

SECTOR 08 OF 12

HOW SURE WE ARE: STRONG INFERENCE

8 min read

Philanthropy

Philanthropy cannot replace lost aid, and its best use is to take the first risk so that Africa's own savings can be invested at home.

IN BRIEF

- Aid fell by about \$50 billion in 2025, while the largest foundation in the world spends \$9 billion a year, most of it on health.
- African pension and insurance funds hold about \$775 billion, but most of that money is lent to governments.
- Foundations should take the first losses on local investments so that pension funds can invest at home, and governments should give tax relief for gifts to audited local charities.



Members of the business community at a meeting in Kismayo, Somalia.

Photo: AMISOM Public Information, [CC0 1.0](#), via [source page](#).

\$9bn

Gates Foundation budget for 2026, the largest of any foundation

Source: [gatesfoundation.org](https://www.gatesfoundation.org)

\$200bn+

Gates Foundation spending planned up to 2045, most of it in Africa

Source: [gatesfoundation.org](https://www.gatesfoundation.org)

55%+

Share of large gifts from non-African funders that went to African organisations in 2022 and 2023, up from 14%

Source: bridgespan.org

9%

Share of African donors' large gifts that went to African organisations, 2010 to 2019

Source: bridgespan.org

\$775bn

Held by African pension and insurance funds

Source: [oecd.org](https://www.oecd.org)

85%

Share of Ghana's pension investments in bills and bonds at the end of 2023

Source: [oecd.org](https://www.oecd.org)

What happened at the UN

The Gates Foundation published its yearly Goalkeepers report during the week in New York. It promised \$1 billion over two years for uses of artificial intelligence (AI) that serve poorer people fairly. Of this, 40% goes to education, 40% to health, 10% to farming and 10% to data in many languages. The foundation did not say how much will go to Africa. Without that figure, African governments and researchers cannot plan around the money.

The UN Population Fund (UNFPA), which pays for family planning and the health of mothers, gathered pledges of \$715 million. More than \$292 million of it came from four African governments. That was the strongest sign of the week that African governments will pay for their own health services.

Sources for this section (2)

- [Gates Foundation: \\$1 billion for equitable AI, Goalkeepers 2026](#)
- [Health Reporters: \\$715 million pledged for reproductive health](#)

What is really going on

In May 2025 the Gates Foundation said it will spend more than \$200 billion over 20 years and then close in 2045. In Addis Ababa in June 2025, Bill Gates said most of it would be spent in Africa. The focus is basic health care, food for mothers and young children, and AI in health. The foundation's 2026 budget is \$9 billion. Its running costs are capped at \$1.25 billion, and it will cut up to 500 posts by 2030. Even at this pace, it gives less than a fifth of the aid that was lost in 2025.

Other foundations moved less. Giving by US foundations rose 3% after inflation in 2025, and 65% of independent foundations gave out their usual share of assets. Only 8% of foundation heads said the sector had responded very well to aid cuts. From 2016 to 2019, US foundations gave about \$6 billion a year for development, a small fraction of US government aid. By mid-2025, trackers had counted \$18.4 billion of new commitments, leaving out two very large ones. Sub-Saharan Africa received 13% of the funding opportunities. Philanthropy as a whole is growing far too slowly to cover the gap.

