

10. Improving coordination between multilateral institutions and philanthropists: a view from high-net worth individuals

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INTRODUCTION

No one was ready for the Covid-19 pandemic. In some countries Covid-19 was an existential threat. In many instances, societies globally, and especially in Africa, do not have mechanisms to respond to crisis moments caused by natural disasters such as flooding, outbreak of diseases/pandemics and other major disruptions. Africa has had some form of preparation for these challenges from the days of Ebola (Liberia, Sierra Leone, and DRC), flooding (Sierra Leone), and cholera/typhoid (DRC and Zimbabwe). Since the turn of the century, most of Africa's responses to disasters have also been associated with local resources. There are many instances where Africa's High-Net Worth Individuals (HNWIs) have lent support at the time of need.

In 2012, the Dangote Foundation worked together with the Bill and Melinda Gates Foundation in the eradication of polio in Nigeria.¹ The same Aliko Dangote-led Foundation also contributed towards the Wellcome Trust's research on Ebola.² At the peak of the Ebola outbreak in West Africa in 2014 the then Chair of the African Union (AU) mobilised a consortium of African HNWIs working alongside the AU to fight the spread of Ebola.³ In 2014 Patrice and Precious Moloi gave US\$10 million to the Global Fund (Schwier et al., 2020). In Zimbabwe, Tsitsi and Strive Masiyiwa have become synonymous with emergency responses. In 2018 they led the fight against the spread of cholera and in 2019/20 they made a major contribution in the response to the effects of Cyclone Idai.⁴ These African HNWIs were also called upon to give in response to Covid-19. However, the response indicates high levels of ad hoc action in responding to disasters and in many instances, philanthropists looking inward, focusing on their home countries. Other studies and expert

opinions have renewed calls for sustainable and predictable giving in response to emerging disasters.

The purpose of this chapter is, on the one hand, to shed more light on how HNWIs actually engage in philanthropy and, on the other hand, to understand the extent to which they have collaborated with multilateral institutions (MLIs). It discusses in detail the ways in which HNWIs spread across the continent have collaborated with official processes of development at national and regional level. Furthermore, the chapter will through case study analysis examine the extent to which the AU has and can improve coordination for philanthropic investments. One of the most important questions to raise is what the collaboration between MLIs and Africa's HNWIs looks like. In this chapter I will examine the current forms of collaboration between HNWIs and MLIs.

BACKGROUND

Africa has traditionally been a major recipient of philanthropic support from outside the continent. However, the fact that Africa is donor dependent is a contradiction. It is both the richest continent and also the poorest. Whilst it accounts for 13 per cent of the world's population it only contributes 2 per cent to the global GDP. Despite its own traditions of giving (which manifest as Ubuntu in Southern Africa, Harambee in East Africa, susu and many other forms of solidarity elsewhere) and numerous philanthropy related initiatives and investments in Africa, the continent remains highly underdeveloped with some regions experiencing fragile peace, high levels of food insecurity, and poverty. Africa has in the past received significant amounts of support for both its liberation and also post-colonial development through philanthropy.

There is renewed optimism for Africa – some have already claimed the twenty-first century as Africa's century popularly coined as 'Africa Rising'. It is also in this context that we ask: does Africa need philanthropy then – if it is indeed rising? The continent cannot, unfortunately, deliver on her potential alone – she needs a capable midwife. Could philanthropy be that midwife, working towards the birth of the new? However, given the past failures of the philanthropy and development projects, there is a need to rethink how to insert philanthropy into Africa's change processes. While philanthropy is potentially a force for good, it has its own challenges especially around power relations between the giver and the recipient, predictability, sustainability, conditionalities, and in some cases its relevance.

There is a new set of players in the form of Africa's HNWIs and the foundations they establish. The majority of these foundations were established in the 1990s and have been involved in high profile giving. It is not yet clear if these forms of giving provide an alternative to the mainstream aid mechanisms. Furthermore, the ways in which they engage with the expert institutions that

have been at the centre of a decades-old battle to help Africa make the leap from underdeveloped to developed have not been adequately examined and discussed.

First, it is important to understand how HNWI philanthropy is actually organised. Giving by Africa's HNWIs has a longer history than previously acknowledged. African societies like many others elsewhere have always been differentiated. The rich African with more land and cattle than others, is a pre-colonial phenomenon (Scoones et al., 2012). Their exploitation of labour (family and hired) to expand their enterprises is well recorded but records of their giving remain anecdotal. Terms such as *hurudza* (Shona for rich farmer) and *inkinsela* (Zulu for rich man) suggest that the wealthy have always existed alongside the poor within communities. Studies of rural differentiation have demonstrated the extent to which the wealthier sections of societies provided philanthropic support by creating labour opportunities, providing transportation, and general support.

Tsitsi Dangarembga's novel *Nervous Conditions* (1988) provides a depiction of how philanthropy was practised by the rich or better off in an African society. In it, she explores the pitfalls of 'know it all' approaches that philanthropists are prone to making. Furthermore, ancient African history is replete with legends of the wealthy and their philanthropy. For instance, the fabulous gifts of gold and precious stones that the Queen of Sheba brought King Solomon during her visit to Jerusalem in the tenth century BCE grew into folklore about the land of Ophir in Africa (Meredith, 2014). Mansa Musa (1280–1337), king of the Mali empire, is reputed to have been the richest man in history with an inflation adjusted net worth of US\$400 billion⁵ which was higher than John D. Rockefeller's inflation-adjusted net worth of US\$340 billion. He was responsible for a lot of buildings including mosques and madrasas in Gao and Timbuktu – the most famous piece of construction being the Sankore Madrasah (University of Sankore). It is through such narratives that we learn of the existence of extremely rich individuals on the continent of Africa and by extension also assume that they were indeed involved in giving.

Thus, instead of pursuing exceptionalism around today's giving by the wealthy, there is need to view continuities within Africa's history of philanthropy and to insert these giving practices of rich Africans within a global narrative. Private enterprise in Africa, like elsewhere, has yielded class differences characterised by growing inequalities and just like many other parts of the world some of the rich have given to public causes whilst others have chosen not to. Admittedly we do not have sufficient data to measure their contributions but instead we make the point that the current wave of Africa's ultra-rich giving to public causes is not necessarily new although the amounts are probably bigger.

