a new structure to advance a program function, or they emerge, leaving their separate entities. This happens when institutional givers are in the same value chain and construe that their combined efforts are better than a single effort.

Grant matching was cited by 13% of the respondents as a reason for forming partnerships. This could take any form, but the most popular one is that one organisation provides a grant, and the organisation provides a match.

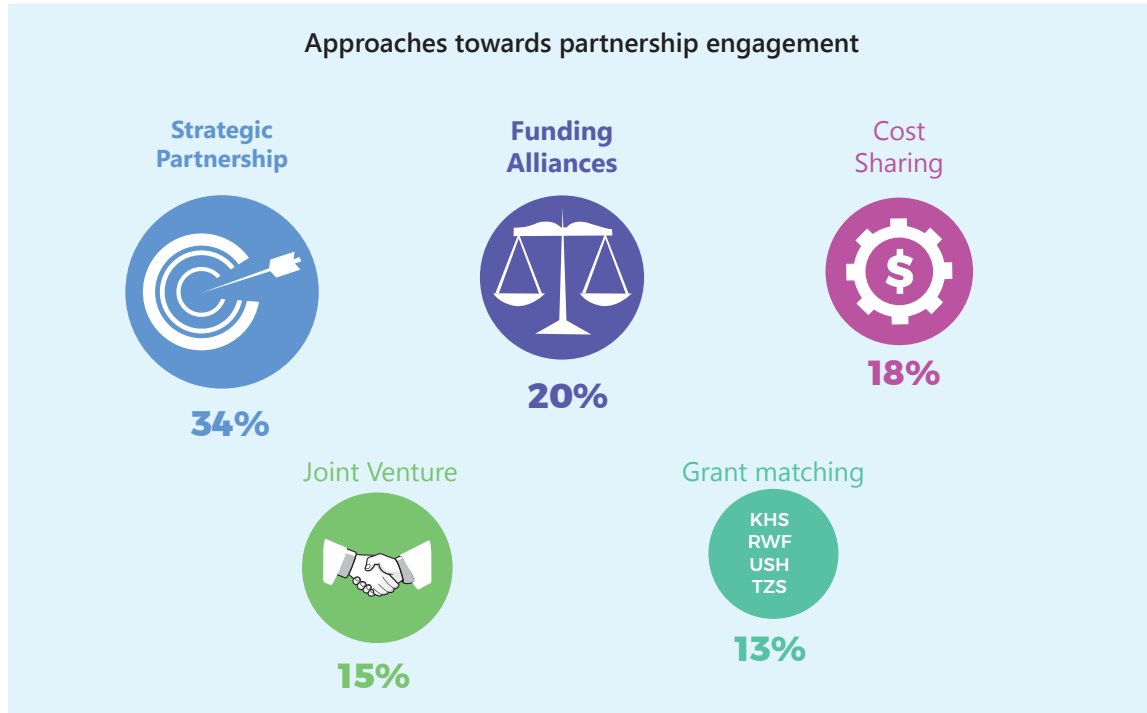


Figure 22

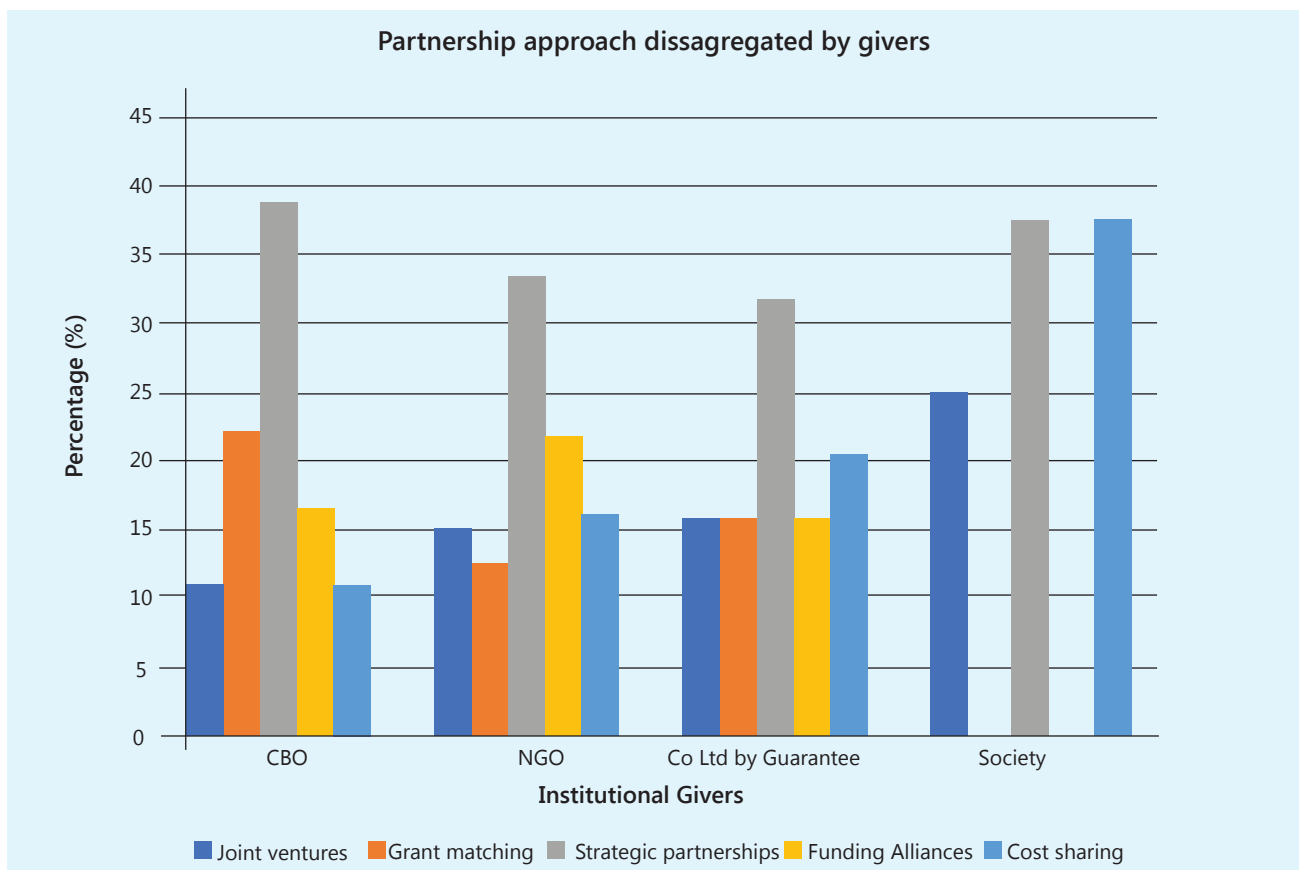


Figure 23

In disaggregating the data, all the givers exhibit similar partnership formulations. CBOs are leading by 39% on strategic partnerships, followed by grant-making at 34%. This is so because it's easy for CBOs to match grants provided with the skills from the

community. Strategic partnerships for the Companies limited by guarantee are at 32%, explained by the fact that they are big on events, so they are most likely to engage in sponsorship. Cost sharing and joint ventures lead at 38% among Societies.

## 16. Institutions to collaborate with for a greater impact in the future

In assessing institutions to collaborate with, most institutional givers picked NGOs as a preferred partner at 18%. Generally, NGOs have established operation mechanisms and are largely recognised vehicles for social good, thus being preferred choice for collaboration.

The government and private sector were the next preferred partner by 16%. This is largely because both promise continued resource provision. Partnering with government provides opportunities to push for an enabling environment for the sector to thrive. Requirements such as registration, and tax rebates are conveniently handled when there are cordial relationships between insitutional givers and government. Tapping into government and private sector networks strengthens partnering organisations resources, skills and visibility.

CBOs was preferred by 15% of respondents in the survey. Ideally, CBOs operate at grassroots levels,

and givers want to have a close relationship with implementors at the grassroots level where impact is easily discernible.

Closely linked to CBOs, were self-help groups at 11%. Further 16% of respondents indicated that they consider bilateral organizations as institutions for future collaboration. The changing context on resourcing is shifting the development priorities from bilateral to alternative partnerships. It's easier to align with national governments spearheading SDG implementation than overreliance on bilateral agendas.

The least preferred group for future collaboration was special interest groups at 3%. Even though interest is around social inclusion, the commitment and willingness to invest is minimal. There is a need to interrogate further whether programming complexity for special interest groups is a contributing factor.



