



IUPUI

INDIANA UNIVERSITY
Lilly Family School of Philanthropy

The 2022 Global Philanthropy Environment Index Nigeria

Expert: Anastesia A. Okaomee

Institutional Affiliation: Indiana University Lilly Family School of Philanthropy

Edited by the Indiana University Lilly Family School of Philanthropy

QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Company Limited by Guarantee, Cooperative, Corporation, Endowment, Foundation, Limited Liability Company, Society, Trust

Five main social issues addressed by these organizations: Basic Needs, Human Rights, Water and Sanitation, Health and Medical Research, Women and Girls

Average time established by law to register a philanthropic organization: 0-30 days

Average cost for registering a philanthropic organization: USD 250

Government levels primarily regulating the incorporation of philanthropic organizations: Central/Federal Government, Local Government, State Government

Philanthropic organizations (POs) and other organizations are regulated by the provisions of the Companies and Allied Matters Act (CAMA). Different civil society organizations (CSOs) may also need to comply with registration requirements at the state or local government levels.

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	3.83	3.00	3.00	2.75	3.00	4.00	3.26
2018 GPEI	3.67	3.00	3.00	3.00	N.A.	4.00	3.33

Source: Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

Key Findings

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 3.5

The registration of POs with the Corporate Affairs Commission (CAC) can now be completed online. The certificate of incorporation can also be obtained electronically. This improvement makes the registration of companies much easier. It takes about 30 business days or less to register Incorporated Trustees. The Companies and Allied Matters Act (CAMA) 2020 sought to address the inconsistencies that existed in the former law in the registration of a Company Limited by Guarantee (Ltd/Gte). To register a Company Limited by Guarantee, an approval from the Attorney General of the Federation (AG) is required. Although the old law stipulated the period within which the approval should be given, the actual duration was unpredictable. To avoid leaving an application in an indeterminate state, CAMA 2020 section 26 (4) (5) provides that “The memorandum of a company limited by guarantee shall not be registered without the authority of the Attorney-General of the Federation. The Attorney-General of the Federation shall, within 30 days, grant authority to the promoters of a company limited by guarantee where there are no objections to the memorandum or other cogent reason for not granting approval to register the company as one limited by guarantee.” If the AG makes no decision within 30 days, section 26 (7) (8) (9) (10) provides a procedure for the promoters to request the CAC to investigate and resolve the situation. The CAC can assent to the application and register the company, or it can withhold its assent. The CAC issued a public notice on April 6, 2021, stating the following: “Registration of companies/Entities for the purpose of running University Education shall be accompanied with 1. Letter of no objection from the National Universities Commission. 2. It must be registered as Company Limited by Guarantee (LTD/GTE) under Part A of Companies and Allied Matters Act (CAMA) 2020.” Additional information may help explain how this requirement affects universities’ operations.

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 4.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

Question Three: To what extent is there government discretion in shutting down POs?

Score: 4.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 3.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 3.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 3.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 3.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 2.5

Certain provisions of CAMA 2020 have been perceived by POs as attempts to shrink the civic space (Spaces for Change, 2020). For instance, under the new law, the CAC has the power to suspend trustees of associations and appoint interim managers. Section 839 (1) states that: The Commission may by order suspend the trustees of an association and appoint an interim manager or managers to manage the affairs of an association where it reasonably believes that— (a) there is or has been any misconduct or mismanagement in the administration of the association; (b) it is necessary or desirable for the purpose of— (i) protecting the property of the association; (ii) securing a proper application for the property of the association towards achieving the objects of the association, the purposes of the association of that property or of the property coming to the association; (iii) public interest; or (c) the affairs of the association are being run fraudulently. Section 842 (1) mandates a bank with which an association maintains account(s) to notify the CAC immediately if the account(s) of the association become dormant. Upon receipt of the notice, subsection (2) provides that, “the Commission may request that the association provide evidence of its activities, and where the association fails to respond satisfactorily within 15 days of the request, the Commission may dissolve the association in accordance with section 850 ...” Subsections (2 a & b) (3) (4) (5) stipulate how the funds in the dormant account(s) may be transferred to another association. CAMA 2020 also grants the CAC power to merge associations. According to section 849, “Two or more associations with similar aims and objects may merge under terms and conditions as the Commission may prescribe by regulation.” The perception is that this statute lacks clarity about who can initiate a merger and is therefore seen as an attempt to limit the freedom of association.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 3.0

There has been no change since 2018. For more information, please see the 2018 Nigeria Country Report available here: <https://scholarworks.iupui.edu/handle/1805/16656>

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 3.0

The Covid-19 pandemic has negatively affected the economic condition of the country, but also has led to an increased awareness of the need of vulnerable groups, thereby promoting increased generosity toward them. Although the weakening of the Naira (Nigeria’s national currency) may have

negative economic effects on businesses and living conditions of the people, it may increase the positive impact of diaspora giving such as those channeled through remittances.

