The Solidarity Fund: Philanthropic generosity in action

By Leila Davids

Philanthropy and new funding vehicles can do what businesses and governments cannot: they can fund the gaps; they can be nimble and take risks; and they can bring together surprising groups of people to produce and implement innovative solutions to seemingly intractable problems. In response to the crisis created by the current coronavirus outbreak, private philanthropy and new funding vehicles like the Solidarity Fund have unlocked financial and social capital to tackle the emerging, unprecedented immediate challenges we face, as well as preparing for unknown long-term and distal effects.

The outbreak of the coronavirus pandemic has seen the spread of a novel virus at record speed to almost every corner of the planet; the mobilisation of most governments to institute new, difficult measures to curtail the spread of the virus; and seismic global economic shifts. At the same time, the pandemic has ushered in a series of breakthroughs in cooperation, allowing for unlikely partnerships, and in the midst of enormous challenges, providing an opportunity for acts of radical generosity.

Within philanthropy there has been remarkable flexibility as a result of the pandemic, with foundations shifting quickly to disburse emergency funding to organisations and causes beyond their usual strategic ambit – forgoing established months-long, due-diligence processes to open funding gates to new entities, such as community-based collectives recently formed to combat Covid-19 to newly established funding vehicles like the Solidarity Fund. Foundations have further adapted their operational outlooks to accommodate the effects of the outbreak on existing non-profit grantees, gearing down on reporting requirements; increasingly proving unrestricted funding; as well as varying additional types and levels of support.

Private foundations have made extraordinary, sizeable gifts to global, national and local organisations. As of mid-July, philanthropic funding alone for all formal COVID-19 responses worldwide reached $12,2 billion via 9 149 grants and 912 funders.1 As part of a seismic shift in the global philanthropic landscape, the Ford Foundation leads the way in establishing and bringing to market an historic Social Bond to create a sustainable funding pool to strengthen the non-profit sector. Rockefeller Foundation have pledged $100million to their global COVID19 response. In South Africa, the establishment of the Solidarity Fund offers an example of a creative national response to the sudden emergence of a global threat – a response buoyed by the deep generosity of individuals, foundations and corporates. The Solidarity Fund was created at around the same time and in the same atmosphere as the now iconic philanthropic pledges made by notable South African families, generosity and leadership displayed by the Motsepe, Oppenheimer and Rupert families.

The Solidarity Fund was announced by President Cyril Ramaphosa during a televised address to the nation on 23 March 2020, during the same speech in which he announced the enactment of a nationwide lockdown. From the outset, the president placed giving and contribution at the centre of the formation and mission of the fund and South Africa’s national plan to combat the virus. He said: “Following consultation with social partners, we have set up a Solidarity Fund, which South African

1 https://candid.org/explore-issues/coronavirus
businesses, organisations and individuals, and members of the international community, can contribute to."

The Solidarity Fund is entirely independent of the government, with clear governance, operational and oversight mechanisms in place to ensure the highest standards of operation and governance. The Fund was kick-started with a R150 million pledge from government (including R100 million from Treasury and R50 million from Ithuba National Lottery) and a mandate to complement the work of the public sector in its response to Covid-19. The Solidarity Fund is responsible for, and controls, all funds donated to it. It is financially and legally responsible for those funds and holds itself accountable to every donor – foundation, corporate or individual.

The Fund is set up as a rapid-response vehicle into which business, civil society and individuals can donate money in order to contribute collectively as a nation (and increasingly as a global community) to South Africa’s national response to Covid-19. The Solidarity Fund was created at speed. Within three weeks, at an unprecedented pace, it had established a highly respected board chaired by Gloria Serobe; recruited a team including an interim CEO; developed a strategy across distinct focus areas; identified immediate key projects to fund; allocated funding; set up processes and systems; and raised sizeable income. Areas of focus include:

- Preventing the spread of the disease by supporting measures to lower infection rates and thus “flatten the curve”;
- Detecting and understanding the magnitude of the disease;
- Caring for those in hospital or in need of medical care; and
- Supporting those whose lives have been disrupted by the pandemic.²

Key operating principles of the Solidarity Fund include its intent to be nimble, augmenting the government’s clear plan of action for Covid-19 while maintaining its independence; to have a pooled fund of unrestricted capital to pull down from for key activities within its mandate. The Fund is also a frictionless vehicle: it pays no bank charges or salaries; all board members and all 80-plus team members from 21 organisations are effectively full-time volunteers working pro bono; and all corporate services have, to date, been given freely. This means that all the raised funds go directly to impact. It also means that the intention to create a sense of nation-building through unity and solidarity, that in the fight against coronavirus, we are all ‘Citizens in Solidarity’, is working.