Figure 24

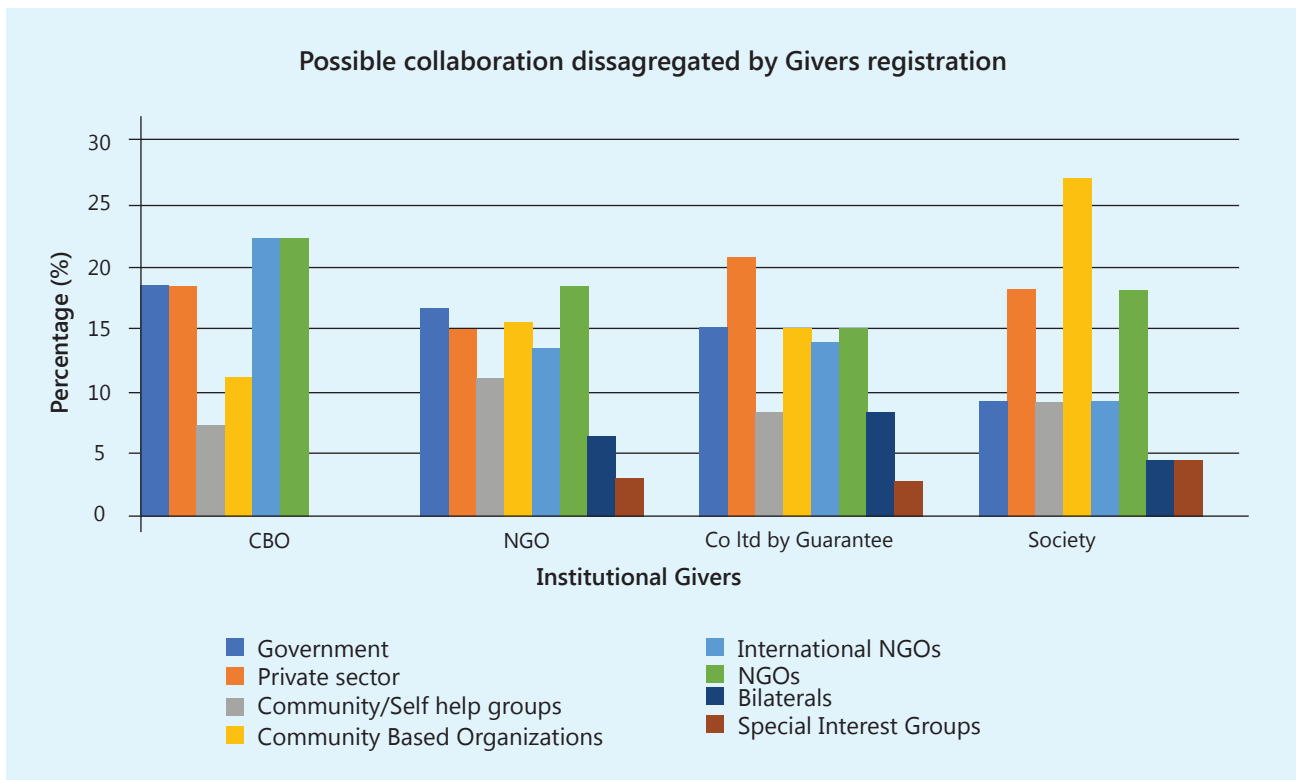


Figure 25

## 17. Platforms for sharing impact stories

In observing the platforms for sharing impact stories, social media was cited the highest at 31%. This finding could be explained by the ease of using social media, high reachability, and low cost. Social media connects to the non-profits sector in many ways, including public relations, accountability, and direct communication.

The institutional givers can demonstrate their activities both at the implementation level and what needs to be done to potential partners, at minimal cost. Indeed, social media has provided an efficient tool to build on partnerships and captivate potential partners. It captures the feelings and moods of people encouraging them to give.

Stakeholder meetings tied at 31% with social media as a preferred platform for sharing impact stories. This platform is the traditional tool and most popular agreeable platform for decision making. They take the form of meetings, conferences, exhibitions, and other gatherings that entail a one-on-one meeting to deliberate on a given agenda. The personal touch of the stakeholder meetings enhances partnerships between partners and institutional givers, which

is still highly appreciated. With the prevalence of COVID-19, stakeholder meetings have since moved to virtual spaces.

Website accounted for 28% of respondents preferred platform of use. Indeed, social media has increased the use of the website. A website helps current, and future partners verify the existence of an organisation. As such, it proves to be a powerful tool to support the growth of the philanthropy sector that largely relies on trust. Despite its pros, this platform requires continuous updating and can be less interactive than social media. Used together with social media websites remain relevant for formal communication and act as repositories of information against bits and details of social media.