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 4.0

Strong religious beliefs and cultural obligations for kin and community underpin both individual beneficence among the people and the increasing adoption of formal organizational forms for giving. There is a strong culture of giving to institutions that cater to the most vulnerable in society, such as orphanages, prisons, and more recently, civil society organizations that provide support services to survivors of sexual violence.

VII. Future of Philanthropy

These questions are used to provide a general picture of the future of philanthropy in this country, as well as recommendations to improve the philanthropic environment.

Current state of the philanthropic sector

The culture of horizontal giving is strong, relevant, and prevalent. Generosity among Nigerians is deeply rooted in strong cultural and religious traditions of taking care of kin and community, and the vulnerable members of society. It is motivated by several factors, including the altruistic desire to relieve human suffering, building the community, reciprocity, recognition, and political and other reasons. The people are not generous because they have enough resources. Instead, giving can be both obligatory and sacrificial, for kin and distant others. The term 'philanthropy' is not commonly used to describe individual generosity, but many use it to reflect the notion of large-scale giving by the rich, or big institutional funders such as foundations (Okaomee, 2021). Such connotations seem to be commonplace as Payton & Moody (2008, p. 37) observed in the United States that many people in this field define philanthropy narrowly, for example, as "large-scale giving by wealthy 'philanthropists'" (p. 37).

While the culture of direct giving persists, giving through formal organizations is also growing. The CSOs are perceived to be filling the gap created by inadequate government provision, thus earning them the trust of the people. But given the high dependence of CSOs on international donors, there is also the counter perception that CSOs are funded and thus do not need individual donations, partly explaining the low level of individual giving to the sector. In recent times, however, some CSOs are leveraging social media use to create awareness of their work. In so doing, they are witnessing an increase in individual support (Okaomee, 2021). As social media use is "deeply embedded in the daily lives of Nigerians" (Kew & Kwaja, 2018, p. 380), more CSOs can leverage online platforms to gradually address the perception about their need for individual support.

Foundation philanthropy is continuing to grow. The TY Danjuma Foundation provides grants to CSOs operating in health and education sectors in the founder's family home states (TY Danjuma Foundation, n.d.). The Tony Elumelu Foundation continues with its USD 100 million commitment to

empower entrepreneurs across African countries (Tony Elumelu Foundation, n.d.). Through the Dangote Foundation, Aliko Dangote, named the richest man in Africa by Forbes, is channeling his philanthropy through health, education, and empowerment programs, especially in the northern region. Faith-based foundations such as the Chris Oyakhilome Foundation International, the David Ibiyeomie Foundation, and others are investing in education for the indigent, health, social welfare, and other areas. Despite their impact, because most implement their own programs rather than grantmaking, many CSOs do not reckon with foundation philanthropy as a source of their revenue (Okaomee, 2021). To understand the volume and impact of individual and institutional giving, however, there is a need for research centers that can track and manage an accessible database of giving in the sector. The availability of such data will also promote relevant research in the sector in Nigeria.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

1. Certain provisions of CAMA 2020 which have been perceived by POs as attempts to shrink the civic space.
2. The COVID-19 pandemic has influenced the grantmaking focus of some donor agencies from donor-centered projects to economic empowerment projects for vulnerable groups.
3. The insurgency in the northeastern part of the country has shifted the attention of many donor agencies, including international non-governmental organizations (INGOs), to those areas most affected in the north.

Future development trends in the philanthropic landscape

Crowdfunding is gaining traction. Individuals and groups are launching crowdfunding platforms to mobilize giving to help identifiable individuals in critical conditions of need. POs can leverage this funding vehicle in marketing their cause and creating a culture of giving.

Three key recommendations to improve the environment for philanthropy

- The government should take advantage of the culture of giving and the generosity of the people to create incentives for individual giving to POs, for example by providing tax incentives for individual donations.
- NGOs need to increase awareness of the importance of giving through CSOs, and to change the perception of many individuals that CSOs are funded and therefore do not need individual donations.
- Economic recovery is key to improving the environment for philanthropy. For example, Corporate Social Responsibility (CSR) programs could be impacted to the extent that the programs are a function of corporate profitability. Improving the economic condition in the country will provide an enabling environment for businesses to thrive, which could in turn affect giving more positively.

VIII. Philanthropic Response to COVID-19

These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

Different sectors played vital roles in response to the pandemic. Private foundations donated resources including vehicles and personal protective equipment (PPE) to the government. For example, The Aliko Dangote Foundation (ADF) contributed N1.5 billion (about USD 3.8 million) to the Nigeria UN COVID-19 Basket Fund, for the provision of medical supplies and equipment to enhance the healthcare response to the pandemic (UNDP, 2020). Private sector organizations donated PPEs, provided quarantine centers, and distributed care packages directly to the poor and to the government. One example is the donation of 5 billion Naira (about USD 14 million) by the United Bank for Africa through the UBA Foundation to address the pandemic in Nigeria and in 19 other African countries. The fund targeted the provision of care facilities and isolation centers, as well as financial support to the governments (Vanguard, 2020). Faith-based organizations (e.g., the Anglican Church, Redeemed Christian Church of God (RCCG), Dunamis International Gospel Center (DIGC), and Winners' Chapel) made their mark with donations of money, medical equipment and supplies, among other assistance to state governments and to medical centers (Proshare Intelligent Investing, 2020). Religious groups also distributed food items and cash to the needy in their congregations and in the larger community.

