



March 21, 2018

Eliya Zulu
Executive Director
African Institute for Development Policy (AFIDEP)
Westcom Point Building Block A, 6th Floor
Mahiga Mairu Road, off Waiyaki Way
Nairobi, Nairobi County
Kenya

Dear Eliya,

Our partner, SourcePoint, has determined that African Institute for Development Policy (AFIDEP) is equivalent to a U.S. public charity. Please see the attached letter.

The Equivalency Determination expires on December 31, 2019. While this Equivalency Determination is valid, other U.S. funders that would like to support your organization may request that SourcePoint re-issue the Equivalency Determination for their use. This is a fast process (less than five business days) that eliminates the administrative burden associated with obtaining a new Equivalency Determination.

After, or in advance of, the expiration date, SourcePoint can conduct expedited re-certification of this Equivalency Determination.

To have the Equivalency Determination on your organization re-issued, or to request re-certification after it has expired, a U.S. funder is invited to contact us via info@paragonphilanthropy.com.

We would encourage you to let current and prospective U.S. funders of your organization know that an Equivalency Determination has been completed via Paragon Philanthropy (www.paragonphilanthropy.com). This may help you obtain new funding more quickly and with fewer restrictions.

Please don't hesitate to contact me if you have any questions.

Best,

A handwritten signature in blue ink that reads "Andrzej Kozłowski".

Andrzej Kozłowski
Principal

March 20, 2018

Andrzej Kozlowski
Paragon Philanthropy, LLC
2323 Broadway
Oakland, CA 94612

RE: Grant from Fidelity Charitable to African Institute for Development Policy located in Nairobi, Kenya

Dear Andrzej,

In connection with a proposed grant from Fidelity Charitable to African Institute for Development Policy (“AFIDEP”), located in Kenya, I have reviewed AFIDEP’s governing documents, public support schedule, Annual Report and the signed affidavit of January 23, 2018. I now provide this legal opinion letter to assist Fidelity Charitable in making a good faith determination, as described in Reg. Section 53.4945-5(a)(5) and Revenue Procedure 2017-53, of whether AFIDEP is the foreign equivalent of a U.S. public charity.

Legal Analysis

AFIDEP was established in 2010 under the laws of the Republic of Kenya and is registered under the Non-Governmental Organizations Coordination Act (Registration Number OP.218.051.2009/0595/6183). The mission of AFIDEP is to contribute to sustainable development by promoting effective development policies informed by sound research in areas of health systems, population change and sustainability. According to AFIDEP’s Constitution, no board member or executive of AFIDEP shall have or acquire any right, title or interest in the funds or assets of AFIDEP nor be entitled to share in the distribution of any assets upon its dissolution (Article 12). Upon dissolution or winding up of the affairs of AFIDEP, the assets, after paying its liabilities, shall be turned over to a similar charitable, educational, and/or scientific organization and be used to comply with the original aims of AFIDEP (Article 16.3 of the Constitution, Article XIV of the Bylaws).

AFIDEP is expressly prohibited from attempting to influence legislation and shall not directly or indirectly participate or intervene in any political campaign for or against any candidate for public office (Article XIII of the Bylaws).

AFIDEP is organized and operated to attract public and private funding and regularly solicits funding from broad and diverse sources, including individuals, private foundations and government entities. AFIDEP’s Board of Directors is comprised of diverse members of the public representing a broad cross-section of community and health experts. The Board maintains an “Institutional Strategy and Development Committee” which provides strategic advice to management on resource mobilization. The Senior Management Team leads development activities and oversees various resource acquisition initiatives. The technical staff is also involved in fundraising and their performance goals include resource mobilization targets. AFIDEP is currently recruiting a Partnership Building and Resource Mobilization Manager to manage fundraising activities and donor relations. In applying the public support calculation outlined in Revenue Procedure 92-94, AFIDEP normally receives 21.46% of its total support from governmental units, the general public, or a combination of the two. However, considering the above

factors, AFIDEP meets the “10% facts and circumstance test” under Sections 170(b)(1)(A)(vi) and 509(a)(1).

In connection with this grant, Fidelity Charitable has retained Paragon Philanthropy, LLC to conduct a terrorist watch-list search on AFIDEP’s leadership and key staff, and a review of OFAC’s country-based sanctions list. The results of this screening have been submitted to Fidelity Charitable under separate cover.

Conclusion

Based on the above facts, reviewed in light of IRC Section 501(c)(3), Section 509(a)(1) and Section 170(b)(1)(A)(i), and the corresponding Revenue Procedures 92-94 and 2017-53, I conclude that AFIDEP is organized and operated exclusively for charitable purpose within the meaning of Section 170(c)(2)(B) and would be considered the equivalent of a Section 501(c)(3) U.S. public charity. Accordingly, this letter constitutes a separate and independent source that Fidelity Charitable may rely on in making a good faith determination that AFIDEP is the equivalent of a public charity under U.S. tax law.

Fidelity Charitable may rely upon this opinion for grants made before December 31, 2019 (“Effective Period”) unless it becomes aware of a material change in the facts set forth in the affidavit or if the relevant law upon which this advice is based has changed. Grants from Fidelity Charitable to AFIDEP during the Effective Period will not be a taxable expenditure described in Section 4945 and Fidelity Charitable will not have to exercise expenditure responsibility over them. For grants to be made after the Effective Period, Fidelity Charitable must obtain a renewed determination opinion.

This opinion is limited to the tax issues addressed in this letter. Additional issues may exist that could affect the federal tax treatment of the grant, and this letter does not consider or provide an opinion with respect to any additional issues.

This opinion is rendered to Paragon Philanthropy, LLC and is solely for the benefit of Paragon Philanthropy, LLC and Fidelity Charitable. This opinion may not be relied upon for any other purpose, furnished to, or relied upon by any other person, firm or foundation for any purpose.

You should retain this letter for your records and make it available to the Internal Revenue Service upon request.

Should you have any questions, please contact me at your earliest convenience.

Sincerely,

Kia Sullivan

Kia Sullivan, Esq.

Attachments:

1. Attested Affidavit, January 23, 2018
2. AFIDEP Bylaws
3. AFIDEP Constitution
4. AFIDEP Certification of Registration
5. Public Support Schedule

SourcePoint Law
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