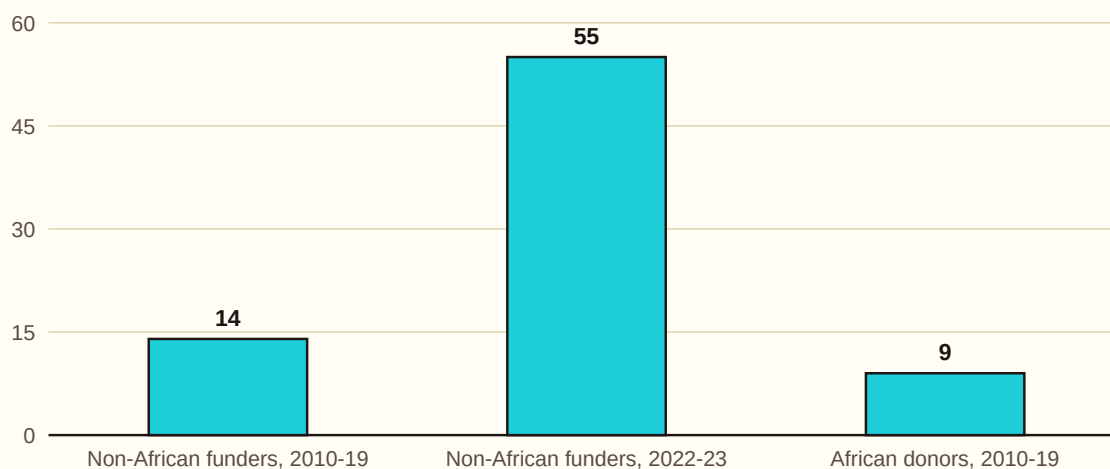
Large gifts to African organisations rose sharply after 2020, but two funders drive the change. The share of the Gates Foundation's large Africa grants going to African organisations rose from 16% to 82% between 2020 and 2023. The Mastercard Foundation's share reached about half. African donors sent only 9% of their large gifts to African organisations between 2010 and 2019, and 41% to governments. If either of the two large funders changes course, African groups lose most of their large gifts.

African donors can still move fast in a crisis. In 2020, Nigeria's CACOVID coalition of companies raised more than \$75 million against COVID-19. Private wealth is there to draw on. Africa has 122,500 millionaires and 25 billionaires. South Africa has the most millionaires, with 41,100, while Nigeria has 7,200 and Kenya 6,800. Their number is expected to grow 65% over the next ten years, although Nigeria's fell 47% over the last ten. The money for much more African giving already exists inside Africa.

Savings held by pension funds and insurers are far larger. African pension funds hold about \$455 billion and insurers about \$320 billion. Yet Africa holds less than 1% of the world's pension assets, while it produced 5.2% of world output in 2023, measured at local prices. At the end of 2023, African pension funds put 44.4% of their investments in government bills and bonds on average. The Organisation for Economic Co-operation and Development (OECD) finds that most countries' limits on property, private funds and loans are not the problem, because trustees stay well below them. African savings could therefore fund roads and housing at home under the rules that exist today.

Large gifts to African NGOs have risen, driven by a few non-African funders

Share of large gifts going to African NGOs, %

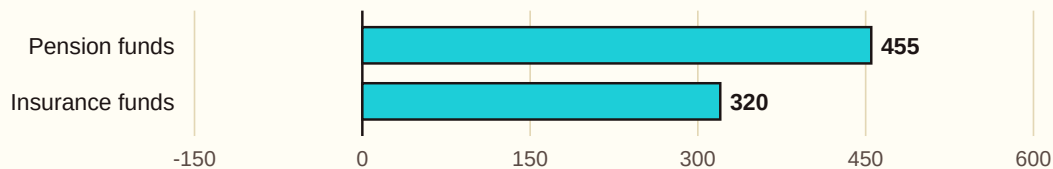


The 2022-23 figure is reported as more than 55%. African donors' share: [source](#)

Source: [Bridgespan](#)

African pension and insurance funds hold about \$775bn

US\$ billion, 2025



The OECD, citing the same source, puts pension funds, insurers, sovereign wealth funds and development banks together at about \$1.1tn: [source](#)

Source: [Africa Finance Corporation figures, via African Arguments](#)

Sources for this section (11)

- [Gates Foundation: the plan to spend \\$200 billion and close in 2045](#)
- [Gates Foundation: most of the \\$200 billion to go to Africa](#)
- [Gates Foundation: the 2026 budget and cost cap](#)
- [Fortune: how US foundations responded to aid cuts](#)
- [Center for Global Development: what foundations give for development](#)
- [Alliance Magazine: tracked new commitments up to mid-2025](#)
- [Bridgespan: large gifts to African organisations from non-African funders](#)
- [Bridgespan: where African donors' large gifts go](#)
- [Alliance Magazine: how African philanthropy responds in a crisis](#)
- [Henley & Partners: Africa Wealth Report 2025](#)
- [OECD: Africa Capital Markets Report 2025, on pension and insurance assets](#)