The use of journals resonated with 6% of respondents preferring to use them. Generally, journals are used for internally generated publications. They include newsletters, annual reports, specific project publications. Despite it perceived as old school, this platform remains on the list because it provides a good space for institutional givers to tell the stories briefly and concisely.



Media accounted for about 4% of the respondent's preferences. Largely, media is expensive, and as such, most institutional would opt against it. Instead, they have turned to social media, which is cheap and with high reachability.

with the media. There is limited recognition by media who do not consider giving as newsworthy. Lastly, media shyness among the philanthropy sector, which prompts givers to look inward instead of publicity, has decreased the use of media by institutional givers.

In addition, most philanthropy sector players apart from the private foundations have not cultivated ties

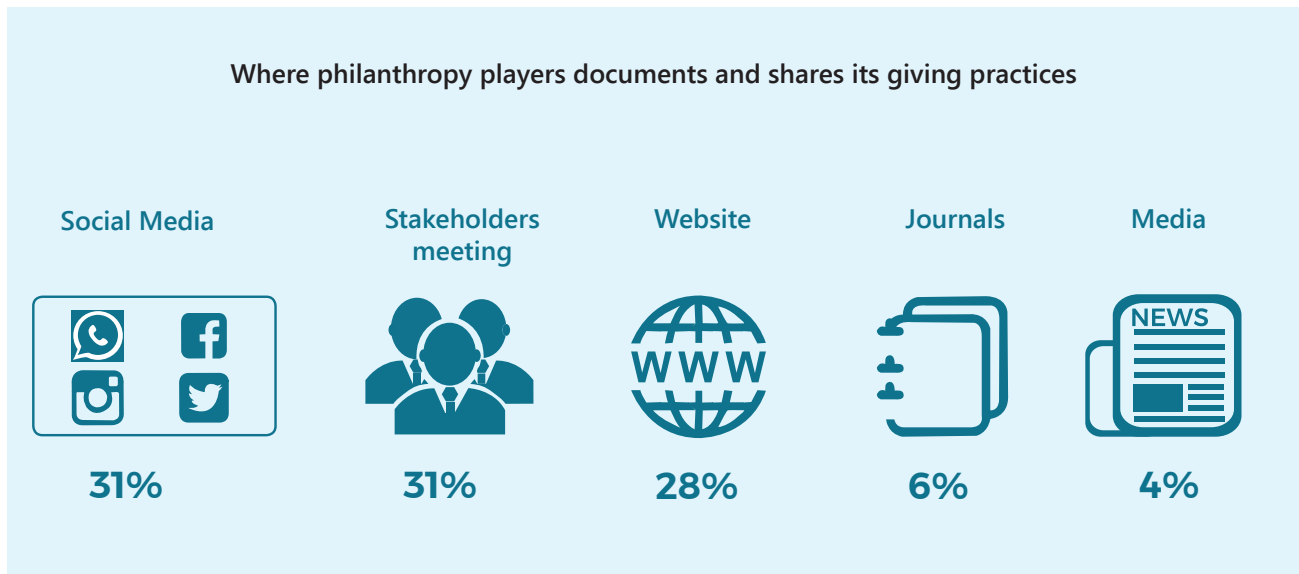


Figure 26

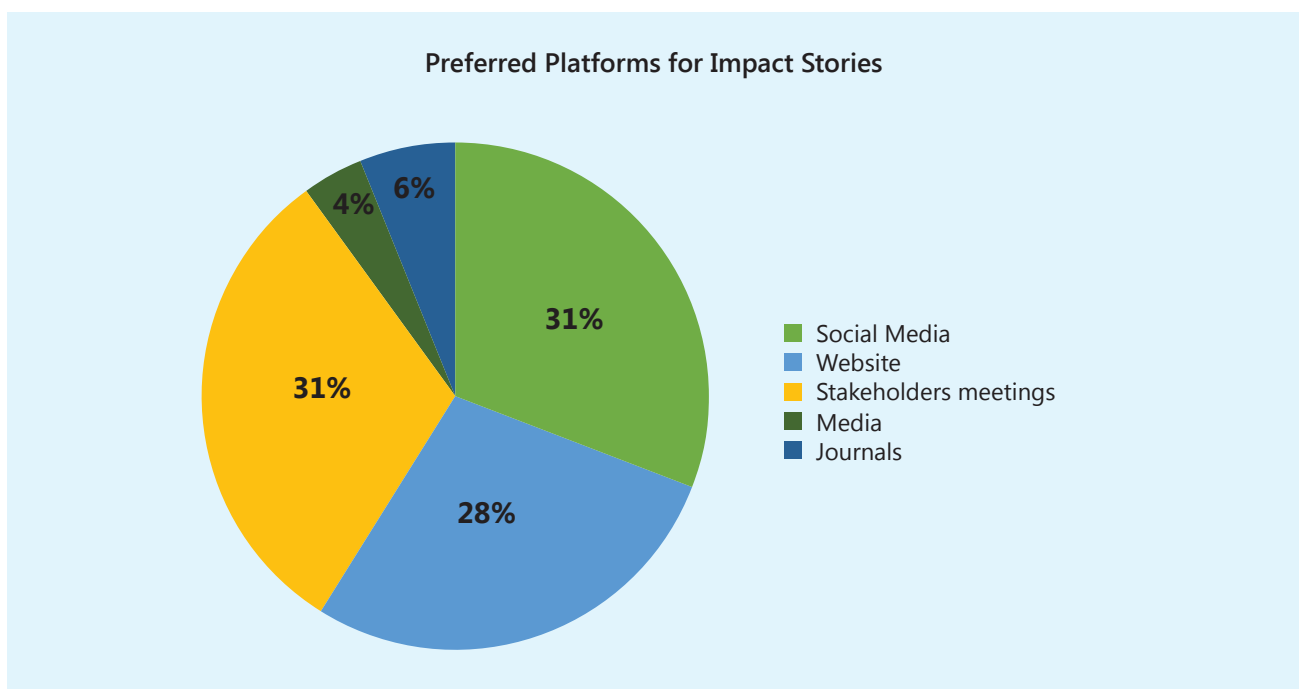


Figure 27

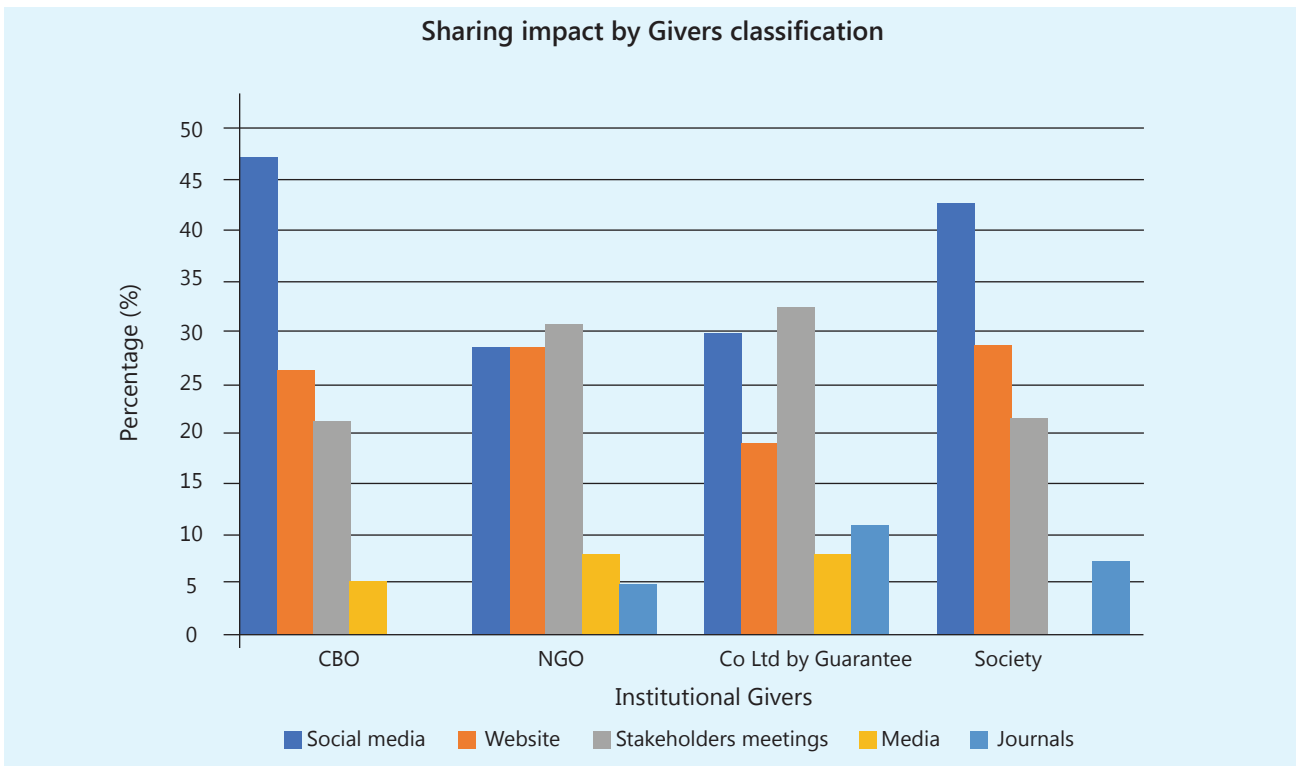


Figure 28

## 18. Results of institutional giving practices

The survey data indicated that increased partnership for the institution in its social impact work, by 32%, is the most significant result they have realised from their practice.

Such respondents indicated their increased recognition for their giving practises and such they have gained trust capital. Giving practice have opened new doors to harness new partners for collaboration. Following closely, 31% of respondents revealed

that recognition of the organisation to the target population was their most significant achievement.

Recognition by the target population demonstrates the change they are experiencing on the ground. The positive change improves trust capital, affirming the model of operation of institutional givers. About 10% of respondents cited the increased business for economic impact as their driving factor for impact.



Figure 29

Observing the disaggregated data, recognition of the organisation to the target population was popular among CBOs by 35%. This result is because CBOs operate at the community level, where trust capital is integral to their operation and success.

NGOs greatest concern was creating partnerships for the institution in its social impact work by 33%. The mechanisation of operation could explain this outcome. For NGOs, legitimacy is important.

The recognition helps NGOs to demonstrate their credibility. Even though NGOs have established mechanisms and systems for partnership, their partnerships are still flexible.

Societies seemed to have equal concern for increased recognition, increased partnerships, and improved target’s population access to social services at 31%. This result demonstrates the generous nature of societies.

