THE STATE OF
PHILANTHROPY
IN TANZANIA
2018 REPORT
Introduction

This is a summary report of key findings, conclusions and recommendations of the State of Philanthropy in Tanzania carried out between February and April 2018.

The study was commissioned by Foundation for Civil Society (FCS) together with the Tanzania Philanthropy Forum (TPF), and facilitated by Strategic Connections Ltd.

The overall purpose of the study was to generate data and information on the state of philanthropy in Tanzania. FCS and TPF wishes to use the study outcomes to share learning across the philanthropy sector, stimulate joint advocacy among key philanthropy actors, as well as a to guide further development of the philanthropic sector.

This summary report needs to be read alongside the main report of the study in which the findings are elaborated in more detail. The main findings, conclusions and recommendations of the study are summarised in the sections below.

Overview of Key Findings

1. Definitions of Philanthropy:

A key object of the study was to coin out a definition of philanthropy from the perspective of Tanzanians. Per the study outcomes, the following definitions emerged:

a. Philanthropy: the act of ‘giving resources – financial, technical or material - for public good, more so that which seeks to improve human well-being.

b. Philanthropists: ‘individuals or corporates that set aside their personal resources formal or informal, structured or otherwise to support improvements in human wellbeing’.

c. Philanthropy actors: ‘individuals or entities who facilitate philanthropy actions, amongst others by applying resources set aside by philanthropists to improve human wellbeing’.

It also emerged that several key attributes need to be in place for action to qualify as philanthropic or a person/ entity as a philanthropist. These include:

a. Reason for giving: The principle motivation for the support must be to contribute to improving the welfare of others;

b. Recipients: The support needs to be directed towards needy communities, individuals or causes for common good, say environmental conservation;

c. What is given: The support could take different forms, amongst these, financial, time, materials and expertise etc.

d. Sacrificial nature of giving: There often exists a certain level of sacrifice i.e. the resources need to belong to/ be owned by the giver.

2. Typology & Focus of (Respondent) Philanthropy Organisations:

Majority of the philanthropy actors in Tanzania are largely Civil Society Organisations (CSOs), majority of whom were registered as Local Non- Governmental Organizations (LNGOs).
There exists a relatively wide distribution of philanthropy actors across the country, with Dar es Salaam, Western and Southern regions hosting close to 55% of the philanthropy actors. 56% of the respondent organisations confirmed they were part of a philanthropy network, while the remaining 44% indicating that they weren’t a member of any such collaborative arrangements. There thus exists a huge room for TPF to enlist other other philanthropic actors as members.

3. Policy & Regulatory Frameworks:

Tanzania has well laid out regulatory frameworks that govern philanthropy organisations. These were however noted to be fragmented, where several laws, policies and institutions regulate operations of philanthropy organisations. These laws include for instance the Companies Act Cap 212, NGOs Act, No. 24 of 2002, The Trustees Incorporation Act 1956, and the Societies Act Cap 337. There are also several oversight ministries, state departments or agencies charged with overseeing the philanthropy sector. Complying with these different regulatory regimes were regarded by respondents as complicated, time-consuming and costly. Further, it was observed that there are minimal fiscal and tax incentives to promote local philanthropy.

4. Legal Status of Respondent Organizations:

With regard to the legal status of the respondent organizations, a majority (72%) were registered as LNGOs; followed by Societies at 7.8%; and Companies Limited by Guarantee at 6.5%. The other registrations included Trusts (3.9%), Faith-Based organisations at 3%; as well as International Non Governmental Orgasations (INGOs) and Foundations both at 1%.

5. Main Sources of Funding for Development in Tanzania:

Per the survey, the top four sources of funding for the respondents were from allocations from INGOs (28.7%), individual giving (17.3%), allocation from annual revenues (13%), multi and bilateral agencies (8.7%). Companies and Government funded the least number of actors at 1.1% and 2.2% respectively. There is generally a good balance between resources generated by local and international charities. The most consistent source of funding for in the past 5 years was from Trusts and Foundations at 45.1%, followed by INGOs at 41.2% and own generated incomes at 31.3%.
6. Balance of Funding Across Different Sources:

The respondent organisations indicated that they had secured a total of **US$ 548,922,815** over the five-year period to 2017, amounting to an annual average of about **US$ 109,000,000** per year.

The sources that provided most funding (top three) were: INGOs at 71.7%, followed by Trusts and Foundation at 12% and bilateral and multilateral agencies at 4.5%. It was also observed that while a large number of philanthropy actors receive resources from individuals/families, companies, government and allocation from their own revenues, the actual amounts from these sources are quite meagre, with the combined value being less than 10% of total sector funding. Most philanthropy actors still depend on external funding as 57% of the respondents indicated that their funding was purely external, while 43% indicated that this was a mix of both external and internal.

7. Key Investment Areas:

The thematic areas where the support was directed were on the other hand as follows: livelihoods development at 54.4%, followed by education at 53.7% and health and governance at 45% and 43% respectively. The other sectors where investments were made included environment (32.9%), agriculture (23%), water, sanitation and hygiene (WASH) at 19%, emergency relief at 15% and sports and culture at 14%.

8. Distribution of Funding Across Tanzania:

An outlook of the 7 regions of Tanzania indicated that the, the Lake region had the highest number 20.5%, followed closely by Northern Region at 18.6% and Western Region at 16.7%. The others were the Coastal Region at 14.1%, the Southern Highlands at 10.9%, Zanzibar at 10.3%, and the Central region at 9%.

