



FROM SEED TO INSTITUTION

THE STORY OF KCDF

Published by:

Kenya Community Development Foundation (KCDF)

PO Box 10501-00100 Nairobi, Kenya

Website: www.kcdf.or.ke

Email: info@kcdf.or.ke

© KCDF, 2017

All rights reserved. No part of the publication may be reproduced, stored in a retrieval system or transmitted in any form by any means - electronic, mechanical, photocopying, recording or otherwise - without the express written permission of the publisher.

To the publisher's knowledge all details in this publication are correct. However, the publisher will be glad to hear of any inaccuracies so that they may be put right in subsequent impressions.

ISBN: 978-9966-040-04-06

Editing: Melvin Chibole

Cover: © Shutterstock

Creative: Muchiri Njoroge

Contents

Foreword	iv
Acknowledgment	viii
Preface	x
1. Birth of an Idea	01
2. From Visioning to Reality	05
3. Incubating Partnerships	12
4. From Sugar to Seed: The KCDF Approach	19
5. Snapshots of Success	24
6. Transitions	30
7. Fit for Purpose	34
8. Structuring for Success	38
9. Pushing Sustainability to the Next Level...	44
10. Reflections	48

Foreword

“There is no easy road that leads anywhere” is a thought I bear in mind as I reflect on our journey as an organization, having had the privilege to serve at the helm of the foundation for over a decade. One of the mind frames that I carry with me every day when reviewing and figuring out the right decision on our engagement with a certain community (and I am certain it was the same for my predecessor Monica Mutuku) which also ‘colours’ my mind when undertaking ordinary foundation chores like inducting new staff, explaining who KCDF is and how we work to guests or potential funders, etc. are the philosophies we inherited from the founders of the institution, which I too was indoctrinated on. Key words and phrases that keep coming up over and over include, Sustainability, Long term thinking, Overcoming donor dependence, Ensuring that communities are in the driver’s seat, enabling communities to recognize their potential, knowledge and wisdom, building community capacity to stand on their own, etc. are all common phrases I have repeated to many people and audiences over the years, in the effort to explain who KCDF is and what we have committed to do to bring about lasting change among communities we work with in Kenya.

Our daily lives are however hectic to say the least. We rarely have the luxury of time to capture our learnings as we go a long in a more consistent manner as well as having financial resources to continuously document different aspects of our work. If anything, the diversity of issues among the communities we serve and their complexities coupled with our ever changing operating environment has continued to call for newer ways of approaching different issues. With growth of the institution and a bigger budget to account for, the pressure to enhance governance and accountability both within the organisation as well as with the partners we work with, has continued to increase further putting pressure in the management of the work we strive to do and aim to do well.

In recent years, however, we also have come to terms with the fact that rapid change will continue to be the order of the day and that change is the one constant item on our agenda, hence we stand the risk of losing some of our learnings if we don't address this as an on-going concern. We also realised that the risk of failing to take stock of our institutional learning and memory exposes us to the risk of repeating similar mistakes in the future. We are also very aware that our experiences have continued to shape who we have become, hence the need to treasure all those experiences for future generations, going forward.

Fortunately, we are privileged to still have several founders available to help us capture our story right from the beginning as well as reflect on the lessons gained so far. In addition, having spent a lot of time attending conferences where we keep re-telling the story verbally, we are very much aware that it's time to consolidate it in a document, even as we move to our third decade of work. We are certain that by documenting our story, our experiences and lessons will spread faster and to a wider audience, and hopefully increase the possibility of others learning from our experiences, and hence growing more credible philanthropic actors in the South. Such a move would increase the access to social justice, by many vulnerable groups among many communities.

These are the reflections that have crowded my mind and that of a good number of our team within the governance structures of KCDF. Finding an answer to these questions however remained elusive, until we were able to access a grant from the Global Fund for Community Foundations (GFCF) to dedicate some quality time and resources in going through the process of producing this book. In my view, this process has achieved several things:

- It has enabled us to collate a lot of history that we badly needed to strengthen our institution in answering the commonly asked question of who we are and what we stand for.
- We don't claim to be one hundred percent accurate in all the perspectives that are reflected in the book, but we have something that is largely accurate coming from the emerging journey of KCDF.
- The process has been a great reflection process for the leadership team at KCDF as it is not unnatural to forget where

one has come from or what one has learnt over time. These reflections have been further solidified amongst us, and we now have a must-read book for all staff, Board Members and Trustees, which will be part of the induction process into the organization.