It is perhaps the unprecedented high levels of giving by Africans that herald the arrival of Africans on the philanthropy stage which has led many scholars and observers to believe that this could be the moment for the rise of African philanthropy. Even the African Union has been caught up in the excitement of establishing its own foundation with the goal of reducing dependency on resources from the Global North. Moyo and Ramsamy (2014) argue that this is the time to consolidate on the momentum generated over the last decades specifically for African philanthropy and its role in development.

As of January 2021, Africa had 18 billionaires, worth an average of US\$4.1 billion. These billionaires are spread across the continent but concentrated in Nigeria, Egypt, Kenya, and South Africa. According to Dawkins et al. (2021), the majority of these are first generation billionaires except for Nicky Oppenheimer who inherited a stake in diamond firm DeBeers and ran the company until 2012, when he sold his family's 40 per cent stake in DeBeers to mining giant Anglo American for \$5.1 billion.⁶ By the close of 2020, there were no female billionaires. The previous list of billionaires included Folorunsho Alakija of Nigeria and Isabel dos Santos. According to Dawkins et al., Folorunsho Alakija who owns an oil exploration company, dropped below \$1 billion due to lower oil prices. Isabel dos Santos, who since 2013 has been the richest woman in Africa, was knocked from her perch by a series of court decisions freezing her assets in both Angola and Portugal.

Earlier studies carried out by TrustAfrica in collaboration with UBS (a private Swiss bank) in 2015 indicated that giving by foundations established by high-net worth Africans is now around US\$1 billion.⁷ The BridgeSpan (2021) study found 63 large gifts made by Africa's HNWI's totalling over US\$1 billion made between 2010 and 2019 (Schwier et al., 2020). Some of the high-profile gifts made by billionaires include the US\$100 million donation made by Aliko Dangote to address malnutrition in Nigeria (Schwier et al., 2020, p. 11). Strive and Tsitsi Masiyiwa also made a combined donation of US\$70 million to address the cholera outbreak in Zimbabwe.

The discussion in this chapter is not only about the billionaires but other HNWI's as well. These comprise individuals or families who earn at least US\$1 million per year or have assets of equivalent value. The AfrAsia Bank's 2019 *Wealth Report* provides insights into varying levels of HNWI's spread across Africa. According to the report, there are approximately 140,000 HNWI's living in Africa, each with net assets of US\$1 million or more. There are approximately 6,900 multi-millionaires living in Africa, each with net assets of US\$10 million or more. There are approximately 310 centi-millionaires living in Africa, each with net assets of US\$100 million or more. It is further projected that Africans with assets worth more than \$30 million will double by 2025, a growth of 59 per cent over the next ten years compared to the global figure of 34 per cent (Capgemini, 2016). One of the important lessons from the

previous decades has been that as the number of wealthy individuals /families/ corporations grows there is high likelihood of an increase in the amounts set aside for philanthropic causes. We are thus in the middle of a growing sector which we know very little about. Studies carried out to date (Murisa, 2018; Schwier et al., 2020) have concluded that giving by HNWI is characterised by the following:

- donors give mainly within their own countries;
- the majority of donations go towards social services and welfare relief;
- the majority of the large gifts are directed to the public sector and their own operating foundations;
- they prefer to give anonymously, and their religious values play a huge role in determining the causes that they support; and
- very limited funding goes to non-governmental organisations (NGOs).

Furthermore, an earlier study carried out by TrustAfrica and UBS focusing on the giving habits of approximately 40 HNWI's spread across the continent found amongst other things that they were actively giving within their extended families (19 per cent), communities (12 per cent), and beyond (26 per cent) in the same period (Mahomed et al., 2014). They do not only give through their foundations but also use informal channels. Their giving is also embedded in beliefs and cultural practices. The majority give to health, education, and poverty reduction related causes. The majority have made investments in the education area either through building schools or refurbishing those that currently exist. Other interventions in the domain of education include the purchase of textbooks, providing meals to learners and more recently we have seen innovations such as integrated technology-based learning platforms such as the one developed by Higherlife Foundation, and after-class learning innovations. Some of the more visible actors carrying out service delivery within the education space include the TY Danjuma Foundation, Mohammed Dewji Foundation, Higherlife Foundation, and the Motsepe Foundation. Table 10A.1 in the Annexe to this chapter shows the spread of foundations established by African HNWI's across the selected countries and the causes they are championing.

However, there are still challenges to do with African HNWI philanthropy. The majority of the foundations established by HNWI's do not have consistent and transparent grant-making programmes compared to their Global North counterparts except for a few such as the Tony Elumelu and TY Danjuma Foundations. The majority either support government processes or prefer to implement on their own. Very few NGOs receive more than 50 per cent of their budgets from Africa's HNWI's and thereby curtailing prospects for transforming current NGO-donor relations. As of 2018 only two African HNWI's

had endowed their foundations – the others remain dependent on either the parent company allocating a percentage from their profits or literally a decision by the founder on how much the foundation should receive. In some instances, the largest HNWI gifts are made outside of their foundations. Furthermore, one would assume that charity begins at home in terms of giving. There have been a number of large gifts donated by Africa's HNWIs to organisations outside of the continent. In 2019 Aliko Dangote donated US\$20 million to the Africa Centre in New York City focused on accelerating change in global narratives about Africa in policy, business, and culture. Earlier on, in 2016, the Nigerian billionaire Mohammed Indimi also made a donation to Lynn University in the United States.

MULTILATERALS IN AFRICA

On the other hand, multilateral institutions have a long history of deploying development solutions across the continent. They mostly mobilise resources from donor countries and other big private philanthropy foundations. However, the terrain occupied by MLIs is highly contested. Over the years, these MLIs have become large bureaucracies at times with access to more resources than those of a national government. They have indeed and continue to play a large role in terms of promoting certain development outcomes. They crowd out local responses and where possible subcontract some of their work to local NGOs. They are rarely influenced by national processes but rather they bring the international into the local. Furthermore, despite the numerous vast amounts of resources that these MLIs have deployed, the continent remains highly underdeveloped with some regions experiencing fragile peace.

