

Why Africa's time is now

Jean-Claude Bastos de Morais

'At a time when risks elsewhere have been growing – whether in China, Europe or Latin America – this book spells out how, for once, Africa could be a winner. Of course, the precondition is that the continent tackles its problems of corruption, weak governance and misallocation of resources.'

Jacques de Larosière, former Managing Director, International Monetary
 Fund; former Governor, Banque de France; former President, European Bank for
 Reconstruction and Development

'A thoughtful account of Africa's problems and opportunities from an important group of writers, of whom thankfully many are Africans. The book contains both realism and vision. This is a balanced and sensitive view of people who have thought hard about how Africa can realise its potential.'

- Lord Simon Cairns, Member of the Board, Mo Ibrahim Foundation

'A compact book that packs a weighty punch, filled with large amounts of useful information about a continent that is changing rapidly and becoming more important in the global community. Jean-Claude Bastos de Morais and his co-authors have identified the most important issues and challenges that confront Africa today.'

 Ambassador Johnnie Carson, Senior Advisor, The United States Institute of Peace, Former US Assistant Secretary of State for African Affairs

'We have to assess the capabilities that the people of Africa carry to the global arena. What counts is not only mineral resources or infrastructure. We have to look, too, at the arts: it is the ability to create and communicate, to innovate and energise, that will help Africans shape their future. This is an important collection of essays that afford valuable insights into the many diverse strengths and promises of Africa.'

 Prof. Lord Meghnad Desai, Emeritus Professor, London School of Economics and Political Science

'A concise volume on Africa reflecting on the most relevant issues, from human capital to financial capital, from social infrastructure to physical infrastructure, from dreams to pathways. A must read for all who are passionate about helping Africa achieve its full potential. After all, Africa's potential is humanity's potential!'

- Jingdong Hua, Vice President and Treasurer, International Finance Corporation

'The incisive narrative in this luminously written publication speaks to the core tenets of a prosperous Africa. Africa must innovate and adapt policies, technology and interventions; and it must mobilise local resources and leverage existing external flows. The essays provide further evidence of the centrality of macroeconomic and political stability in the agenda of Africa's transformation.' – *Dr Louis Kasekende, Deputy Governor, Bank of Uganda* 

'There has been much talk of "Africa rising", but much of this has been broad-based optimism – or simply a well-meaning antidote to decades of "African pessimism". This book gives much-needed structure to the prospect of an economically vibrant and prosperous Africa. It takes discussion beyond the casual and general and starts laying down detailed foundations and scenarios for the future. A very important book, containing not just hope, but careful analysis upon which plans can be built. All policy-makers concerned with Africa should study this book.'

– Prof. Stephen Chan, Professor of International Relations, School of Oriental and African Studies.

'This is a thought-provoking and wide-ranging assessment of the enormous needs and opportunities for strategic investment in Africa, something in which the European Investment Bank is proud to play an increasingly significant role.'

– Ambroise Fayolle, Vice-President, Member of the Management Committee, European Investment Bank

### **CHAPTER 19**

# Foundations for African advancement

## Aslihan Gedik

A frica is home to some of the most world's evocative panoramas and a vast and resplendent array of flora and fauna. Yet much of it is at risk from the march of material progress. With 40% of the 1.1bn population living in poverty and widespread humanitarian challenges, the continent vividly demonstrates positive and negative effects of development. Africa can profit from fast-growing economies. Yet it faces diverse threats to habitats and wildlife as virgin territories are turned into farmland and construction sites. And it must live with the danger that different strata of societies will get left behind in financial and social wellbeing, as burgeoning growth benefits different sections of populations in highly diverse fashion: a recipe for social tension.

All this creates a propitious environment for philanthropic Africafocused foundations spanning many strategies: fighting disease, protecting land, conserving species, husbanding natural resources, sustaining agriculture and improving schooling. Traditional development aid from world governments is under pressure as a result of budget cuts and the growing belief that much past assistance has been wasted or misguided. As a result, mobilising capital in Africa for philanthropic purposes from private resources is big business, whether through innovative forms of social relief and environment protection or new financial products like impact bonds that link investment returns to development targets.

