



African  
Philanthropy Forum



# HARNESSING THE POWER OF AFRICAN PHILANTHROPY TO FUND AFRICAN ORGANISATIONS

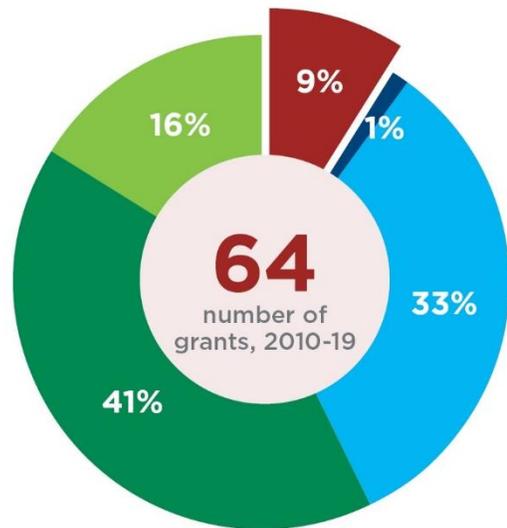
Gerhart Center Webinar Series

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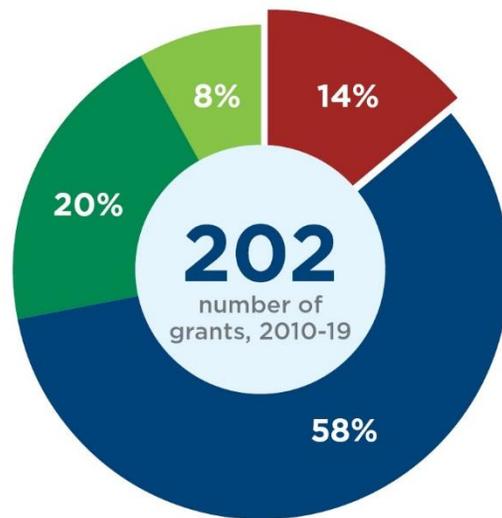
October 13, 2021

# Bridgespan research last year indicated a **funding disparity** faced by African organisations, from both African and non-African philanthropic funders

## Large gifts by African and non-African funders (2010-2019)

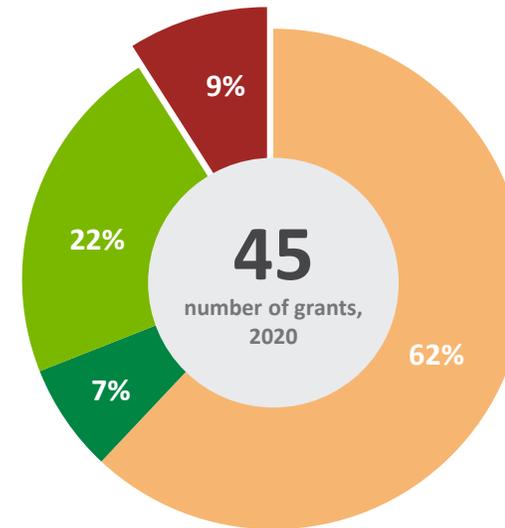


**African Funders**  
\$1.0B



**Non-African Funders**  
\$6.5B

## Large gifts by African funders (2020)



**African Funders**  
\$0.3B



Note: Substantial gifts include grants of more than \$1M for African funders, and over \$10M for Non-African funder. "Public sector" refers to government departments/ministries and other publicly-owned organisations; "Operating foundations" includes instances of philanthropists funding programs which they implement directly (rather than grantmaking); "Local organization" includes grantee organisations headquartered in Africa (including NGOs, academic institutions); "International organisations" includes grantee organisations headquartered outside of Africa (e.g., international NGOs, multilateral institutions); "Other" category includes gifts made to for-profit entities, funds, and gifts made towards unspecified uses.

