

# Global Philanthropy Tracker: Nigeria

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**PHILANTHROPIC ORGANIZATIONS (POs):** A form of non-market, non-state organizations outside of the family that provide services for the public good. It includes, but is not limited to, the following: foundations (grant-making, operating, corporate, community, or government sponsored/created), community-based organizations and village associations, professional associations, environmental groups, advocacy groups, co-operatives, charitable organizations, faith-based organizations, mutual entities, labor unions, societies, research institutes, diasporic organizations, online social-purpose portals, and transnational and cross-sectoral coalitions.

**PHILANTHROPIC ACTIVITIES:** Philanthropic activities are extremely diverse when considered at the global level. They include, but are not limited to, financial contributions, volunteering, collective action, advocacy, grassroots and direct giving and helping, and new methods such as crowdfunding and hybrid philanthropic activities (i.e., social impact bonds and social enterprises).

**CROSS-BORDER PHILANTHROPY:** Philanthropic activities in which the donor (individuals, foundations, corporations, or religious organizations) and the beneficiary (individuals, foreign POs, foreign intermediary organizations) are located in different countries. The term includes donations to domestic POs in a given country that focus on broad categories of international causes, such as foreign affairs, humanitarian assistance, international relations, promotion of international understanding, and international solidarity.

## The Cross-border Philanthropy Environment

### TRENDS IN CROSS-BORDER GIVING

One trend in cross-border giving relates to volatility in the amount of giving by foreign philanthropic institutions. An analysis of the historical trend of funding indicates that it increased sharply between 2010 and 2015 (USD 24.43 million to USD 228.39 million). However, there was a decline in 2016 (USD 147.94 million). Funding increased in 2018 (USD 203.17 million) and this trend is expected to continue in the coming years (OECD, 2020a).

Secondly, the amount of diaspora remittances has been increasing in recent years. Nigeria has been one of the highest remitting countries in Africa. For instance, the Global Knowledge Partnership on Migration and Development estimates that migrant remittances to Nigeria in 2019 amounted to USD 25.4 billion and accounted for about 5.7 percent of GDP. However, the World Bank (2020) estimates that remittances to sub-Saharan is expected to decline by 23.1

percent due to COVID-19 (World Bank, 2020). For this reason, remittances to Nigeria are also expected to decline (Ratha et al., 2020).

A third trend is the use of online giving or crowdfunding platforms such as 234Give, GoFundMe, Global Giving is on the increase. A number of cross-border donors are increasingly using crowdfunding and crowdlending platforms to promote their philanthropic activities. Interest or debt crowdfunding is the most prevalent form of crowdfunding in the country (Abuubakar, 2020; Lawyard, 2020).

Lastly, many cross-border givers are aligning their programs with the SDGs and national development priorities. In particular, good health and quality education remain the top priority of cross-border giving in Nigeria.

## USES

According to SDGfunders.org, the amount of total foundation funding for the SDGs in Nigeria between 2016 and 2018 was approximately USD 564.27 million (Candid, 2020). The majority of funds (USD 338.5 million) went toward good health (SDG 3). Similarly, between 2010 and 2015, an estimated amount of USD 1.5 billion was given by foundations towards programs that align with the SDGs (Candid, 2020). The priority areas included good health (SDG 3), zero hunger (SDG 2), gender equality (SDG 5) and economic growth (SDG 8). In the area of affordable and clean energy (SDG 7), the Rockefeller Foundation provided USD 3.5 million to an off-grid impact investment company (i.e. All On Hub) in 2019 (Candid, 2019a). Moreover, between 2017 and 2019, the MacArthur Foundation (2019) provided a grant of about USD 21.8 million to support anti-corruption programs in Nigeria which has the potential to contribute towards advancing SDG 16 (Peace, Justice and Strong Institutions).

While domestic giving is the dominant form of giving, there are instances where HNWI and the government have donated towards international activities. For example, The Nigerian government through the Technical Aid Corps (TAC) scheme supports African, Caribbean and the Pacific (ACP) countries with Nigerian volunteers who serve for two years in these countries. Between 2014 and 2016, it was estimated that about 1,500 volunteers were deployed as volunteers in ACP countries (DTAC, 2020). Again, the government donated USD 1 million and medical supplies to Zimbabwe and Mozambique during cyclone Idai (AfricaNews, 2019). The Nigerian government also donated about USD 3.5 million to West African countries to fight against Ebola. For instance, USD 500,000 and USD 249,000 were given to Liberia and Sierra Leone respectively (allAfrica, 2014; Daniel, 2014).