03

HOW SURE WE ARE: OBSERVED

Country by country

Nigeria's pension funds held ₦31.32 trillion, about \$22 billion, in May 2026. At the end of 2023, 64.9% of their investments were in government securities. Only ₦318 billion was in infrastructure, so the National Pension Commission (PenCom) is designing a shared fund for it. Pension funds already supplied 56% of the money in bonds backed by InfraCredit, a Nigerian company that guarantees local infrastructure bonds. By the end of 2024 it had backed 24 deals. Companies can deduct gifts up to 10% of profit before tax under the Nigeria Tax Act 2025. Individuals get no tax relief for gifts to non-governmental organisations (NGOs). Nigeria has the tools to move pension money, but its tax law gives wealthy individuals no reason to give.

Kenya's pension funds held Kshs. 2.81 trillion in December 2025. Just over half sat in government securities, and only Kshs. 29.93 billion was in private equity, meaning shares in companies not listed on a stock exchange. Kenya's Public Benefit Organisations Act took effect on 14 May 2024, eleven years late. Existing NGOs have one year to register again, and foreign organisations need at least one-third Kenyan directors. Rules from June 2024 let donors deduct gifts to approved charities, with conditions. Kenya now has both a register of charities and a tax rule, so it can test whether relief draws more local giving.

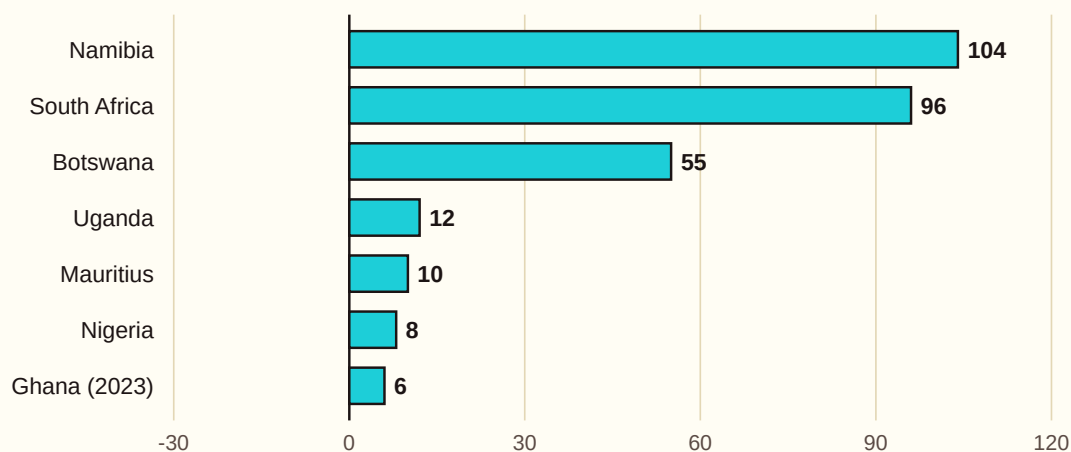
In South Africa and Namibia, pension savings equal 96% and 104% of the economy. In Nigeria and Ghana they equal 8% and 6%. South Africa lets donors deduct gifts to approved public-benefit organisations up to 10% of taxable income, and carries any excess to later years. Since May 2024, approved organisations must report every tax receipt they issue to the revenue service. South Africa therefore offers the working example for the rest of the continent.

Rules that keep pension money at home differ widely. Botswana sent 62% of its pension assets abroad in 2022, and is raising the share it must invest at home from 38% towards 50% by 2027. Uganda bars pension funds from investing outside East Africa. Ghana generally caps investment abroad at 5%, and 81% of its private pension investments are in government securities. Keeping money at home does not by itself send it to businesses, because much of it is lent to the government.