9. Key Challenges Facing Philanthropy Actors in Tanzania:

The study identified the most important challenges faced by philanthropy actors as:

a. Weak or unfavourable (non-conducive) regulatory regimes;

b. The Inability to diversify funding sources;

c. Limited linking and joint learning;

d. There were accountability challenges among the actors;

e. There was absence of safe and easy to use channels forgiving.

Key Investment Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Livelihood Developments</td>
<td>54%</td>
</tr>
<tr>
<td>Education</td>
<td>54%</td>
</tr>
<tr>
<td>Health</td>
<td>45%</td>
</tr>
<tr>
<td>Governance</td>
<td>43%</td>
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<tr>
<td>Environment</td>
<td>32%</td>
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<tr>
<td>Agriculture</td>
<td>23%</td>
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<tr>
<td>Water, Sanitation &amp; Hygiene</td>
<td>19%</td>
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<tr>
<td>Emergency Relief</td>
<td>15%</td>
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<tr>
<td>Sports &amp; Culture</td>
<td>14%</td>
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</tbody>
</table>
10. Corporate Giving Trends:

There is growing involvement of corporates in giving in Tanzania, commonly in the form of Corporate Social Investments (CSI). The giving is often not structured (regular, given via registered entities), and many times not adequately documented or openly acknowledged. Data on corporate philanthropy in Tanzania is subsequently still scanty.

Individual and direct giving has, until recently, been the primary means for wealthy individuals to give but institutionalized and professional forms of giving are now becoming more common. This is partly due to an increase in the amount of time philanthropists dedicate and the importance of access to networks for the success of an intervention, besides increasing scale of giving. Many corporates appreciate the link between giving and business.

Corporate giving takes several forms. Monetary giving scored the highest, but some give time, skills and experience as well as in-kind donations. Corporates are also investing more of their time, social capital and skills to help the causes they support. Giving of assets, making social investments and providing access to networks also take place, though at lower levels.

Education and health attracted the most support. These are both perceived as areas of urgent need and key springboards for African development. The study also shows that most philanthropists are inclined to support service provision in these areas, rather than focusing on the systemic issues underlying the lack of delivery even if they acknowledge the need for it.

Philanthropic giving towards catastrophes (disasters, funerals) and festivities (weddings etc.) causes were also quite high compared to giving towards structural or long-term development causes such as health, education et cetera.

There is a growing trend where young people are increasingly being attracted to formal charitable organizations driven largely by the celebrities’ involvement in philanthropic causes. This provides an opportunity to ride on the tide and make giving easier and trendier for young people – whose population also happens to be pretty large.

Increased competition on issues and resources among local CSOs and between local and international NGOs continues to make a case for increased local resources mobilization. As such, there is a need to come up with innovations to grow local giving. Local giving will demand improved accountability and information sharing practice among CSOs if they are to establish trust and commitment from local givers.
General Conclusions

1. There exists a culture of giving in Tanzania driven by both a desire to improve the welfare of others, besides a sense of obligation that accompanies the privilege of belonging. Except for a few high net-worth philanthropists, the giving is often not structured or consistent. This makes it hard to access data, say on levels, nature, patterns and accountability for giving.

2. While the number of Tanzanians that give to charitable causes is on the rise, the actual amounts generated from the general public (communities, individuals) are often much lower than those by the few high net-worth philanthropists. Similarly, the amount of resources externally generated for philanthropy far outstrips that which is locally generated. Subsequently, the local giving potential in Tanzania is still relatively untapped. Key challenges revolve around limited information, trust, incentives, besides unsupportive attitudes.

3. The regulatory frameworks governing the philanthropy sector in Tanzania is pretty fragmented. This is characterised by multiple laws and oversight authorities, that are cumbersome and expensive to comply with. Incentives are equally limited and not well understood by key actors.

4. The mechanisms and capacity for collaborative leadership (coordination, linking, joint responses etc.), and thought leadership (evidence building, data sharing etc.) within the philanthropy space are much less developed. It emerged for instance that close to 50% of the philanthropy organisations that responded to this study are not members of any philanthropy network.

5. Increasingly shrinking civic space and heightened competition for dwindling external funding appear to have triggered a desire amongst local philanthropy organisations to strengthen local philanthropy. Such efforts are however constrained by capacity challenges, unfavourable regulatory regimes and credibility concerns. However, much more capacity support is needed to enable these entities further increase the value of own or locally generated resources, which currently are meagre.
Overall Recommendations:

Based on the findings and observations of the study, the following recommendations have been arrived at. The recommendations target TPF, FCS and philanthropy actors to offer leadership in taking forward the same. These include:

1. Advocating for prioritization of the consolidation of all the laws, policies and or institutions governing philanthropy organisations in Tanzania. This should also be aimed at unifying the definitions and local understanding of philanthropy and philanthropists within the context of Tanzania.

2. Engage with the government to facilitate the establishment of tax law provisions that offer windows for application for certain tax breaks or benefits for private individuals and businesses that are keen implement long-term philanthropy strategies.

3. Invest in strengthening the CSO capacities to effectively engage and establish long-term partnerships with the private sector and government for greater leveraging of resources and general complementarity of actions.

4. Take leadership and promote public awareness and visibility about the concept and practices in organized philanthropy in Tanzania. Well documented success stories can reinforce the messaging (putting names to the face of the philanthropy dialogue).

5. Identify key philanthropy champions and collaborate with the media/media to position the philanthropy as a viable alternative to international donor funding in the long run.