Source: Bridgespan analysis, based on sample of 63 gifts made by African funders to causes/organisations in Africa; all gifts made between the years 2010-2019



## About our partnership

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**Our organisations partnered together to better understand this dynamic** and identify ways to increase funding for African NGOs

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- African Philanthropy Forum was established in 2014 and is **one of Africa's largest philanthropic networks**
- Founded in 2000, Bridgespan is a **leading social impact advisor** to nonprofits and philanthropists
- We came together because of a **shared commitment to strengthening philanthropy as a pathway to creating social impact** on the African continent
- **We bring diverse vantage points to the topic**, which enabled us to paint a holistic picture of the complex funding landscape in which African NGOs

Photo: Friendship Bench, a mental health services provider in Zimbabwe, could bring community health workers to more African countries if it were able to overcome funding disparities from philanthropic sources. (Photo: Constantine Juta)

# Our organisations partnered together to better understand this funding disparity and identify ways to increase funding for African NGOs

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**Interviewed over 60 stakeholders,  
~60% identified as African nationals**



**Conducted a survey with  
50 respondents**

## Our interviewees and survey respondents included:

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**African and non-  
African funders**

**African  
NGO leaders**

**Africa-focused  
INGO leaders**

**Researchers**

**Intermediaries**

# While there is no singular definition of 'African NGO', interviewees offered important parameters, centering on where decision-making sits



## Questions to consider:

### Leadership team

- What is the identity of the founder?
- What is the identity of the leader?
- What is the level of African representation on the Leadership Team?

### Board and governance

- What is the level of African representation on the Board?
- Where is the Board based?
- Do local Boards have decision-making authority?

### Operating model and decision-making structures

- To what extent are practices & processes shaped by the local context and culture?
- What decision-making authority is given to teams in Africa?

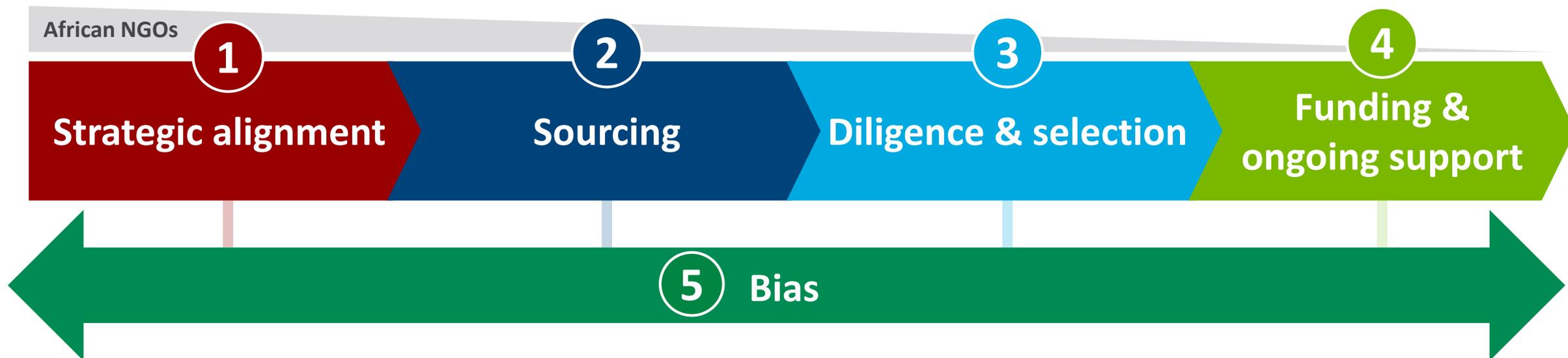
### Community engagement

- Does the organisation seek community input on its initiatives?
- To what extent does the organisation work in partnership with communities

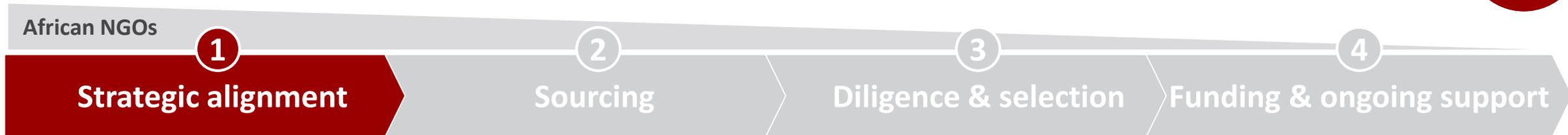
### Headquarters location

- Is the headquarters located in an African country?