Several governments are making foreign money for civic groups risky. Uganda's sovereignty law, passed in May 2026, carries prison sentences of up to ten years for promoting foreign interests. Zimbabwe's amended NGO law of April 2025 lets the state strike off groups it sees as political and seize their assets. The European Union suspended its governance funding there in response. Ethiopia closed 1,504 civic organisations in the first half of 2024 and has suspended five major rights groups since December 2024. It also proposes to bar foreign-funded groups from election work. In these countries, a group that takes foreign money for rights work now takes a legal risk.

Pension savings are deep in southern Africa and shallow almost everywhere else

Pension fund assets, % of GDP, 2024 or latest available

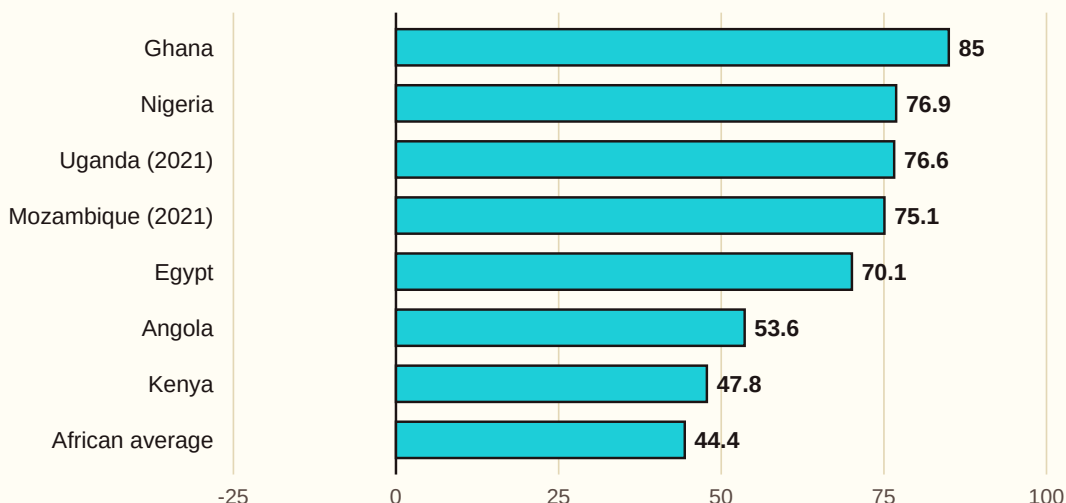


The OECD puts the African average at 22.6% of GDP in 2023, with 12 of 16 countries below it. Kenya is not shown in this figure.

Source: [OECD, Africa Capital Markets Report 2025, Figure 3.13 \(central bank and regulator data\)](#)

Most African pension money sits in bills and bonds

Share of pension fund investments in bills and bonds, %, end-2023



Shows the countries above the African average. Bills and bonds are mainly government securities: 81% of Ghana's private pension investments, 64.9% of Nigeria's and 47.5% of Kenya's were in government securities in 2023.

Source: [OECD, Africa Capital Markets Report 2025, Tables 8.4 and 8.5 \(OECD Global Pension Statistics\)](#)

Sources for this section (13)

- [Nairametrics: PenCom plans an infrastructure fund for Nigerian pension money](#)
- [OECD: InfraCredit and pension money in Nigerian infrastructure bonds](#)
- [PwC: deductions for companies' gifts in Nigeria](#)
- [Council on Foundations: no deduction for individual gifts in Nigeria](#)
- [Retirement Benefits Authority: Kenya's pension assets in 2025](#)
- [Bowmans: Kenya's Public Benefit Organisations Act comes into force](#)
- [EY: Kenya's 2024 rules on donations](#)
- [OECD: pension assets by country, investment limits and allocations](#)
- [South African Revenue Service: guide to tax deductions for gifts](#)
- [South African Revenue Service: reporting of tax receipts since 2024](#)
- [Africanews: Uganda's sovereignty law](#)
- [IFEX: Zimbabwe's new NGO law](#)
- [Human Rights Watch: Ethiopia and civil society](#)

Why this matters

The OECD expects aid to governments and civil society to fall by 40% between 2024 and 2026. Wealthy Africans mostly give to governments, and foreign money for civic groups is now legally risky in several countries. Independent research, rights work and technology for public use are left without a natural funder.