In just over three months, the Solidarity Fund received R3 billion in pledges. This remarkable feat of generosity is a result of three main areas of support: (1) individual giving whether through direct donations or payroll giving, (2) corporate giving and (3) private philanthropy. More than 300 000 individuals have made direct contributions to the fund through its website and crowdfunding channels; at supermarket tills across the country; or through salary deductions. Individual donations have been made in some of the poorest areas in the country, with people donating as little as R2 at Shoprite tills in deep rural areas. The generous residents of Mafikeng alone raised R1,6million in donations through Shoprite tills for the Solidarity Fund. Individual donations through crowdfunding have averaged R42; and those made through the fund’s website have averaged R4 300. In a further

² https://www.solidarityfund.co.za/
signal of solidarity, President Ramaphosa and the other members of the cabinet each committed to

donate 30% of their salaries for three months.

Private-sector and private philanthropy contributions to the fund have been sizeable. By mid-July, 2
067 corporates, foundations and trusts had donated an average of R1,3 million each. In addition, the
private sector has provided various opportunities for shoppers to donate to the fund; amplified the
Solidarity Fund’s message through traditional and social media; and provided avenues for staff to
contribute (for example, through payroll giving). As part of its R1,5 billion Covid-19 contribution,
Naspers donated R500 million to the Solidarity Fund. The firm’s generosity and evident good faith
spurred other corporates to donate.

Private philanthropy has also stepped up to the plate in a remarkable way. In addition to record-
breaking gifts donated by South African philanthropists noted above, a number of other foundations
and families have made public and private donations. Mary Oppenheimer-Slack and her daughters
were among the first to donate, pledging R1 billion to the Solidarity Fund. ELMA Philanthropies’
donation of R250 million to the Fund forms part of their impact-driven, flexible, R2-billion response
to the Covid-19 crisis across the continent. The Allan Gray philanthropy ecosystem3 pledged R50
million to the fund as part of its R180 million envelope of funding to address the short-term and longer-term
effects of the pandemic in South Africa. In an act of global solidarity, the Hasso Plattner Foundation
donated R100 million to the Solidarity Fund. Many other foundations have donated generously to the
Fund, each of which is pivotal in allowing the Fund to make catalytic investments for South Africa’s
COVID-19 response.

Four overarching principles have guided the Solidarity Fund in its efforts to raise capital to combat the
Covid-19 pandemic:

1. The spirit of solidarity. The Solidarity Fund has been deeply aware of, and sensitive to, the
economic effects of Covid-19 and the impactful far-reaching work of the non-profit sector in
South Africa which preceded the outbreak. Accordingly, the fund has taken care to highlight
the work of existing non-profit organisations (NPOs) in its communications with potential
donors in South Africa and abroad, to ensure that, as far as possible, they too can secure
funding. The fund has encouraged donors to commit unrestricted funding where possible,
especially to those mechanisms which provided rapid, high-impact support for the most
vulnerable in South Africa.

2. Focus on what matters. The fund has been heartened by acts of generosity from across the
country and the world, and mindful that each donation (whether from individuals, corporates
or foundations) is important and meaningful and must be used for maximum impact and to
speed the deployment of efforts.

3. Partnership. Private philanthropy, with its cadre of philanthropy professionals and mix of
expertise, has played a crucial partnership role in the fund over and above the funding that it
has provided. Foundations and philanthropy staff have provided thought leadership;
encouragement; constructive and practical advice, including ad hoc guidance and strategic
insights.

3 Including Allan and Gill Gray Philanthropies; Allan Gray Orbis Foundation Endowment; E2; and Allan Gray Orbis Foundation.
4. Transparency. The Fund publishes and regularly updates funding data on its website (reflecting pledged and banked amounts from R50 million plus to less than R1 million), in addition to updates on spend and impact. Donations are made public only with the express permission of donors, and individual amounts are aggregated.

Despite the remarkable funding received in the three months after the outbreak started in South Africa, the rate of funding has slowed and the donations to the fund have become smaller. However, the need for catalytic investments that can produce outsize impacts – whether by providing community health workers with the necessary personal protective equipment (PPE), or investing in specific laboratories to reduce the testing backlog in the country – persists. As of July 2020, the Fund has committed just under R2.2billion to its direct impact efforts and intends to continue to invest its donations rapidly and responsibly and spend down to meet the need. If the Solidarity Fund is to reach its R4 billion target and provide continued support to the national Covid-19 effort, a deepening of philanthropic partnerships and further acts of radical generosity in South Africa and beyond are required.

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