# Barriers keeping more money from flowing to African NGOs exist across the grantmaking process; several **solutions exist** to address these barriers



# Strategic alignment



## Barriers

Many funders either have **no intention or stated strategy to fund African NGOs**, or they fail to put appropriate goals and processes in place

## Potential solutions

- **Review your portfolio** and practices to identify and diagnose problems
- **Set clear goals** around funding African NGOs
- **Be clear about the differential value and associated tradeoffs** and make intentional decisions across your portfolio





## Barriers

Funders struggle to identify and effectively source African NGOs. >70% of our survey respondents identified sourcing as a top barrier to funding African NGOs

## Potential solutions

- Tap into local sourcing networks
- Invite African NGOs and leaders to networking events and forums
- Build organisational capacity to accept grant proposals in local languages
- Accept equivalency determinations where international registration is a requirement

# Diligence & selection



## Barriers

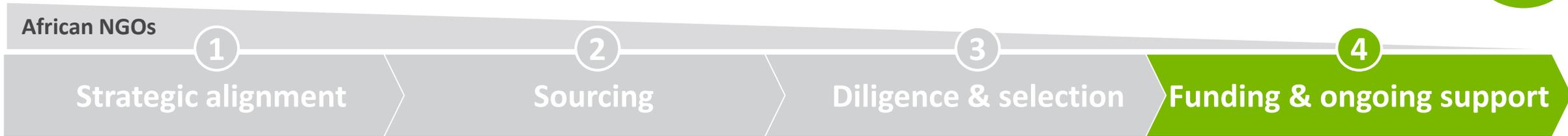
When an African NGO has made it through the sourcing process, **it often falls out of contention during the diligence and selection process**

## Potential solutions

- **Revise grantmaking criteria**, recognising and rewarding the unique assets of African NGOs
- **Address systemic barriers** in the diligence process
- **Increase decision-maker proximity** to African NGOs
- Assess whether reporting requirements are **unjustifiably burdensome**

5 Bias

# Funding & ongoing support



## Barriers

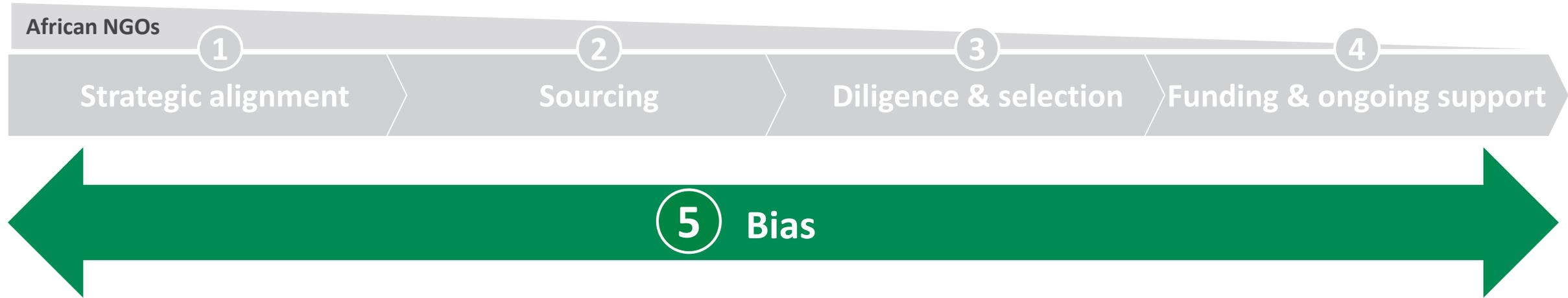
When African NGOs secure funding, they often receive **small, short-term, restricted grants**. This precludes NGOs from investing in building strong organisations and thus doesn't support long-term sustainability

## Potential solutions

- Use forward-looking data to ground investments
- **Rethink absorptive capacity** with a multiyear frame. Instead of withholding transformative funding, span it over several years
- **Give unrestricted funding** so that African NGOs can invest in building strong, resilient organisations

5 Bias

# Bias



## Barriers

Bias, whether based on race, culture or a preference for working with familiar organisations is as a significant barrier which **often drives a lack of trust in local leaders and their organisations.**

## Potential solutions

- **Actively ensure diversity and representation** in leadership and decision-making structures
- Transform teams through **training**
- **Institute systems and checks** to catch and address bias in decision-making