It is important, as a starting point, to note that multilaterals have mostly been vehicles for the distribution of official development aid (ODA). The purpose of ODA is multifaceted. It ranges from governance reforms, infrastructure development, and enhancing production capacities in many economic subsectors, to poverty reduction and improved access to healthcare. In many instance the design of ODA funded initiatives is influenced by the donor country's foreign policy interests. Multilateral institutions, especially the United Nations family institutions such as the UNDP, UNICEF, WHO, UN Women and many others have designed their interventions within the confines of those interests. Instead of a sectoral analysis of the contributions of ODA to Africa, I focus on the theoretical/ideological underpinnings of this assistance and also argue that there is a disconnect between what ODA-led multilaterals are offering/focusing on and the real challenges that African countries have to address. Challenges in Africa are mostly systemic and structural in nature, requiring, on the one hand a radical restructuring of the international governance framework especially around global trade, governance of international investments (curbing illicit

financial flows), and providing policy space for African governments to innovate in social policy and also their economic policies. On the other hand, challenges in Africa are also domestic – there is a need for internal reforms of political and economic systems (at national and regional levels). ODA-led multilateral interventions have, to their credit, attempted to contribute to some change but the results have been uneven and at times disappointing.

At the centre of ODA is an unimaginative linear process-like form of development or a ‘catch-up’ approach to a defined picture of the developed. In this line of thinking Africa is underdeveloped and it needs an accelerated process of growth through a process of modernisation. ODA has mostly been influenced by modernisation theorists who sought to devise ways to transform Africa (or the Third World in general) into capitalist societies. They advanced a set of neoclassical economic prescriptions which reflected their unbridled faith in technology and capitalism to promote the agenda of ‘progressive Africans’ and ‘rational economic men’. Such a position fails to recognise or acknowledge that there are many paths to attaining development rather than the straitjacket approach based on markets and growth.

We must acknowledge that within the modernisation framework some success has been achieved. However, if economic growth alone was the missing element Africa would have by now probably overtaken other developed regions. Indicators of growth, such as GDP, across most of Africa have been positive and in some countries in the double digit zone for close to a decade but even a recent issue of *The Economist*, a traditionally pro-market magazine, acknowledged that GDP alone is not a sufficient indicator of growth.

Unfortunately, Africa is nowhere close to poverty reduction despite the positive economic growth. What has transpired is the widening of the gap between the very few rich and the many poor. Interestingly, there is a huge focus on the growing middle class instead of the equally if not faster growth of groups living on less than a dollar a day at the ‘bottom of the pyramid’ (BoP). The widening income gap is not unique to African development, but rather global inequality has been increasing significantly (UN Department of Economic and Social Affairs, 2020). Today, it is abundantly clear that, left on their own, markets are not guaranteed to allocate resources in a way that works for everyone. Instead, we have seen a tendency to concentrate benefits in fewer hands resulting in deeper inequality. It has been suggested that inequality is not a sign of a problem in a capitalist economy, but rather a result of a healthy capitalist system. Could it be that we need the state now more than ever especially in Africa to anchor the national consensus and safeguard public interest around an inclusive agenda for economic and social justice?

ODA, unfortunately, given its links and role it plays in promoting the foreign policies of rich countries may be constrained from playing a significant role in

Africa's quest for structural transformation. Perhaps the big question (beyond the discussion in this chapter) is whether the emerging HNWI's philanthropy could contribute towards shaping a new order. Is it desirable for Africa's HNWI's to seek relationships of collaboration with a compromised multilateral institutions-led development system? Could it be that these HNWI's and the foundations they establish can promote a new public discourse that promotes an alternative approach to development? Whilst it is seemingly desirable for HNWI's to partner with these MLIs, critical questions such as 'who will set the agenda' arise when considering these collaborations. The discussion will focus on the work of multilateral institutions such as the African Development Bank, Africa's Centres for Disease Control, the World Bank, and the United Development Programme (UNDP).

The chapter will focus on the relationships forged between HNWI's and MLIs. These relationships take on many forms beyond just the flows of money from HNWI's to recipient multilaterals. We have noted at least five ways in which HNWI's engage with multinationals. These are discussed in detail below.

HNWI's as Co-Funders in the Response to Covid-19

One of the most obvious roles expected of HNWI's is their signing of cheques towards important causes. There is no Pan-African fund for the mitigation of disasters across the continent. However, despite the lack of a continent-wide response to Covid-19, HNWI giving has been at its best. In just one year, in response to a pandemic that threatened livelihoods across the continent, African philanthropists gave seven times the annual average number of large gifts for the previous decade.⁸ No other disaster in the past 10 years attracted this magnitude of funding (Bridgespan Group, 2021). However, the philanthropy by HNWI's has mostly gone native. Giving was local, even while the virus was everywhere at once and despite the outpouring of philanthropy, the continent's local NGOs received less than one out of every ten large gift dollars granted (Bridgespan Group, 2021). In many instances HNWI philanthropy has focused on in-country initiatives. The three countries with higher densities of HNWI giving – Kenya, Nigeria, and South Africa – were able to establish collaborative relief funds in response to Covid-19. In South Africa, HNWI's such as Patrice Motsepe, Nicky Oppenheimer, Johann Rupert, and Mary Oppenheimer each pledged US\$67 million to help establish the Solidarity Fund.⁹ The Solidarity Fund is a collaborative platform designed as a rapid response vehicle to mobilise South Africa in the fight against the Covid-19 pandemic. The fund mobilised approximately ZAR3.2 billion and a significant portion of these funds came from HNWI's. In Kenya President Uhuru launched the Kenya Covid-19 Fund which managed to mobilise US\$3 million. Tony Elumelu of Nigeria donated US\$14 million through United Bank for Africa

to Covid-19 response across 20 African countries including the US\$500,000 earmarked for research at the Nigeria Centres for Disease Control.