Notable examples of local philanthropists whose giving is directed towards international activities include Aligo Dangote and Tony Elumelu. In an article from the Journal du Cameroun (2019), as part of efforts to support the fight against COVID-19 in Cameroon, the Dangote Group donated equipment worth FCFA 100 million (USD 169,102.62). Additionally, in 2019, Aliko Dangote donated USD 20 million to the African Centre in New York and USD 1 million to the Obama Foundation (Candid, 2019b). In 2014, the Dangote Foundation promised to give USD 1.2 billion to support its work across Africa (Neshe, 2014). Moreover, the Dangote Foundation also made donations of USD 500,000 and USD 740,500 to victims of the fuel

tanker explosion in Congo and Niger in its fight against famine (Muanya, 2018). Aligo Dangote also donated USD 2 million to help flood victims in Pakistan (Nairaland Forum, 2010). Moreover, in 2015, the Sir Emeka Offor Foundation donated USD 10 million to the Carter Center in the United States (Candid, 2015). Similarly, the Tony Elumelu Foundation (TEF) through its Entrepreneurship Programme (USD 100 million) seeks to identify, train, fund and mentor entrepreneurs across Africa (TEF, 2020a). The United Bank of Africa (UBA) Foundation also provided USD 4.2 million to other African countries to fight against COVID-19 (CNBC Africa, 2020).

Beyond these high-profile gifts, it is difficult getting the aggregate data on domestic giving towards international activities. This is because of the absence of a central government agency or institution that tracks individual giving in the country.

### CROSS-BORDER PHILANTHROPY FLOWS TO NIGERIA

One aspect of institutional philanthropy relates to foreign philanthropic institutions. The amount of funding from these institutions has been increasing in recent years. According to recently available data, foreign philanthropic institutions' funding to Nigeria increased from USD 197.02 million in 2017 to USD 203.17 million 2018 (OECD, 2020a). The Bill and Melinda Gates Foundation accounted for about 85 percent (USD 172.87 million) of all philanthropic funding to Nigeria in 2018 (OECD, 2020b). The thematic foci of foreign philanthropic institutions include education, health, food security and humanitarian relief.

## The Philanthropy Environment: Nigeria

Philanthropy in Nigeria is not a new phenomenon as it has been part of the historical, cultural, and religious traditions. It exists in informal or horizontal and formal or institutional forms. Horizontal philanthropy has been an essential aspect of the Nigerian society where the poor give monetary and non-monetary resources such as time, labor and expertise to support others.

Institutional philanthropy in Nigeria is influenced and shaped by socio-economic and political factors such as the advent of civil rule and democracy in 1999. In recent years, sustained economic growth<sup>1</sup> has coincided with an increase in private wealth. This has led to the growth of an upper middle-class and high net worth individuals (HNWIs) particularly in oil, banking, merchandising and telecommunications.

For instance, the African Wealth Report 2019 reports that there were 9,900 HNWIs, 500 multi-millionaires, 27 centi-millionaires and 4 billionaires in Nigeria with an estimated total wealth of USD 225 billion (AfrAsia Bank, 2019). According to Forbes: Africa Billionaires List, four (Aliko Dangote, Mike Adenuga, Abdulsamad Rabiou and Folorunsho Alakija) out of the 20 in 2020 are Nigerians (Forbes, 2020).

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<sup>1</sup> Nigeria's economy is showing signs of recovery from the 2016 recession. Gross Domestic Product (GDP) growth rate was estimated at 0.8%, 1.9% and 2.3% for 2017, 2018 and 2019 respectively (African Development Bank, 2020). See <https://www.afdb.org/en/knowledge/publications/african-economic-outlook>

Growth in private wealth has led to an increase in institutional giving by HNWI's who establish independent/family foundations as a vehicle for undertaking their philanthropic activities. However, many foundations are operating rather than grant making entities with a few exceptions such as The TY Danjuma Foundation<sup>2</sup>. The focus areas of many foundations are health, education, humanitarian relief, empowerment and poverty reduction.

Many foundations are financed through personal donations of HNWI's derived largely from investments in oil, banking, merchandising and telecommunications. Publicly available data on the total amount of philanthropic giving in all forms (individuals, foundations, volunteering) in Nigeria is lacking. This is due in part to transparency challenges and cultural traditions that prevent information sharing. However, anecdotal evidence suggests that, for example, The TY Danjuma Foundation has awarded about ₦3 billion (USD 7.71 million) in grants with its activities reaching over eight million people (TEF, 2020b).

Corporate philanthropy constitutes the dominant form of institutional giving in Nigeria where corporate organizations undertake philanthropic activities as part of their strategic corporate social responsibility (CSR). Although data on corporate philanthropy is lacking, in 2018, Dangote Cement provided about ₦ 1.1 billion (USD 2.82 million) in donations and sponsorships while MTN Nigeria Foundation donated ₦ 800 million (USD 2.05 million) (Dangote Industries, 2020; MTN Foundation, 2020).

#### GENERAL SCOPE AND STRUCTURE OF LOCAL PHILANTHROPIC ACTORS

The structure of local philanthropic actors in Nigeria is comprised of associations with incorporated trustees, companies limited by guarantee, limited liability companies, charitable trusts and societies and unincorporated associations and cooperatives.