New groupings like the African Philanthropy Forum are taking root, allowing foundations and donors from many parts of the world to link up in constructive ways. It is a crowded field. More than 400 foundations are spread out across Africa, ranging from multi-billion dollar organisations such as the Gates and Rockefeller Foundations (which have teamed up

since 2006 in promoting 'green' agriculture in Africa) to local educational and humanitarian outfits in every corner of the continent. There is room for 'double bottom-line' investments that offer both financial and social returns. Methods for improving access to basic services, such as health, education, energy, or finance can generate sound business models. The development financing gap in Africa has been estimated at \$100bn annually until 2030.¹ To date, around \$8bn has been invested in African impact investment, involving five main groups: early-stage impact funds, private equity funds, development finance institutions, foundations, and institutional investors. Supply of impact capital is expected to rise, as additional private sector, public sector and philanthropy participants begin to develop interest in the field, and new opportunities emerge.

My own part-time contribution to alleviating Africa's problems has been to set up a small foundation, Wild@Life, to help counter wildlife and habitat loss and enable constructive co-existence between humans and animals. The statistics are striking. Only about 5,000 black rhinos now live in the continent, mainly in South Africa, Namibia, Zimbabwe and Kenya, compared with 100,000 before large-scale hunting for rhino horns started in 1972. African elephant numbers are down to 600,000 from an estimated 5m to 10m in 1930, the result of demand for ivory coupled with human settlement.

One of the globe's most imperiled species is the wild dog, of which only around 5,000 remain; pack sizes in Tanzania's Serengeti plains have fallen to around 10 from 100. There are only about 30,000 African lions today, compared with 250,000 in 1975 and 50,000 in 2005. My activities stretch from working with African Lion and Environmental Research Trust (ALERT), to efforts with the Orangutan Outreach programme in Indonesia, and with protecting elephants and primates in Africa. The best way to safeguard imperiled species is through a wide cross-section of methods. They include acquiring properties for game reserves and ecologically friendly hotels, forming partnerships with financial institutions, gaining brand endorsements and filming documentaries.<sup>2</sup>

Creative solutions are needed for establishing and running foundations, often adopting precepts from the world of business. Organising classes for e-commerce companies to embrace a 'zero tolerance' policy for selling wildlife products through their websites is as important as provision of off-

road vehicles, night-vision cameras, metal detectors and modern torches to game reserve rangers preventing poaching. Raising public awareness – whether on the ground in Africa or in the markets for wildlife products in North America, Europe and Asia – is of crucial significance. This can take diverse forms, ranging from distributing leaflets on 'Wildlife at My Home' to Botswanan children and implementing 'SOS Wild Dogs' telephone help organisations for farmers, through to large-scale information campaigns involving world leaders.

As Patrick Bergin, chief executive of the Africa Wildlife Foundation, has said, Africa does not have to choose between modernisation and wildlife preservation: the two can be made compatible.<sup>3</sup> International migration – whether tourists or refugees – can spread pathogens such as Ebola, anthrax and tuberculosis in the natural homes of many African species. The worst enemy, however, is forest clearance to obtain timber for construction, to establish plantations of rubber trees and oil palms, to search for minerals and fossil fuels, or to make room for settlements and pastures. Yet, with the right policies, the continent can pursue growth without sacrificing its wildlife and other natural resources in the process.

Wildlife tracking – estimated to be the world's fourth-largest illegitimate trade after drugs, counterfeiting and human trafficking – is a case in point. Rangers are often hopelessly under-resourced in their fight against armed poachers using helicopters to move seamlessly across borders without fear of security forces. AWF has been battling illegal wildlife trafficking for many years, escalating its efforts in 2014 with a three-year \$10m initiative to provide grants to partners protecting the most critical elephant, rhino, large carnivore and great ape populations in Africa. In addition AWF has been improving the interception of illegally trafficked wildlife products at ports, enhancing inter-agency and regional collaboration and spreading public awareness in China, Vietnam, Hong Kong and Thailand.