Africa's own savings are the larger opportunity. Ghana lets pension funds put 25% of their money into private funds, yet they hold 0.58%. A foundation that takes the first losses on a local investment can let pension funds use limits they already have. It can also pay for the checks that trustees need before they invest. That moves far more money than grants alone. In Nigeria, InfraCredit's guarantees brought pension funds into infrastructure bonds that run for 11 years on average.

Tax rules decide whether local giving reaches local organisations. Where the law rewards gifts to audited public-benefit organisations, wealthy Africans have a reason to fund local groups. Reporting every receipt answers a treasury's fear that relief will be misused. Governments would also gain a legal way to fund civic life that does not depend on foreign money.

Sources for this section (3)

- [OECD: projected fall in aid to government and civil society](#)
- [African Arguments: Ghana's unused limit on private funds](#)
- [OECD: InfraCredit and the length of guaranteed bonds](#)

The case against this view

Ghana's debt restructuring showed that local savings suffer when a government is under strain. Asking trustees to take more risk before debt is under control could make savers the lenders of last resort. Any guarantee fund therefore needs firm protections for trustees. Trustees also have good reason for caution. The OECD links their heavy use of government bonds to the high returns those bonds pay, and to a shortage of large companies able to issue bonds.

A second objection concerns power. One foundation that plans to spend more than \$100 billion in Africa over 20 years, working directly with health ministries, gains influence over public policy that no voter gave it. Philanthropy that fills gaps left by aid can also let governments put off raising their own taxes.

Sources for this section (2)

- [OECD: why pension funds favour government bonds](#)

BY AUDIENCE

What you can do

Philanthropy

DO THIS

Pool money with other African foundations and family offices to take first losses behind a guarantee fund for pension investment.

WHY

In Nigeria, InfraCredit's guarantees drew more than ~~₦200~~ billion from 21 local investors.

Philanthropy

DO THIS

Give multi-year grants for running costs to independent research, rights work and technology for public use.

WHY

Aid to government and civil society is expected to fall by 40% between 2024 and 2026.

Governments

DO THIS

Give tax relief for gifts to audited public-benefit organisations in the 2027 finance bills.

WHY

African donors send only 9% of their large gifts to African organisations.

AU and regional bodies

DO THIS

Publish each country's pension investment limits beside what funds actually invest, every year.

WHY

Limits for private funds and property go unused in most countries.

Business and investors

DO THIS

Prepare infrastructure and housing projects to the standard that pension trustees require.

WHY

Nigeria's planned infrastructure fund and Kenya's new guarantee company, Dhamana, need a steady supply of sound projects.

NGOs and civil society

DO THIS

Register as a public-benefit organisation and publish audited accounts.

WHY

Tax relief and local donors will favour groups that can prove how money is used.

Social entrepreneurs

DO THIS

Build giving platforms that issue tax receipts and report them to revenue authorities.

WHY

Reporting receipts answers a treasury's fear that relief will be misused.

Young people and citizens

DO THIS

Ask your pension scheme how much of your savings is invested in the local economy.

WHY

Most African pension money sits in government bills and bonds.

OCTOBER 2026 TO DECEMBER 2027

Dates to watch

7 OCTOBER 2026

Launch of the African Credit Rating Agency

Grades for loans in local currencies could give pension trustees a new guide for investing at home. [Source](#)

25 TO 27 OCTOBER 2026

African Philanthropy Forum conference, Cape Town

A place for African funders to commit to shared funds and to model tax rules. [Source](#)

9 TO 11 NOVEMBER 2026

African Venture Philanthropy Alliance conference, Cape Town, on the theme "Beyond Aid"

Tests whether wealthy families will back funds that mix charitable and commercial money.

