

Exploring African Philanthropy Through Decentralized Finance

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Introduction

Philanthropy in Africa is not a recent phenomenon. Africans have a long-standing and very well-defined culture of giving and communal solidarity, rooted in everyday life. Across communities, people give their resources and time not because they have surplus, but because of the commitment to shared responsibility.

Before the hyper-urbanization that struck most African cities in the 20th century, community members in many parts of Africa still came together to help each other repair sections of their houses affected by natural disasters; communities rallied around their most vulnerable, and informal networks often responded faster than formal institutions.

At its core, African philanthropy is decentralized and requires not only communal action but also immense trust. Yet despite the strength of African philanthropy, the system operates within visible constraints. In many parts of Africa, especially in rural areas, access to financial infrastructure is limited. High costs of transferring funds and bureaucratic barriers often make it difficult for funds, especially from the diaspora and international partners, to reach those who need them most quickly and efficiently.

This essay proposes that the aforementioned problems of African philanthropy could be solved by decentralized finance. Often referred to as “cryptocurrency” or “digital finance,” the [World Economic Forum defines](#) decentralized finance as the application of distributed ledger technology to financial services. Decentralized finance allows people to send and receive money directly across borders, with fewer intermediaries such as traditional banks, brokering firms, and other traditional financial institutions. It has transformed the global financial system, offering benefits including transparency, accessibility, lower transaction costs, and near-instant settlement. These characteristics of decentralized finance make it an ideal solution for some of the community-focused and decentralized initiatives seen in African philanthropy.

A Question of Scale and Accessibility and The Rise of New Financial Tools

In 2024, according to [The Giving Block](#), Africa received over \$1 billion in philanthropic aid. This may appear significant, but it does not fully capture the scale of giving happening within the continent itself as much of African philanthropy remains undocumented, informal, and therefore underestimated.

More importantly, the challenge of African philanthropy is not only about how much is given, but also about how effectively it is delivered and the impact it has on people and communities. How quickly can support reach a rural household in need? How easily can diaspora communities contribute to local causes? How transparently can organizations demonstrate impact to sustain trust? These practical questions demand answers from philanthropic actions designed with effectiveness in mind.

The answers to the questions can be found in decentralized finance. It is because of the aforementioned limitations and the lack of technology to circumvent them that decentralized financial systems enter this

conversation. For the African philanthropy landscape, the relevance of decentralized financial systems is not only in the novelty of the technology, but in what it enables:

1. It enables donors to send support straight to communities or organizations without multiple layers of processing. With decentralized finance, a person living in Nigeria for instance, can send financial aid to those in need in places like South Africa or Mauritania without any banking barriers or concerns. This narrows the gap between African giving across countries.
2. It reduces transaction fees, which means more of each donation reaches its intended purpose without cutdowns. Most cross-border payment platforms charge fees ranging from 5\$ to \$20 dollars per transaction depending on the platform and volume. Other platforms charge based on the percentage of the total sum to be transferred. These charges by transfer platforms can go a long way in providing care for an ailing or nursing mother in parts of Africa. In Nigeria, where millions of people survive on less than \$1 a day, according to World Bank projections, \$5 dollars could conveniently feed a family. These charges may appear small but when held against real life situations, they make a significant difference in the lives of people in need. Contrastingly, in decentralized finance, \$1 million dollars or more can be transferred over Solana blockchain for instance, for a fee of about \$0.2, and in as fast as less than 6 seconds. The difference and advantages of decentralized finance in terms of ensuring aid is delivered on time and without losses is very clear.
3. Funds can be mobilized quickly during emergencies, even on weekends, because the technology on which decentralized finance runs, works 24/7. In 2022, when Nigeria wanted to go cashless, many bank networks failed to handle the load of transactions and one of the dire impacts was that [many patients at the hospital under critical conditions could not be saved](#) because of the scarceness of physical cash. This unfortunate episode remains very fresh in the memories of many Nigerians who lost their relatives due to the Banks' failure.
4. Funds donated using a decentralized system can be tracked and monitored by everyone. This will contribute to building stronger trust between donors and recipients. The technology of decentralized finance works on a public ledger system where everyone can log into the blockchain to see where and when money is moved, who approved it and how much was sent. Ensuring publicly donated funds are made available for everyone to see is crucial for transparency, which would in turn encourage more people to contribute.

From Local Giving to Global Connection

One of the most significant aspects of African philanthropy is its ability to mobilize collective action. What decentralized finance offers is a way to extend this collective spirit beyond geographical boundaries.

Diaspora communities, in particular, stand to benefit. Many Africans in diaspora already contribute significantly to development efforts back home, but often face high transfer costs and logistical challenges. According to data, Nigerians in the UK sent back a whopping [\\$12.38 billion](#) in 2025 as personal transfers to Nigeria. A significant portion of the \$12.38 billion goes to communal support of relatives and communities. Simplifying the

processes of transferring funds between Africans who already practise communal solidarity and giving, can deepen engagement and increase the consistency of giving by Africans to Africans.

At the same time, global donors who are interested in supporting African initiatives may find it easier to connect directly with credible, community-based organizations. This would in turn create a more inclusive philanthropic ecosystem, one where giving is not limited by borders or bureaucratic complexity.