Closely linked to wildlife are issues of sustainable agricultural development – an area of enormous importance for Africa's future. The partnership between the Rockefeller and Gates Foundations centres on the Alliance for a Green Revolution in Africa (AGRA). It is based on the view that Africa has the ability to feed itself and benefit from a 'green revolution' that has increased crop production and led to surpluses in Latin America and Asia. Using basic technologies and better storage practices,

many farmers have the potential to produce three to four times as much as they currently produce. AGRA works to strengthen all components of the agricultural value chain – from farmers' fields to agricultural research organisations, from new African seed companies and food processors to regional markets.

AGRA's primary strategy is to facilitate the creation of an efficient African food system through grants and capacity-building assistance to institutions that are helping to improve the productivity of smallholder farmers. AGRA, an independent organisation with a board chaired by former UN secretary general Kofi Annan, includes African political and business leaders as well as international scientists and other experts. It has expanded its donor base to include governments as well as other international organisations. It carries out its activities in 16 countries, with emphasis on Ghana, Mali, Mozambique, and Tanzania. The aim is to improve production of staple crops in 'breadbasket' areas that have relatively good soil, adequate rainfall, and basic infrastructure. Successful approaches can then be replicated in other areas. Smallholder farmers, who make up 70% of Africa's population, produce most of the continent's food but struggle with unproductive soil, unreliable water supplies, low-quality seeds, and scarce markets for their crops. AGRA has supported more than 400 projects, including efforts to develop and deliver better seeds, increase farm yields, improve soil fertility, upgrade storage facilities, improve market information systems, strengthen farmers' associations, expand access to credit for farmers and small suppliers, and promote national policies that benefit smallholder farmers. There are dozens of small entrepreneurs in the seed business. Together they produce about one-third of the seed used by smallholder farmers in Africa. The effort involves getting seed and fertiliser to small village shops set up by entrepreneurs who are supported by AGRA. A common denominator for all its work is promoting up-to-date scientific and technological approaches to addressing bottlenecks in the system, reducing environmental degradation and conserving biodiversity.

According to Bill and Melinda Gates, the next 15 years will see major breakthroughs for most people in poor countries. 'They will be living longer and in better health. They will have unprecedented opportunities to get an education, eat nutritious food and benefit from mobile banking. These breakthroughs will be driven by innovations in technology – ranging

from new vaccines and hardier crops to much cheaper smartphones and tablets – and by innovations that help deliver those things to more people.'4 The Gates Foundation, which has adopted major strategies for fighting the virulent killers AIDS and malaria, has declared that Africa can eradicate polio in 2015. The foundation insists that Guinea worm, elephantiasis, river blindness and blinding trachoma – which disable tens of millions of people – can be wiped out by 2030.

Multiplying the overall effect of philanthropy through leverage of other donors is a mechanism pioneered, too, by Power of Nutrition – a charity set up in 2015 which by 2020 wants to deploy \$1bn to tackle undernourishment in the developing world. It announced its first investment, \$20m to fight undernutrition in Tanzania, in July 2015 – triggering \$200m in World Bank financing that will help fund a \$2.7bn government nutrition programme. As well as being the cause of 45% of child mortality, children lose up to 10% of their IQ because they do not receive the right nutrients and care in their first 1,000 days of life. Undernourished children achieve at least a grade less in school and are a third less likely to escape poverty as adults. The organisation is financed partly by a \$55m initial grant from the Children's Investment Fund, a hedge fund, as well as cash from the UK Department of International Development, and Switzerland's UBS Optimus Foundation. Through a special World Bank nutrition trust fund, every dollar in private funding is multiplied up to six times with new financing secured from other funders.