Associations with incorporated trustees include foundations (i.e. private, family, community and corporate). According to Johnson (2019), there are 26 foundations operating in Nigeria. However, due to the lack of data, this might be an underestimation. In terms of geographic scope, the majority are located in the urban areas. The causes they support include education, health, youth empowerment, leadership and governance with the deployment of their activities at the local, regional and national levels. The areas of focus of these actors reflect the inclinations, interests and preferences of their founders.

Other local actors are social enterprises and impact investors with a legal structure of companies limited by guarantees. According to the Global Impact Investing Network (2015), there are about 28 impact investors (i.e., development finance institutions and non-development finance institutions) in Nigeria with an investment portfolio of about USD 1.9 billion. Their areas of interest include agriculture, information and communication technology, energy and manufacturing. However, social enterprise is an emerging phenomenon in Nigeria. For this reason, there is paucity of information on their operations.

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<sup>2</sup> In 2018, The TY Danjuma Foundation disbursed approximately ₦212.28 million (USD 547,955) to 19 NGOs to undertake projects in health, education and skills training.

Charitable trusts are also set up to address social challenges in education, health, poverty reduction and youth empowerments. However, philanthropic data on charitable trusts is lacking. There are also infrastructure organizations which focus on fostering collaboration, providing advice as well as promoting the interest of philanthropy. Examples are Nigerian Philanthropy Forum, Philanthropy Nigeria, Social Enterprise Academy in Nigeria, Spaces for Change, Pronatura and AfricInvest.

Faith-based organizations (FBOs) are important local philanthropic actors in Nigeria. Christian and Muslim umbrella bodies such as the Christian Association of Nigeria, Catholic Bishops Conference, Pentecostal Fellowship of Nigeria, Nigerian Supreme Council for Islamic Affairs and Federation of Muslim Women Association of Nigeria play an active role in the philanthropic space. The focus areas of most FBOs is the provision of social welfare services in health, education and humanitarian services which goes a long way in complementing and supplementing the government's development efforts. While religion plays a key role in influencing philanthropy in Nigeria, there is no available data on giving by FBOs.

### PHILANTHROPIC RESPONSES TO COVID-19

In responding to the COVID-19 pandemic, a number of HNWI have donated philanthropic resources. Prominent among them include Aliko Dangote (USD 5.2 million), Femi Otedola (USD 2.6 million), Folorunsho Alakija (USD 2.6 million), Tony Elumelu (USD 2.6 million), Mike Adenuga (USD 3.9 million) and Abdulsamad Rabiu (USD 2.6 million)<sup>3</sup> among many others (Okwumbu, 2020). The Private Sector Coalition Against COVID-19 has also mobilized monetary donations of approximately USD 77.61 million (N 30.148 billion) as of 30<sup>th</sup> June, 2020 through the CACOVID Relief Fund (CACOVID, 2020). The Coalition is also seeking to provide and equip medical facilities (e.g. creating isolation and testing centres with Intensive Care Units and molecular testing laboratories) in six geographic zones of the country.

There are a number of companies and individuals who have also donated directly to some states and communities during the pandemic. For example, the FrieslandCampina WAMCO has supported about 100,000 families with relief items (Sun News, 2020). Similarly, the United Bank of Africa (UBA) Foundation has also provided USD 14 million to support the fight against COVID-19 in Nigeria and other African countries (CNBC Africa, 2020). The TY Danjuma Foundation also donated relief items to over 5,000 Internally Displaced Persons in Wassa Resettlement, Abuja (TNF, 2020). Some religious organizations like churches have been providing cash and in-kind donations in the fight against the pandemic. For instance, the Nigerian Catholic church has made available its hospitals and clinics to treat COVID-19 patients (Dada, 2020).

The Government of Nigeria in partnership with the United Nations has also set up the COVID-19 Basket Fund to mobilize resources from the private sector, philanthropists, donor agencies

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<sup>3</sup> The BUA cement company also donated about USD 772,000 to Sokoto, Edo and Ogun States. He has also given test kits and medical supplies to nine States to support the fight against COVID-19. See <https://www.buagroup.com/index.php/media-home/news-press-releases?layout=edit&id=100>

and other actors in the fight against COVID-19. For instance, the European Union has donated € 50 million (N 21.0 billion) to the fund (ECOWAS et al, 2020).

## Recommendations for the development of the philanthropic sector

First, there is the need for multi-stakeholder partnership between philanthropic actors (e.g. government agencies, the private sector, NGOs etc.). At the moment, collaboration is relatively weak. This in part has resulted in the lack of comprehensive data on the philanthropic sector in Nigeria. It, therefore, calls for the harmonization and coordination of activities in order to provide information on assessing the impact or contribution of philanthropic institutions. This will also require the establishment of decentralized government agencies to deal with the mapping, collection and dissemination of philanthropic information, for example.

Second, given the recent increase in crowdfunding platforms, social enterprises and impact investments in the country, there is a need for appropriate regulatory frameworks and policies for the sector.

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