Other civil society organizations (CSOs) played vital roles in awareness creation, knowledge management, and service delivery to remote communities. Some partnered with the government in the distribution of aid provided by the government. Some CSO leaders reported using personal funds to provide food items, masks, and other items to their constituents. Overall, the CSOs acted as intermediaries aiding individual, corporate, and foundation donors to channel donated resources to those in need.

Individual giving was also prominent in response to the pandemic. While many individuals engaged in direct beneficence to the needy, some wealthy individuals gave directly to the government. Specifically, some high net worth individuals including Aliko Dangote, Femi Otedola, Herbert Wigwe and others responded by contributing 1 billion naira (about USD 2.7 million) each to support the government effort in managing and combating the spread of the virus (Salaudeen, 2020).

Innovations and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

COVID-19 impacted a lot of female-led households and women and girls as caregivers. As private foundations became more flexible and allowed CSOs the discretionary use of funds in response to the pandemic, many CSOs prioritized economic empowerment projects to enable those most affected to become self-reliant. As a result of the emphasis on economic empowerment by CSOs, some donor organizations have since become more open to projects they initially would not fund but that address the needs of the poor in a more sustainable way.

Impact of COVID-19 on the philanthropic environment

COVID-19 prompted increased philanthropic response across the country. The pandemic both worsened the plights of less privileged individuals and increased generosity toward their needs. With time it may become clearer whether the increased scale of giving will be sustained. Some CSOs worry that as donor agencies focused on response to the COVID-19 pandemic, other initiatives were no longer receiving attention.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

The shift in philanthropic grantmaking toward economic empowerment programs may continue with a focus on projects that build the capacity of individuals to live a more decent life. Also, the response of many individuals by giving to CSOs to distribute resources to the needy during the pandemic may promote the culture of giving to CSOs going forward.

References

- Council on Foundations. (2021). Nonprofit Law in Nigeria. Available at: <https://www.cof.org/country-notes/nonprofit-law-nigeria>
- Corporate Affairs Commission. (n.d.). Federal Republic of Nigeria Official Gazette: Companies and Allied Matters Act, 2020. Available at: <https://www.cac.gov.ng/wp-content/uploads/2020/12/CAMA-NOTE-BOOK-FULL-VERSION.pdf>
- Corporate Affairs Commission. (n.d.). Incorporated Trustees. Available at: <https://www.cac.gov.ng/incorporated-trustees>
- Chris Oyakhilome Foundation International (COFI). (2021). Home. Available at: <https://cofi.online/>
- Aliko Dangote Foundation. (2021). Home. Available at: <https://www.dangote.com/foundation/>
- Okaomee, A. A. (2021). Giving in Nigeria: Strong Cultural and Religious Traditions of Generosity and Donor-dependent Civil Society Sector. Unpublished manuscript.
- Proshare Intelligent Investing. (2020). How Faith Based Organizations Support the Containment of COVID-19 in Nigeria. Available at: <https://www.proshareng.com/news/Faith%20&%20Religion/How-Faith-Based-Organizations-Support-The-Containment-of-COVID-19-in-Nigeria/50295>
- Salaudeen, A. (2020). Government, Banks and Wealthy Individuals Contribute Billions to Fight Coronavirus in Nigeria. CNN. Available at: <https://edition.cnn.com/2020/03/27/africa/coronavirus-nigeria-fund/index.html>
- Spaces for Change. (2020). Stakeholders Converge to Take a Harder Look at CAMA 2020. Available at: <https://spacesforchange.org/stakeholders-converge-to-take-a-harder-look-at-cama-2020/>
- Tony Elumelu Foundation. (n.d.). The Tony Elumelu Foundation, Partner of Choice for Entrepreneurship in Africa. Available at: <https://www.tonyelumelufoundation.org/partners/>
- TY Danjuma Foundation. (n.d.). Annual Grants. Available at: <https://tydanjumafoundation.org/grantmaking/annual-grants/>
- United Nations Development Programme (UNDP). (2020). More Hands On-Deck: Aliko Dangote Foundation Contributes N1.5 Billion (USD \$ 3.8 million) to the Nigeria UN COVID-19 Basket Fund. Available at: <https://nigeria.un.org/en/44910-more-hands-deck-aliko-dangote-foundation-contributes-n15-billion-usd-38-million-nigeriaun>

Vanguard. (2020). UBA to Donate N5bn for Fight Against COVID-19 in Africa. Available at:
<https://www.vanguardngr.com/2020/03/uba-to-donate-n5bn-for-fight-against-covid-19-in-africa/>
Contributions from an attorney and some CSO leaders in Nigeria also informed this Country
Report.