A medical charity with a more specific purpose is the anti-malaria Nothing but Nets, which works with United Nations partners, encouraging donors to give \$10 a time to purchase nets and distribute them to countries in Africa as part of a wider UN-coordinated public health effort. A fundamental source of better healthcare is clean water: The Water Project, an exemplary charity aiming to provide safe access to this basic resources for schools and villages, is focused on work in communities throughout Burkina Faso, Kenya, Rwanda, Sierra Leone, South Sudan and Uganda. Modern technology is a crucial factor behind many foundations. The Rotterdam-based ShadowView Foundation, for example, provides unmanned aerial systems such as drones and satellite tracking devices to combat animal poaching and for humanitarian relief operations.

Another smaller foundation with a pioneering impact is Edupeg. It

centres an important element in the system: the teacher. It supports 2,000 teachers across southern Africa with in-classroom mentorship and training in 150 primary schools helping them teach the curriculum more effectively while building their self-confidence. Despite education receiving the largest share (20%) of government expenditure, most South African pupils are recognised as being unable to read, write and compute at grade-appropriate levels, with large proportions being functionally illiterate and innumerate. The organisation – supported by business donors including Prudential, Volkswagen and Standard Bank – promotes better results in numeracy and literacy for 75,000 pupils. The centrepiece is a specially designed injection-moulded plastic pegboard which enables immediate assessment of completed tasks and intervention to correct errors.

Grass roots-level impact is demonstrated, too, by the Asante Africa Foundation, established in 2006 by Erna Grasz, a Silicon Valley corporate executive, Emmy Moshi, a Tanzanian entrepreneur from the Kilimanjaro region, and Helen Nkuraiya, a school principal and member of the Kenyan Maasai tribe. What began as a two-village project has expanded to over 40 partnerships with schools in 35 villages in Kenya and Tanzania. More than 1,600 teachers and over 40,000 students have benefited.

Another across-the-board charity pursuing better education standards is Room to Read foundation active in South Africa, Zambia and Tanzania. Attracting \$43m in cash donations in 2014 as well as \$10m in donations in kind (primarily children's books), the charity focuses on two areas of special impact – literacy and gender equality in education – and has created a model that can be replicated and localised by governments in different countries in Africa and Asia.<sup>8</sup>

Emphasis on local solutions is a prerequisite in health care, too. The Catholic Health Care Association, founded in 1988, is an umbrella body for Catholic health care services in South Africa, Botswana and Swaziland – an associate body of the Southern African Catholic Bishop's Conference.<sup>9</sup>

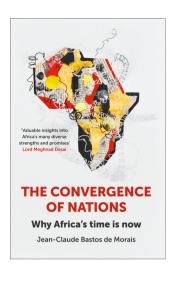
Philanthropy involves much more than merely giving money. In North America, philanthropic organisations have driven advances in health, education and social equity. Today, Africa's entrepreneurs and philanthropists have the resources, networks and opportunities to spur greater levels of social and economic change, beyond what governments or donors with constrained budgets can do on their own. Financial support from

#### FOUNDATIONS FOR AFRICAN ADVANCEMENT

the international business world is helpful though not essential. Assistance from governments on the ground is vital, whether in collaboration over schools and hospitals, assignment of military and police military support against poaching, or grant of lands to help save the ecosystem.

Administrating a philanthropic body needs professional management and effective supervision of a dedicated board of trustees. Autonomous foundations with limited capital may face a number of obstacles and expenses that diminish the amount of funding available. Support from well-known brands, celebrities and media groups makes a big difference, as does endorsement from entities like the World Bank or IMF. The art of philanthropy requires capacity to rein in our own egos, a relentless focus on the public good, insatiable curiosity and willingness to learn. We need, too, to collaborate across borders, cultures and sectors. Guiding this is a universal spirit that runs through human beings and nature. Foundations in Africa are a way of alleviating suffering, aiding social progress and protecting the earth – a combination of noble causes and sound objectives that can hardly be bettered.

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