Aliko Dangote, working alongside the Access Bank Group, launched the Coalition Against Coronavirus (COCAVID). Dangote helped initiate the campaign to raise N30 billion (\$78.8m) from local donors to finance more than 2,100 intensive care beds, 600,000 test kits for distribution around the country, and a food relief programme.¹⁰ The other donors that came alongside to support COCAVID include the founder of Globacom and third-richest African, Mike Adenuga, who donated N1.5 billion, alongside the industrialist Abdul Samad Rabiu, the managing director of Access Bank, Herbert Wigwe, the oil baron Femi Otedola and the vice chairman of Famfa Oil, Folorunsho Alakija, each of whom contributed around N1 billion.

In Egypt Naguib Sawiris donated over E£100 million (\$6.4m) through his foundation. The donation provided support to the Egyptian health ministry and poor families in response to Covid-19. In Zimbabwe, Strive Masiyiwa helped end a four-month-long strike by doctors over poor pay by offering them a \$300 monthly subsistence allowance. He took the lead in helping the country prepare for a wider outbreak of the coronavirus. Most doctors in the country only returned to work after the establishment of a fund to cover their subsistence and transport costs. Through his Higherlife Foundation, a charitable organisation, Mr Masiyiwa secured 45 ventilators to equip Zimbabwe's public hospitals. At the time, he hoped the intervention would inspire other business-people and companies to come to the rescue of the country's struggling public hospitals. Strive also donated 100,000 test kits.

Prior to the Covid-19 outbreak Strive and Tsitsi Masiyiwa had donated US\$60 million towards the cholera response in Zimbabwe. Their company, Econet Wireless, had initially donated \$10 million in September 2018 as part of an effort to help government's efforts in responding to the cholera outbreak. Almost half of this had been spent by February 2019, and the Masiyiwas committed to expand these funds by \$60 million of their own funds, to be spent over the next five years. Since the 2018 outbreak, the government of Zimbabwe led a massive effort to contain the spread of cholera.¹¹ The swift action in releasing funds was critical for success. The US\$60 million commitment supports a wider cholera initiative, also referred to as the 'End Cholera Now: The 10-Year Promise' campaign. It has grown into a collaboration with the CDC office in Zimbabwe, the ministry of health and a national taskforce on cholera elimination, with support from Higherlife Foundation. The work of the taskforce is guided by the World Health Organization's Global Cholera Roadmap for Ending Cholera by 2030, and Zimbabwe's Vision 2030 Framework.

HNWIs as Advocates Focused on Multilateral Agencies' Responses

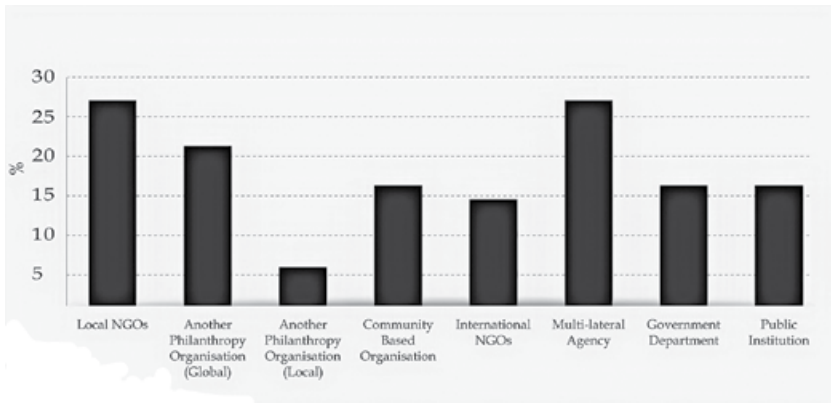
At the beginning of the spread of Covid-19 across the world, the African Union appointed Strive Masiyiwa of Zimbabwe, Dr Ngozi Okonjo-Iweala, Dr Donald Kaberuka, Mr Trevor Manuel and Mr Tidjane Thiam to be the African Union Special Envoys. Strive Masiyiwa was tasked to coordinate the continent's Private Sector Initiative to Procure Personal Protective Equipment (PPE) and other essential supplies. The other envoys were responsible for mobilising resources. Besides being a major funder of the response to Covid-19 in Zimbabwe, Strive had to become a coordinator of a Pan-African initiative working alongside the AU Chair and the Commission. Strive approached the World Bank's International Finance Cooperation to consider a Marshall Plan approach response to resuscitating a Covid-19 ravaged private sector. As AU envoys, they highlighted the need for a job stimulus programme of \$100 billion for Africa through special drawing rights at the IMF. Their advocacy reached to the Global Fund and GAVI and the Vaccine Alliance to make special concessions for African countries. Strive also campaigned for a special facility for Sudan and Zimbabwe. These two countries are under a variety of sanctions and there was a concern that they could be left out of the support facilities developed by Western countries.

HNWIs as Collaborators with Multilateral Agencies

There is an increased recognition amongst philanthropy organisations and even within NGOs that their effectiveness is limited by many factors especially when attempting to address structural issues that have hindered the transformation of Africa. There has emerged a body of literature that is based on evidence and makes a strong case for collaboration to create synergies (Murisa, 2018; Schwier et al., 2020, p. 11). Collaboration has also been a tool to broaden prospects of mutual learning, spreading risk and tapping into skillsets and expertise that are not ordinarily resident within one organisation.

We set out to find out if African foundations are engaged in any forms of collaboration with each other or with any formations such as global philanthropy foundations, NGOs, government agencies, public institutions, and bilateral and multilateral agencies. The levels of collaboration are low across the board (see Figure 10.1). We found that the most common form of collaboration is with local NGOs and multilateral agencies followed by collaborations with global philanthropy foundations. There is very limited collaboration amongst African philanthropy organisations. Murisa (2018) found that there is limited collaboration amongst the philanthropy organisations suggesting possibilities of 'silo' based interventions. It is significant to note, however, that there are

some organisations that are collaborating with government departments and public institutions.



Source: Murisa (2018).