A Moment for Reflection, Not Just Adoption

Considering the possibilities of what adopting decentralized finance can do to African giving offers a moment to ask pertinent questions. How can new tools align with existing values of trust and accountability in African Philanthropy? How can technology be introduced in ways that are accessible and inclusive to all Africans, both givers and the receivers? How can technology support, rather than disrupt, community-based systems of giving in Africa?

These questions are critical because philanthropy is not only about transferring resources, but also about building and sustaining relationships. The answers to these questions are important because adopting new financial tools will not be without difficulty.

Some of the key challenge to decentralized finance is the possibility of quantum computers to attack its system and make it vulnerable. Recently published [research from Google](#) shows how the attacks could possibly occur, as well as provides a roadmap on how decentralized finance can be secure and safe from the quantum threat. Achieving this post-quantum security for decentralized finance will be a major boost to its adaptability and long-term use.

Another key challenge is not technical but entirely human. There is a level of unfamiliarity with these systems by many people and organizations and therefore a reluctance to set them up as part of the options through which organizations and communities can receive support.

Also, not all communities have reliable internet or digital infrastructure. In Nigeria, 45% of the country has broadband network penetration, while [90% and 89.9%](#) of Morocco and Libya respectively has internet network, making it likely for the latter to employ digital finance more effectively. The high penetration in these countries presents a chance for pilot studies of the use of decentralized finance in African philanthropy to kick-off.

Presently, there are a number of charitable organizations in Africa that are collecting donations through decentralized finance platforms. These include [Helpers Social Development Foundation \(HSDF\)](#), a Nigerian based organization accepts cryptocurrency of Bitcoin and Ethereum for their educational and poverty alleviation projects.

There is also Lemonade Crypto Climate Coalition, a partnership using blockchain-based insurance to protect Kenyan farmers from climate risks. Their partners include [Avalanche](#) and [Etherisc](#). In Rwanda, [Save The](#)

[Children Rwanda](#) has recently partnered with Cardano, an American blockchain firm to use its platforms to collect donations on behalf of the organization.

Despite the fears and resistance to the technology of Decentralized Finance, there are still instances of acceptance recorded in some parts of Africa, which serve as a stepping stone for more shifts towards the adoption of decentralized finance.

African Policies on Decentralized Finance

Across Africa, government responses to decentralized finance have evolved over the past decade. Initially, many states approached cryptocurrencies and DeFi platforms with caution, issuing warnings about volatility, fraud, and financial instability.

Between 2015 and 2020, African governments' policy positions were largely defensive, reflecting limited institutional understanding of the technology. However, currency instability, youth-led digital innovation, and the need for alternative financial systems, has driven accelerated adoption of decentralized options, which has in turn driven governments to shift their stance.

Nigeria provides one of the clearest examples of this evolving policy trajectory. In 2021, the Central Bank of Nigeria [imposed restrictions](#) that prevented commercial banks from facilitating cryptocurrency transactions, citing concerns over capital flight, money laundering and risks to the national currency. After recognizing the limits of their restrictions, regulators gradually softened their stance between 2023 and 2025 by introducing licensing frameworks for crypto service providers and reopening discussions about formal oversight. In fact, Nigeria has a full [national policy on Blockchain technology](#) and even created its first [e-Naira](#) currency under a decentralized finance platform. Unfortunately, this has not been widely accepted in the country, but it demonstrates the government's willingness to embrace the technology.

In contrast, Kenya has adopted a more proactive and structured regulatory approach. Through legislative efforts such as the [Virtual Asset Service Providers \(VASP\)](#) framework, the government of Kenya has sought to bring cryptocurrency activity into the formal economy. Kenya has adjusted its tax strategy to focus more on platform fees rather than imposing heavy burdens on individual transactions, a move designed to encourage compliance without stifling innovation.

South Africa represents perhaps the most advanced example of integration on the continent. Rather than treating cryptocurrencies as an external or disruptive force, regulators have classified them as financial products, bringing them under existing financial sector laws. This means that crypto asset service providers must be licensed and comply with strict regulatory standards, including transaction monitoring and reporting requirements aligned with global frameworks such as the Financial Action Task Force (FATF) guidelines.

Not all African countries have moved toward accommodation. In some cases, governments have maintained restrictive or prohibitionist policies. Countries such as Ethiopia and, at various times, Tanzania and Zimbabwe have imposed limits on cryptocurrency transactions, particularly within the formal banking sector.

Overall, the African policy landscape on decentralized finance is characterized by diversity rather than uniformity. Some countries seek to control access without fully suppressing innovation, others aim to formalize and tax the ecosystem, and a few have moved toward full integration within existing financial systems. What unites these approaches is a growing recognition that decentralized finance cannot simply be ignored.

The Way Forward

African philanthropy has always thrived under pressure. The resilience of African philanthropy comes from its adaptability. African giving has been able to evolve with modernization and urbanization while staying rooted in core values of solidarity and shared responsibility. It is precisely because of this resilience that African giving has demonstrated, that the concept of decentralized finance can and will have a place in the African Philanthropy architecture.

Decentralized finance, despite its complexities, offers a chance to enhance the resilience of African Philanthropy. This will not be done by transforming philanthropy into something entirely new, but by making it more connected, more efficient, and more far-reaching. For networks like the African Philanthropy Network, the task ahead is not to champion technology for its own sake, but to explore how it can serve the broader mission of social impact.