[Source](#)

LATE 2026

Expected launch of PenCom's shared infrastructure fund for Nigerian pension money

The first large test of pooling pension money for infrastructure at home. [Source](#)

JANUARY 2027

Gates Foundation announces its 2027 budget

Shows how much of its spending reaches Africa, and through whom. [Source](#)

Recommendations

2 YEARS · BY SEPTEMBER 2028

CONTINENTAL

Build an African guarantee fund so pension savings can be invested at home

Leads: The AfDB with ATIDI and Africa50, with foundations providing first-loss money; national regulators keep the power to approve, with Nigeria and Kenya first

1 YEAR · BY 2027 FINANCE BILLS

NATIONAL, COMPARED ACROSS AFRICA

Give tax relief for gifts to audited local charities, and compare rules across Africa

Leads: National treasuries decide; ATAF compares; SADC, the East African Community and ECOWAS bring the rules into line

Dig deeper

[Africa Capital Markets Report 2025](#)

OECD

Pension and insurance assets, allocations and investment limits by country.

The changing landscape of large-scale giving in Africa

Bridgespan

Who funds African organisations and how that has changed.

Disparities in funding for African NGOs

Bridgespan

Where African donors' large gifts go.

Africa's pension funds are already allowed to invest at home

African Arguments

Why institutional capital stays in government debt.

Will philanthropy step up in a post-aid world?

Alliance Magazine

A hard look at the numbers on philanthropic commitments.

Foundations in a world of falling aid

Center for Global Development

What foundations can and cannot replace.

Majority of \$200bn pledge to go to Africa

Gates Foundation

The June 2025 announcement at the African Union.

InfraCredit: making infrastructure in Nigeria more bankable

OECD

How guarantees brought pension funds into long-term local bonds.

Africa Wealth Report 2025

Henley & Partners

Millionaires and billionaires by African country.

Ethiopia: proposed legal changes threaten civil society

Human Rights Watch

The proposed limits on foreign-funded groups.

Words used on this page

Pension and insurance funds

Funds that hold workers' retirement savings and insurance premiums. In most African countries they put most of their money into government bonds. [Our recommendation on this](#) · [Glossary](#)

Tax relief for gifts

A rule that lets a donor subtract a gift to an approved charity from their taxable income, so they pay less tax. Most countries cap it, for example at 10% of taxable income in South Africa. [Our recommendation on this](#) · [Glossary](#) · [Source: sars.gov.za](#)

The African Group at the UN

The 54 African member states working together as one of the UN's five regional groups. The groups put forward candidates for elections to UN bodies. The African Group itself has no vote on the Security Council. [Our recommendation on this](#) · [The UN and diplomacy briefing](#) · [Glossary](#) · [Source: un.org](#)

Government bills and bonds

Loans to a government that investors can buy and sell. Bills are repaid within a year and bonds over longer periods. African pension funds put much of their money into them. [Our recommendation on this](#) · [Glossary](#) · [Source: oecd.org](#)

OECD

The Organisation for Economic Co-operation and Development, a Paris-based club of 38 mostly rich countries. It keeps the official figures on aid. [Development cooperation briefing](#) · [Glossary](#)

Private equity

Shares in companies that are not listed on a stock exchange, usually bought through a fund that holds them for several years. [Our recommendation on this](#) · [Glossary](#) · [Source: oecd.org](#)

Public-benefit organisation

A charity or non-profit group registered under the law as working for the public good. In Kenya and South Africa, registration brings duties to report and, in some cases, tax relief for donors. [Our recommendation on this](#) · [Glossary](#) · [Source: bowmanslaw.com](#)

European Union (EU)

A union of 27 European countries with shared laws, a single market and a large aid budget. [Glossary](#)

Credit rating

A grade given by an agency on how likely a borrower is to repay. Lower grades mean higher interest rates. African governments are setting up their own agency, the African Credit Rating Agency. [Development cooperation briefing](#) · [Glossary](#)