Figure 10.1 Collaborating partners

There are many HNWI established foundations that are engaged in various forms of collaboration. Strive Masiyiwa as the special envoy for AU worked with representatives from the Africa Centres for Disease Control (CDC), the United Nations Economic Commission for Africa (UNECA), and the Afreximbank, towards putting together an agreement that was signed for Johnson and Johnson to manufacture 400 million doses of vaccine for Africa.¹² The Mo Ibrahim Foundation, in partnership with three multilateral organisations, the AfDB, UNECA, and the World Trade Organization (WTO), established the Ibrahim Leadership Fellowships Programme. The Fellowships Programme is aimed at preparing the next generation of outstanding African leaders by providing them with unique mentoring opportunities.

The Ibrahim Fellows are selected by the institutions in conjunction with the Mo Ibrahim Foundation and they take part in a 12-month fellowship with one of the participating organisations. They are mostly young professionals, mid-career and new executives under the age of forty, or forty-five for women with children. The Fellows are mostly nationals of an African country with 7–10 years of relevant work experience and a master's degree. During their fellowship they support the work of the institution to further promote the economic development of the continent.

Speaking on behalf of the AfDB, President Donald Kaberuka said:

The Ibrahim Fellowships Programme will ensure there is a growing pipeline of future African leaders who have the experience and ability to build strong African economies. The African Development Bank is delighted to host one of the first Ibrahim Fellows.¹³ (AfDB, 2011)

Expressing his support for the new programme, Abdoulie Janneh, Executive Secretary of UNECA said:

We are proud to be an inaugural partner of the new Ibrahim Fellowships Programme. We share Mo Ibrahim's determination to inspire outstanding leaders in Africa and expose them to the challenges of African integration. This programme is another step towards a better future for our people.¹⁴ (AfDB, 2011)

The Tony Elumelu Foundation collaborates with the AfDB, the European Union, Agence Française de Développement, the German Agency for International Cooperation, the UNDP, and the International Committee of the Red Cross.¹⁵ The foundation received a grant of US\$5 million from the AfDB to scale up its outreach and impact to 1,000 select youth entrepreneurs. The Bank's participation was meant to enable an additional 1,000 entrepreneurs to benefit from the Tony Elumelu Entrepreneurship Programme.

HNWI as Producers / Implementers

In many instances, discussions of Africa's HNWIs ignore the work of Mo Ibrahim because he is not based in Africa. Besides his geographical base, Mo Ibrahim is one of the few philanthropists who constantly engages with the African governance landscape and has worked closely with the African Union in terms of helping improve conditions of democracy, in particular ensuring that elected leaders adhere to term limits. Perhaps his lasting investment is the Ibrahim Prize which was introduced in 2007. It is awarded to a former Executive Head of State or Government by an independent Prize Committee composed of eminent figures, including two Nobel Laureates. The winner of the award is given US\$5 million. To date the following former leaders have received the prize: Nelson Mandela (2007), Joaquim Chissano (2007), Festus Mogae (2008), Pedro Rodriguez (2011), Hifikipunye Pohamba (2014), Ellen Johnson Sirleaf (2017), and Mahamadou Issoufou (2020).

Besides the Ibrahim Prize, Mo Ibrahim also funds the Ibrahim Index of African Governance (IIAG). The index is a tool that measures and monitors governance performance in African countries. The Mo Ibrahim Foundation defines governance as the provision of the political, social and economic public goods and services that every citizen has the right to expect from their

state, and that a state has the responsibility to deliver to its citizens.¹⁶ In the IIAG, country performance in delivering governance is measured across four key components that effectively provide indicators of a country's Overall Governance performance. The key components that form the four categories of the IIAG are Safety & Rule of Law, Participation & Human Rights, Sustainable Economic Opportunity, and Human Development. Each of these categories contain subcategories under which are organised various indicators that provide quantifiable measures of the overarching dimensions of governance. In total, the IIAG contains over 100 indicators.

Published since 2007, the IIAG was created to provide a quantifiable tool to measure and monitor governance performance in African countries, to assess their progress over time, and to support the development of effective and responsive policy solutions. The IIAG focuses on measuring outputs and outcomes of policy, rather than declarations of intent, *de jure* statutes, and levels of expenditure. The IIAG provides data measuring the governance performance across all the dimensions described above for 54 African countries for the years from 2008–2017. In order to provide a broad, documented, and impartial picture of governance performance in every African country, the indicators are collected from 35 independent sources. The entire index time series is updated every year to ensure that each new IIAG provides the most accurate data available.

Mo Ibrahim and his foundation have probably become one of the leading advocates for improved governance conditions on the continent based on the production of the IIAG and the follow up meetings to discuss the report. For instance, on 31 March 2020 the foundation launched its report examining the continent's readiness to tackle Covid-19.¹⁷ According to the foundation the report 'analyses Africa's readiness and capacity to manage the Covid-19 pandemic'. The report predicted that:

COVID-19's global reach will have a huge economic and wider impact on the entire African continent. Occurring later, it will isolate Africa from other recovering regions. On the continent, the pandemic will widen inequalities within and between countries, worsen already existing fragilities, restrict employment and investment prospects, and potentially fuel additional domestic unrest and conflicts.

Some of the findings of the report were that only 10 African countries provide free and universal healthcare to their citizens, while healthcare in 22 countries is neither free nor universal. It recommended that governments make swift improvements in handling and improving access to basic health services. The foundation called for a 'coordinated governance, improved health structures and better data to mitigate this crisis'. The foundation emphasised that 'sound and coordinated governance is needed across the continent'. It also reminded

African countries to draw from the lessons learned during the Ebola outbreak in 2015 and address the specific weaknesses of Africa's health structures, improve health systems and citizens' access to them, and more generally strengthen data and statistical capacity. On the foundation's website they have a number of Covid-19 related studies focusing on the youth, governance, and the relationship between Covid-19 and poverty.

