Africa Forum - Project Redwood

Investing in Africa: Philanthropy and Beyond

Forum Sponsored by Project Redwood and the Tides Foundation

October 30, 2017

Hosted by

TIDES
A Force for Social Good

PROJECT REDWOOD

October 30 // 10:30a-6:00p
Google Community Space // SF

In an exciting new initiative for PRW, we co-hosted a full day event that brought together over 70 leading funders, investors, and social entrepreneurs to share ideas on how to support nonprofit ventures across Africa. The Africa Forum was held the day after the PRW 2017 Annual Meeting. The group explored a broad spectrum of funding tools and methods, from grantmaking to equity investments. Presenters and attendees discussed strategies that funders can deploy to best understand the local landscape, direct their investments, and support on-the-ground practitioners in Africa.

Sixteen PRW members and four PRW grantees attended and came away with new ideas and valuable contacts with others involved in funding in Africa. The day also served to increase our appreciation of the Tides Foundation and the opportunities that our partnership offers. Tides provides a way to leverage PRW's limited non-financial resources, to build a network, and to find synergies with other funders and grantees under the Tides umbrella. All of this could generate potential 'next tier' funders for our grantees or funding partners for PRW.

Noteworthy Presentations: A few key presentations by other organizations actively involved in Africa introduced some new ways to generate support for nonprofits. Highlights include:

Topic: Media Initiatives

Two organizations, Mama Hope and Girl Rising, shared how they have developed state-of-the-art media presentations to appeal to funders. They use assorted media platforms to widely distribute their positive messages about the reasons and methods of investing in Africa.

Topic: Impact Investing and Its Use

Impact Investing for economic development in socially oriented enterprises with an expected return is a relatively new way to promote social good. An important element in raising funds for this type of investment is determining and communicating to investors the issue that part of the 'return' is in measurable social good and not entirely in financial return.

Impact Investing can also be paired with philanthropic grantmaking to achieve a combined outcome that is more 'holistic'. For example, investment in an operating company can provide jobs, and a partner philanthropy can support education and healthcare for workers' families.

Development Impact Bonds are another new thing. DIBs provide upfront funding for development programs by private investors who are remunerated by donors or host-country governments — and earn a return — if evidence shows that programs achieve pre-agreed outcomes.

Group Discussions: Several keynote speakers then shared their perspectives and lessons learned from working in Africa. Some of the useful reminders and takeaways for PRW include:

- Say Africa and realize that you are talking about a huge, diverse and fragmented population. There are 54 countries with 1 billion people that embody many differences in culture, economies, language, agriculture, etc.
- The median age across the continent is only 20 years; that shapes the experience base and perspectives of much that is going on.
- There needs to be a fit between donor and organization, so don't waste your time when there isn't a fit. When there is a fit, it is powerful.

- It’s important to become an educated funder. Don’t assume that you know what is needed on the ground. Rather, we need to be thorough in listening and vetting.

  Don’t ‘direct so much as seek to collaborate and advise based on adding a new perspective. And, managing any partnership will require meaningful reporting – complete but not burdensome.
- As is the case with any prospective grantee, there are basics that grant applicants should already have – financials, strategy, business plan, reporting mechanisms. And a Mission that’s short and to the point should capture their purpose and clarify the ‘fit.’
- Donors should be open to unrestricted funding. Capacity Building grants will help organizations increase their abilities and manage their own performance.
- Philanthropy has traditionally been done in a siloed way, but it really needs to be approached holistically. Example: Supporting education may not succeed if kids are hungry, so address both.
- Be mindful that you don’t necessarily have to innovate to drive growth or success. In many cases, replication can get you to scale.
- Historically, there hasn’t been much ‘M&A’ in nonprofit. Yet, such collaborations could lead to greater efficiency and impact. We should look for synergy, common interests, focus areas, geographic areas to encourage and facilitate collaboration.
- Catalytic Capital is the money to help grow an organization from established startup status (funded by friends and family) to size and impact that qualifies for larger funding. There is definitely a place in philanthropy for this funding, and could be critical to organizations that aspire to scale.
- More than ever before, investors and/or donors want to see both financial impact and social impact.

  Sometimes traditional financial metrics alone should not be the determinant of a grant; just doing right is ok. Thoughtful leadership demands an openness to look at wider implications.
- That said, impact needs to be measured and valued. Where possible, in monetary terms, but always seek some mark of quality change and improvement.
- Measuring impact is important and exciting when you have the data and can share it with donors. Findings can give rise to celebration or point out failures to learn from.
- Make sure that reported results were from grantee action and not other people/gov’t results. Make a persuasive case for attribution.
- Don’t be afraid to be a risk taker at times.
- A clearinghouse for non-profits is needed. There are problems that non-profits try to solve and the solutions are out there. They just don’t know where.
- Recognize that there is a huge ecosystem worldwide that supports various nonprofit activities across Africa; connecting and/or working with them can add impact.
- In today’s world, social media and storytelling shared through various social platforms are powerful ways to build awareness and gain more positive attention.

A Summary for PRW: Even as PRW already considers many of these points, the conversations only underscored the importance of staying true to our mission. We should be guided by it, and not feel restricted as it provides flexibility to address evolving social issues and needs. And, it's important that we articulate that we are the venture capitalists of philanthropy – Project Redwood can provide Catalytic Capital. That is the "sweet spot" in the funding spectrum that PRW occupies. Further, there is great value in being open to the unexpected.

Bottom line, this day sent a powerful message: We have a passion reflected in our mission, resources we want to apply and the impact we want to make. However, we must remember that we don't have all the answers, so we should try to find the smart people who can help get the answers and work with them to effect positive change. We are the authentic ally to the organizations we fund.