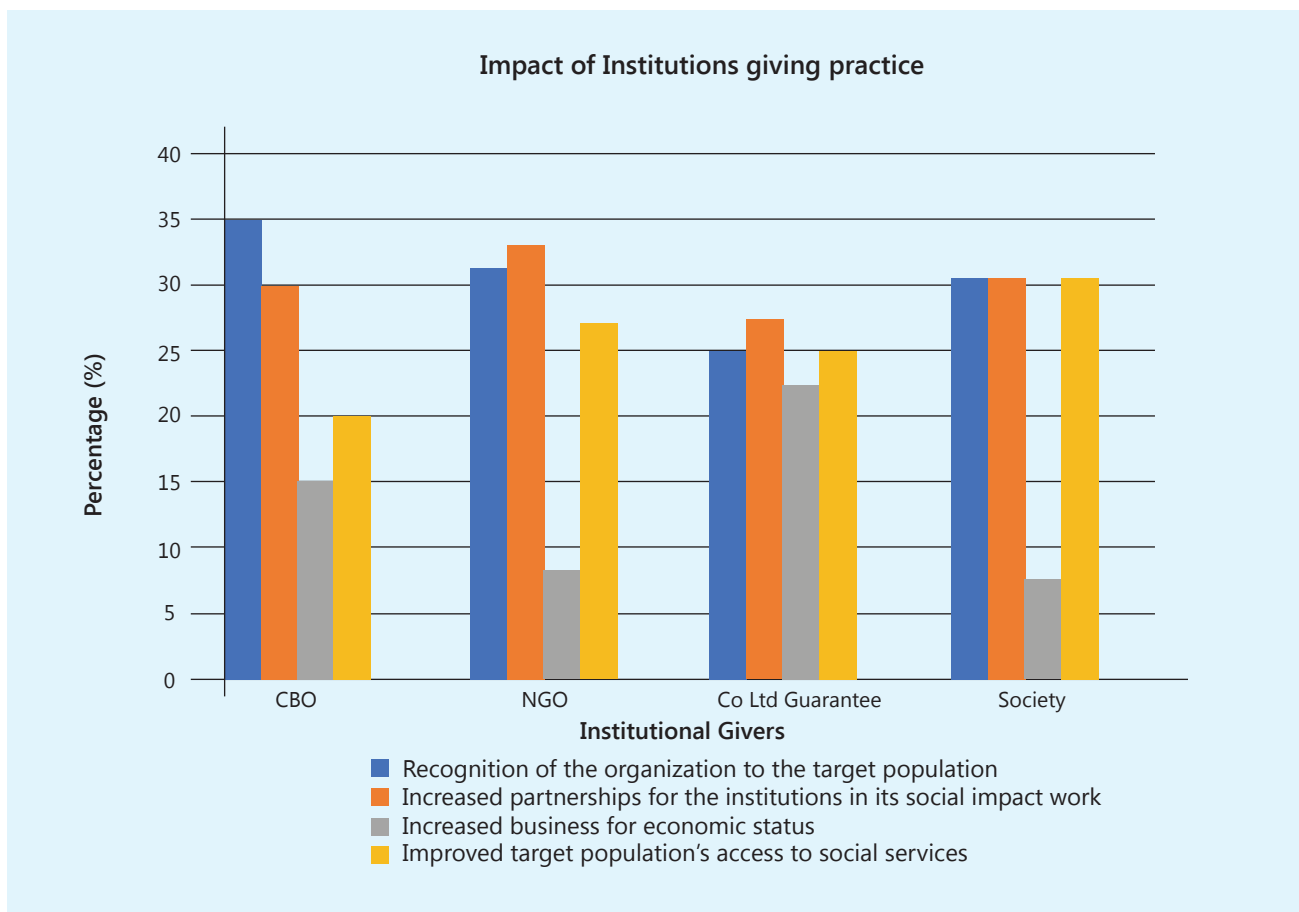


Figure 30

## 19. Areas of growth in Philanthropy

The survey data revealed that institutional givers' most cited growth area was establishing a learning platform at 28.7%, closely followed by institutional building at 25%. The need to strengthen policy

analysis and advocacy came third at 25%. Establish a robust research mechanism, especially in the aspect of data collection, was the least recognised area of growth at 21.6%



**28.7%**

### *Learning platforms*

Most institutional givers have focused more on their giving practices, but currently, there is a thirst for more knowledge to help strengthen the practice. At the level of local organisation, there is a clear demonstration of knowledge gaps to link them up with the larger ecosystem of giving.

The increased need for awareness of what is happening in the larger system and how they can contribute exposes a need for a learning platforms that contribute to the growth of the giving institution.



**25%**

### *Institutional and Alliance Building*

There is an increased need to partner with like-minded peers for effectiveness and enhanced visibility. The emerging realisation among institutional givers is the role of partnership in enhancing growth within the philanthropy sector.



**25%**

### *Strengthening policy analysis and advocacy*

There is increasing interest to participate in shaping the environment which governs and regulates philanthropy. The environment shapes how institutional givers thrive.



**21%**

### *Research and data collection*

There is a limited understanding of the importance of research.