Other Forms of HNWI Giving

The discussion has so far provided insights on giving by the billionaire sub-cluster of HNWIs. These have mostly set up foundations within their own countries and engage in high level visible giving. At times they give through their foundations and also at times use their corporations. Within the HNWI clusters there are also those who earn at least US\$1 million a year and above. The 2015 TrustAfrica and UBS study also focused on this category of HNWIs and found that they actively give within their communities and are most likely to collaborate with others in giving. Maybe there is a need to focus beyond just the ultra-rich and invest more in understanding Africa's middle class. The growth of HNWIs across the continent has also been associated with the growth of a new middle class which is approximately 5 per cent of the African population. Observers – including the AfDB and Standard Bank – remain convinced that Africa's consumer market is burgeoning and bringing with it increased opportunities for businesses on the continent. Many of the studies that have been conducted on the size of the middle class have mostly focused on their consumption habits, but we know very little about their propensity to give and can only extrapolate based on data from other regions. International NGOs such as Oxfam, Save the Children (StC), Amnesty, and Action Aid raise a significant amount of their resources through individual giving across the developed world and the bulk of the givers are middle income earners. The tax regimes in those regions have created incentives for this kind of giving whilst in Africa (except for South Africa) the same does not exist.

In South Africa these HNWIs (upper echelons of the middle class) are the second largest source of giving. The majority of the HNWIs prefer to keep their giving anonymous for a number of reasons including the historical legacy of apartheid which fuelled inequality on racial lines. On the other hand, the black HNWIs prefer anonymity often due to religious reasons. The country remains the most unequal in the world.¹⁸ Even the trends in giving demonstrate the inequality. According to the Giving Report published by Nedbank in 2019, the majority (80 per cent) of HNWIs¹⁹ are white South Africans. It is estimated that the total population of HNWIs in South Africa is around 135,700. Approximately 83 per cent of HNWIs gave money, time, or goods and services in 2018. The Giving Report estimates that these HNWIs donated roughly

ZAR6.1 billion (US\$320 million) in cash, ZAR3.1 billion (US\$163 million) in goods and services and 4.3 million hours of their time (Nedbank Wealth Report, 2019). The biggest cohort (49 per cent) of the HNWI's derive their wealth from earnings from a profession or career. Their motivations for giving vary; they include a desire to make a difference and a personal connection with a cause. In a survey carried out recently amongst HNWI's, approximately 50 per cent were motivated by their desire to give back to their community while 33 per cent were motivated by religious beliefs and 20 per cent were motivated by a family tradition of giving. The majority (approximately 72 per cent) of HNWI's engaged in giving do not have a defined strategy for giving (Nedbank, 2019). In many instances these HNWI's give to social causes through religious organisations (churches and mosques), personal or family involvement or networks of friends and peers. Only a tiny minority (28 per cent) of individual givers execute their giving through a trust or a foundation.

Perhaps one of the positive outcomes from the Covid-19 pandemic has been the sense of collective responsibility towards each other. The President of South Africa, Cyril Ramaphosa, in an unprecedented move announced that he would be donating a third of his salary for three months to a national fund aptly called the Solidarity Fund.²⁰ Since then a number of Chief Executive Officers (CEOs) of major corporations have similarly announced that they will be taking pay cuts. As of 29 March 2021, the fund had received ZAR3.22 billion out of a pledged total of ZAR3.22 billion.²¹ A number of HNWI's and foundations have made contributions to the fund. Outside of the big gifts towards supporting the Solidarity Fund, there are many others who have contributed. The Chairperson's report for the first six months of the Fund states that the Fund received R3.11 billion in financial contributions from over 304,431 donors, including 14,487 individuals and 2,523 corporates (as at the end of September 2020). A significant proportion of the 14,487 individual donors who gave so generously are members of South Africa's middle class.

In Uganda, local wealthy Ugandans such as Sudhir Ruparelia, Patrick Bitature, the late Amirali Karmali and many other millionaires have either established foundations or are actively engaged in giving towards various charities using their own resources. Sudhir Ruparelia, Uganda's richest man (according to *Forbes Magazine*, 2015²²), established the Ruparelia Foundation²³ with a vision to create a positive and transformative change in the community. The Foundation does not have an endowment and receives annual donations. According to audited financial statements,²⁴ the founder has donated 305 million Ugandan Shillings (US\$80,000) over a period of five years. Patrick Bitature, a Ugandan first-generation businessman, has established together with his wife the Patrick and Carol Bitature Foundation. The flagship initiative of their foundation is the 'Project 500K', which is working

to set up the next generation of business leaders to succeed and grow Uganda's economy.

The Covid-19 pandemic has also provided a further impetus for the growth of widespread philanthropic solidarity across Ugandan society. According to CivSource Africa (2020), an organisation that promotes the growth of philanthropy in Uganda, more than US\$4.5 million in cash and various in-kind donations have been raised to date. Most of the foundations discussed above leverage both local and foreign funding. According to Pascal (2015), sources range from multilateral funding, international NGOs, and global foundations, to corporate institutions, individuals, and religious institutions (members of the East Africa Philanthropy Network²⁵).

In Zimbabwe a combination of the upper echelons of the middle class and business professionals established Solidarity Trust Zimbabwe (www.sotzim.org) as part of efforts to respond to Covid-19. One of SOTZIM's most immediate tasks was to mobilise resources for the establishment of a dedicated Covid-19 treatment facility. The trust entered into a joint venture agreement with St Anne's Hospital to establish the St Anne's Hospital Covid-19 Response Centre (SACREC). At that time St Anne's was closed and in a state of disrepair. SOTZIM together with the team at St Anne's raised resources to reopen the facility. The hospital was retrofitted with the required equipment to provide at least 100 general ward beds, 40 high dependency unit (HDU) beds and 20 intensive care unit (ICU) beds. SOTZIM raised approximately US\$500,000 and more than ZWL\$15 million from corporates and individuals (both locally and in the diaspora) to ensure that the hospital could reopen. The hospital was officially opened to the public in August 2020. In addition to mustering resources for the refurbishment of the hospital, SOTZIM also mobilised PPE for use by the health personnel employed at the hospital as well as money to pay for their salaries. SOTZIM also raised resources from the UNDP to cover salaries for health workers for at least three months. SOTZIM was also incorporated into the multi-donor platform responding to Covid-19 in Zimbabwe where it was responsible for mobilising resources from the private sector.

Furthermore, the SOTZIM website (www.sotzim.org) served as a source of information and a platform for the collection of donations from citizens and businesses to support the fight against Covid-19. For a period of three months SOTZIM took over the running of a government toll-free line. During that time, the line was manned by trained health professionals who would provide an initial and comprehensive first line of diagnosis to citizens as part of efforts to avoid overwhelming public health centres.

CONCLUSION AND RECOMMENDATIONS: TOWARDS NEW PARTNERSHIPS

African governments have to take advantage of the existing goodwill demonstrated by HNWI during the Covid-19 pandemic and also in other prior initiatives. To date only Rwanda has a strategy on philanthropy. The HNWI and the foundations they establish should be formally invited and engaged in contributing to issues of national development. There is a need for a comprehensive framework that creates incentives for giving and also a platform to align priorities between governments and philanthropy. There is a risk that HNWI led philanthropy will focus on its own projects that are not necessarily aligned to national development needs or they could duplicate what is already happening as we have seen with some of the multilateral institutions' interventions. Current government approaches mostly focus on requesting donations either from corporates or foundations established by HNWI in response to a disaster or pandemic. However, this approach has limitations. HNWI, as already discussed above, have co-production capabilities, can mobilise goodwill on behalf of a cause, and can raise more resources based on their vast networks.

Financing the SDGs will, by and large, depend on the capacity of African policy makers and the international community to harness the emerging diverse funding options inclusive of improved taxation on natural resource earning, improved efficiencies in taxation, remittances and HNWI giving to important causes, and foreign investment (Murisa, 2018). Pressure will therefore have to bear on African governments to strengthen domestic resource mobilisation capacity especially by curbing corruption and illicit financial flows to stem the projected slump in ODA in the near-term. African governments will have to increase efforts to strengthen tax systems, expand domestic tax bases, and promote local philanthropy. Covid-19 provided a litmus test for local philanthropy and in almost every country the amount of goodwill and solidarity surpassed expectations. It is high time that African governments seriously consider local HNWI driven philanthropy as a critical pillar of national and indeed continental development.

The HNWI giving space is uneven across the continent. There is an urgent need to align laws for the growth of the new generation of philanthropy that specialises in measurable impact. The foundations being established by HNWI are yet to meaningfully share their experiences and practices. There are limited platforms for creating a community of practice among foundations established by HNWI. Conversations on how to give, where to give, and who to work with either do not take place or are very limited. The existing infrastructure platforms such as the African Philanthropy Forum (<https://www>

.africanpf.org/) can play a more meaningful role of ensuring collaboration, learning and also improving the conditions for giving.

Giving by Africa's HNWIs remains largely untracked and at times deliberately so because of the lack of incentives from the governments. Key informant interviews revealed that, unlike their US based counterparts, the African foundations do not have an incentive to publicise their giving especially when it may attract attention from revenue authorities and lead to increased demands for taxes. For instance, only South Africa and Mauritius have tax based incentives for giving. There is no significant advocacy energy towards such policy reforms. The non-existence of tax-based incentives is only one amongst many other barriers to giving. The movement of money across the 54 African countries is still based on a largely US dominated international system. The innovations around mobile money remain limited within individual countries. Hopefully a common currency regime can address some of these needs.

However, there are some concerns about African HNWI's philanthropy, such as their penchant for establishing new things instead of building upon what exists and also at times they prefer to give outside of the continent. Available evidence indicates that their contributions in terms of grants to NGOs remain very low compared to international philanthropy. In the process, some of the HNWIs have established implementing foundations which potentially marginalise local NGOs. In a survey carried out in 2018 none of the HNWI established foundations were providing institutional support funding, the majority were only providing project support (Murisa, 2018).

The new HNWI-led foundations are not yet actively involved in some of the systemic issues such as confronting the excesses of power, corruption and broader governance challenges. In some instances, these HNWIs have accumulated their vast wealth based on patronage relationships with government or they still have active lucrative contracts with their governments. These complexities have largely limited HNWI led philanthropy in confronting systemic issues. There are some HNWI led initiatives that have broken with that pattern. The Mo Ibrahim Foundation is a good example. They produce reports that examine in detail governance trends across the African countries. However, beyond a lack of a strong governance emphasis, the HNWI led philanthropy interventions have made significant investments in social service delivery. As already stated, the majority of philanthropists give towards improved access to education and health and improved social welfare. Many African governments have over the years reduced their budgetary allocations towards social service delivery as part of ongoing reforms to balance their budgets. The return of nineteenth-century diseases like cholera and typhoid in metropolises like Harare and Kinshasa attest to the collapse of health delivery services. It is also significant that it took a philanthropy led response to tackle this challenge.

The rise of HNWIs perhaps potentially encapsulates and serves to announce the beginning of Africa's renaissance as envisaged by the then presidents of South Africa (Thabo Mbeki), Senegal (Abdoulaye Wade), Nigeria (Olusegun Obasanjo), and Libya (Muammar Gaddafi). In President Thabo's often cited speech on the same subject, he spoke of the restoration of African dignity 'to assert the principality of her humanity ... the fact that she, in the first instance, is not a beast of burden, but a human and African being' (Mbeki, 1998). This representation of Africa was in direct contrast with the representation made by Western leaders and their media. Tony Blair was quoted saying 'the state of Africa is a scar on the conscience of the world' (Blair, 2001) and back in 2000 *The Economist* described Africa as the 'hopeless continent', adding that the 'new millennium has brought more disaster than hope to Africa'.

Fast forward to 2013, and *The Economist* together with others such as *Time Magazine* referred to the same 'hopeless continent' as 'Africa Rising'. Many factors explain the radical change in opinion. At that time many African economies had grown at an average of 7.5 per cent in terms of GDP. That growth coupled with favourable global trading conditions led to a phenomenal increase in the growth of HNWIs. Indeed, it was also at that time when financial institutions began to produce wealth reports focused on Africa.