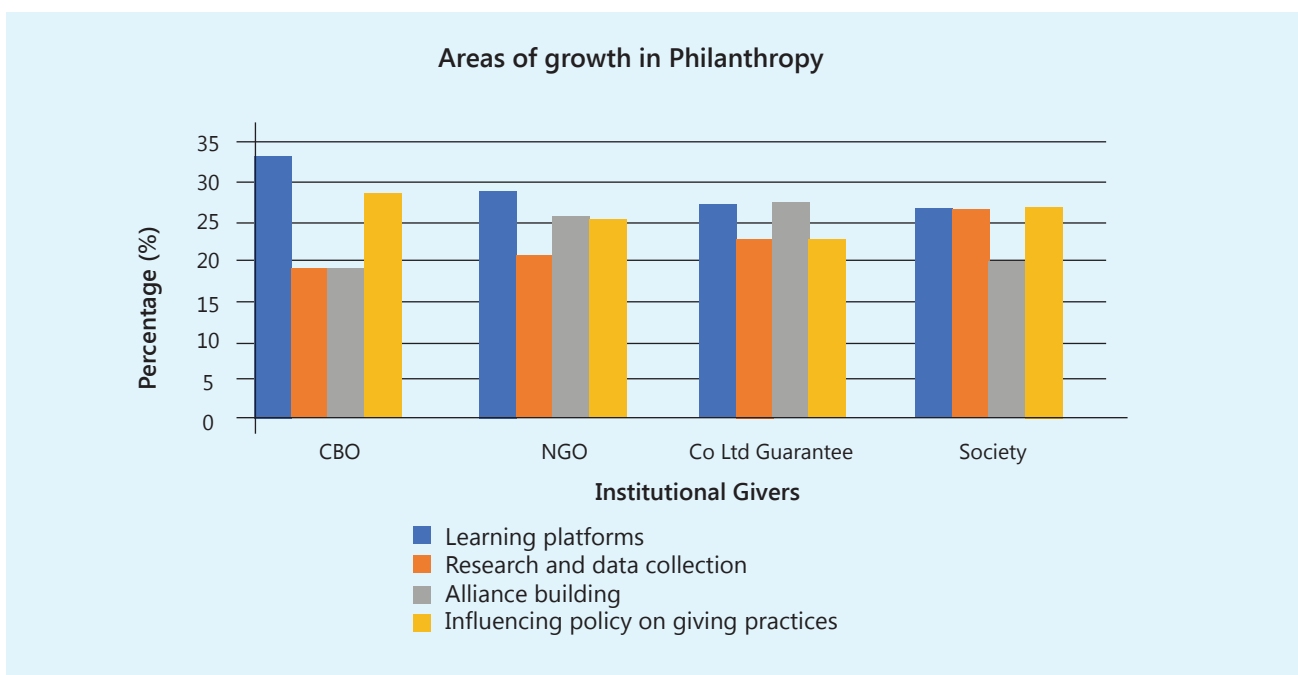


Figure 31

## CONCLUSIONS AND RECOMMENDATIONS

The findings demonstrate that institutional giving is on a growth curve – with philanthropy actors seeking to strengthen their systems and structures to capture the growing opportunities for local giving and respond to the exiting challenges.

The limitations faced in the study, the unwillingness to share indepth information from some respondents, dearth of sufficient data to back the participation of some respondents as well the turn around time for some them is evidence of the need to support the philanthropy institutions in the region to sufficiently pursue and fulfil their mandate.

This study points out the need for further research and build on local knowledge systems; to ensure that the robust giving practices continue to get recognised and there is enhanced visibility of their contribution to development in the region. The study further reveals the urgency to ensure that the context in which local giving seeks to become is conducive to its growth and long-term existence.

Below are some proposed recommendations towards supporting the future of philanthropy in East Africa and its subsequent growth.



### Enabling Environment

- There is a need to establish a guideline at the East African level that informs the national legal frameworks. This will enhance recognition and collaboration at the sector level.
- Technology plays a critical role in emerging giving practices.
- The growth of philanthropy capital depends on:
  - ◆ Moving towards long term investments and expanding its perspective on impact – have systems that support long term change, not just the immediate needs.
  - ◆ Tapping into the growing potential of individual giving
  - ◆ Exploring its flexibility towards innovation and creativity and taking the lead in demonstrating partnerships that promote systemic change.
- Growing local ownership is recognising:
  - ◆ The future of philanthropy is in communities – but will need the capacity to anchor, mobilise resources and nurture alternate leadership.
  - ◆ Reviewing the partnership model for special interest groups from “recipients of support” to “a partner bringing change”.
  - ◆ Building a local support base, building a local constituency for civil society action, getting people to think, engage with and care about a cause. Philanthropy must investigate the ecosystem of community mobilisation of resources continually. The growth of community philanthropy is the future of changing society.



### Alliance Building

- Philanthropy must invest in partnerships and collaborations.
- As an effective way for organisations to increase their impact and engage a broader audience on a key issue. Philanthropy is uniquely positioned to drive innovative strategies and improve the alignment of investments to enhance collective impact around a shared mission - promoting partnership with the private sector, government, or even another foundation.



## Strengthening Philanthropy Capabilities

- Philanthropy leadership and governance must seriously consider how they are managed and governed to maximise local skills and talents.
- Members of the community will support and give organisations ready to account and conscientiously manage whatever resources are put at their disposal.



## Knowledge Management

- There are opportunities to grow knowledge hubs at the national level, share facts on the philanthropy sector, further facilitate narratives of giving practices in the East Africa region. This will demonstrate the value philanthropy brings in the larger development agenda.
- ◆ Knowledge hubs are necessary to harness the appreciation and use of technology as a tool to support philanthropy.

The state of institutional philanthropy in East Africa 2021 report confirms that philanthropy is on an upward trajectory.

However, to realize its maximum potential, actors need to address the factors that foster a conducive environment for philanthropy to thrive. The sector will also need to prioritize partnerships and collaborations to be able to amplify its collective voice and align investments for greater impact. Building local skills and capabilities, as well as investments in knowledge generation, dissemination, and learning, will also be critical towards ensuring philanthropy is recognized as a key driver for social change in the region.







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