The number of billionaires and millionaires spread across the continent has continued to grow. Their philanthropic contributions have gone beyond the US\$1 billion mark. As already demonstrated, their contribution in many instances is not just about money – they bring their entrepreneurial capabilities, they leverage their global influence in raising more resources and also act as advocates on important causes. Evidence has shown that they are already connected and interacting with multilateral development agencies. However, it is unclear as yet if their collaboration with existing development actors will radically alter the development landscape to prioritise African ideas and where possible create sufficient policy room for African governments to reimagine solutions to intractable public problems such as social service delivery. Furthermore, it is also unclear whether their collaboration with multilaterals will in any way serve to correct the ongoing marginalisation of local NGOs.

NOTES

1. See <https://www.devex.com/organizations/dangote-foundation-8101>.
2. See <https://wellcome.org/press-release/wellcome-trust-announces-multi-million-pound-initiative-emergency-ebola-research-and->.
3. See https://au.int/sites/default/files/speeches/27060-sp-aseowa_africaagainstebola_lagos3dec2014_0.pdf.
4. See <https://newswire.live/strive-and-tsitsi-masiyiwas-new-us60m-cholera-response-plan-for-zimbabwe/>.
5. See <https://www.bbc.com/news/world-africa-47379458>.

6. See <https://www.forbes.com/sites/kerryadolan/2021/01/22/the-forbes-billionaires-list-africas-richest-people-2021/?sh=1aa1c34448f5>.
7. See <https://www.trustafrica.org/en/publications-trust/research-reports>.
8. See <https://www.bridgespan.org/insights/library/philanthropy/landscape-large-scale-giving-africa-2020>.
9. See <https://www.news24.com/fin24/economy/south-africa/donations-loans-pledges-what-you-need-to-know-about-those-billions-aimed-at-fighting-covid-19-20200402-2>.
10. See <https://www.theafricareport.com/57377/leadership-africas-billionaires-from-motsepe-to-dangote-fight-to-stamp-out-covid-19/>.
11. See <https://www.thestandard.co.zw/2019/02/10/masiyiwas-donate-60m-fight-cholera/>. <https://www.higherlifefoundation.com/strive-and-tsitsi-masiyiwa-avail-60-million-towards-cholera-response-in-zimbabwe/>.
12. See <https://www.263chat.com/masiyiwa-speaks-on-his-role-in-getting-africas-400-million-vaccine-doses-2/>.
13. See <https://www.afdb.org/en/news-and-events/mo-ibrahim-leadership-fellowships-to-support-africas-next-generation-7890>.
14. Ibid.
15. See <https://www.afdb.org/fr/news-and-events/press-releases/african-development-bank-approves-5-million-grant-scale-tony-elumelu-entrepreneurship-programme-33285>.
16. See <https://mo.ibrahim.foundation/iiag>.
17. See <https://mo.ibrahim.foundation/covid-19>.
18. See <http://www.statssa.gov.za/?p=12930#:~:text=South%20Africa%20is%20known%20as,report%20released%20by%20Stats%20SA>.
19. See <https://www.nedbankprivatewealth.co.za/content/dam/npw/NPW RSA/Philanthropy/GivingReportIV/GivingReport-IV.pdf>.
20. See <https://solidarityfund.co.za/>.
21. See <https://solidarityfund.co.za/integrated-annual-report/>.
22. See <https://www.forbes.com/profile/sudhir-ruparelia/#215b9e582507>.
23. See <https://rupareliafoundation.org/>.
24. See <https://rupareliafoundation.org/about-us/annual-audit-report/>.
25. See <https://www.eaphilanthropynetwork.org/Our-Members.html>.

ANNEXE: FOUNDATIONS ESTABLISHED BY AFRICAN HNWI

Table 10A.1 Snapshot of HNWI-owned foundations in selected countries

Name of Foundation	Founders (HNWIs)	Geographic area of focus	Thematic area of focus / public cause
Chandaria Foundation http://www.chandariafoundation.com/	Manu Chandaria	Kenya and 10 other African countries	Education, Environment, Ecology, Youth, Healthcare, Children with special needs, Youth sport
Mike Adenuga Foundation https://www.facebook.com/AdenugaFoundation/	Mike Adenuga	Nigeria and some African countries	Health, Rural development, Education, Entrepreneurship, Special opportunity grants
Rose of Sharon Foundation https://theroseofsharonfoundation.org/	Folorunsho Alakija	Nigeria	Women empowerment, Education
Sawiris Foundation https://www.sawirisfoundation.org/	Onsi Sawiris	Egypt	Economic Empowerment, Social Empowerment, Education & Scholarships
Motsepe Foundation http://motsepefoundation.org/	Patrice & Precious Motsepe	South Africa	Education, empowerment and development initiatives
Tony Elumelu Foundation https://www.tonyelumelufoundation.org/	Tony Elumelu	Africa	Empowerment of African entrepreneurs
Higherlife Foundation & Delta Philanthropies https://www.higherlife.foundation.com/ and https://deltaphilanthropies.org/	Strive and Tsitsi Masiyiwa	Africa	Education, Health, Agriculture, Rural Development
Dangote Foundation https://www.dangote.com/foundation/	Aliko Dangote	Africa	Health, Education, Empowerment, Humanitarian relief
Mo Dewji Foundation https://www.modewjifoundation.org/	Mohamed Dewji	Tanzania	Education, Health, Community Development
Equity Group Foundation https://equitygroupfoundation.com/	Dr Peter Munga	Kenya	Education and Leadership Development, Enterprise Development and Financial Inclusion, Health, Food and Agriculture, Energy and Environment, Social Protection

Name of Foundation	Founders (HNWIs)	Geographic area of focus	Thematic area of focus / public cause
Allan Gray Orbis Foundation https://www.allangrayorbis.org/	Allan & Gillian Gray	Southern Africa	Education and development of individuals with entrepreneurial potential and employment
The Brenthurst Foundation, The Oppenheimer Memorial Trust, Oppenheimer Philanthropies https://www.thebrenthurstfoundation.org/ and https://www.omt.org.za/	Oppenheimer Family	Africa	Peace, Security, Governance and Economic Growth, Education
The Shuttleworth Foundation https://shuttleworthfoundation.org/	Mark Shuttleworth	South Africa	Social Innovation