- We have succeeded in practicing what we have talked about in recent years...i.e. being at the driver seat of our story. This means that not everyone will agree or keep the same perspectives about our experiences, but we are happy to continue to drive this story as it emerges, and we are committed to dive into the next phase of KCDF's life. To us, this is part of the very critical empowerment journey that we speak about and promote among communities we work with.
- The experience has renewed our energy to embark on other angles to our work, at the earliest opportunity, which could not be accommodated in this first book. For example, we are convinced that our experiences around our different governance structures and the learning gained from working with such a complex arrangement, has a lot of value to many organisations and will be shared in days ahead. In addition, our rich experiences around creating community assets as well as in building unconventional financial sustainability solutions is another rich story yet to be told.....just to mention two examples.

We were privileged to stumble on Mwhaki Muraguri whom we had known for years; as one of the background cheerers and believer in our theory of change in addressing poverty while she still worked for Rockefeller foundation. What we did not know about her though, was her gift in creative writing. Mwhaki spent many hours listening to stories from all those she interviewed about their experiences in the KCDF journey.

Synthesising all the information and finally piecing together this first part of the continuing story was quite challenging for Mwhaki and the team. Some of these conversations reminded me of a slogan Monica, the founding CEO often reminded me about, that 'Success has many fathers and mothers'. It was not possible to interview all the potential people who have bits of information on what has really been a

very enriching experience for all who have been part of the KCDF idea over the years. We are certain that there is a wide audience out there, waiting to read this book, correct some facts and add other angles to this story. This is a very welcome gesture. I can promise you that once you get started with this book, you will not put it down until you are done.

So, welcome to the unfolding journey of KCDF.

**Janet Mawiyoo
Executive Director (June 2017)
KCDF**

Acknowledgment

As KCDF marks its 20th Anniversary, the documentation of this very enlightening publication could not have come at a better time. KCDF has been intent on documenting different aspects of its work but the process has been fraught by different challenges key among them financial and time limitations. I therefore take this early opportunity to thank Jenny Hodgson, the Executive Director of Global Fund for Community Development for providing financial and technical support, as well as encouragement to undertake this documentation exercise. We shall forever be grateful.

This publication is also a result of collaborative efforts of many individuals and institutions who gave their time and perspectives in the drafting of this publication. Much appreciation goes to the interviewees representing the different groups that played a key role in the founding of KCDF, such as KCDF founder members especially Prof. Mohammed Abdullah, Monica Mutuku and Aleke Dondo; KCDF Board of Directors particularly Atia Yahya who spent several hours sharing her first-hand accounts of those early days, as well as interviews with individuals who worked for organisations that played a critical role in the founding and midwifing of KCDF, such as the Prof. Tade Aina who worked for Ford Foundation at the time, Yusuf Keshavjee from the Aga Khan Foundation, among others.

A lot of conversations, interviews and debates on ‘what really happened?’ type, took place with the KCDF management team, especially with Janet Mawiyoo, Catherine Kiganjo - who has worked for KCDF since its founding 20 years, the Communications team led by Melvin Chibole who read and commented on all the versions drafted as well as all staff members involved in the documentation of the book.

Special acknowledgment goes to Mwhaki Muraguri of Paukwa House for the dedication and tireless effort in researching, listening, tri-

angulating content and drafting this publication. Her patience in reviewing and re-working on the countless drafts requested was like no other. We could not have had a better consultant as well as a KCDF ambassador to re-tell our story as she did. Many thanks Mwihaki for a fanatic job!

To all KCDF staff, this publication is a vindication of the passion and amazing work you continue to do in support of community empowerment.

Preface

In 1993, the disturbing results of two research studies triggered a succession of discussions on what sustainable community development really meant. The findings of the two studies, commissioned by Ford Foundation, uncovered the startling fact that despite the best of intentions and having allocated hundreds of millions of shillings towards development of local communities over three decades, majority of people supported by development partners were getting poorer.

Development projects were conceived, budgeted for, implemented and reported on by outsiders without real input from the community. Communities were very weakly linked to the projects being done in their name and there was no ownership of the process. There had to be a paradigm shift in how development was done while placing communities at the centre of their own development destiny. This was the guiding principles that led to the idea, that led to the seed that is now Kenya Community Development Foundation. It was to be national in its outlook. It was a philanthropic organization that would do more than simply provide funds. It would promote community philanthropy. It was, above all, about developing and growing community organizations that would spearhead development in their communities.

The founders of KCDF envisaged formation of an entity that would look at communities not as pits of poverty but a resource that could be prospected. This statement is aptly captured by a quote from one of KCDF's founders Prof. Mohammed Abdullah - "Reciprocity and giving are age-old practices that manifest regardless of socio-economic status. It is part of the currency of how communities and societies function in Africa." This meant that the first order of business for the new entity would be to actively listen to communities' challenges as well as their proposed solutions with KCDF playing a facilitative role, however long it took. Though the approach was time consuming and fairly untested, this marked the differentiation that KCDF hoped to pursue in its quest to empower communities to be on the driver's seat in shaping their development destiny.

This book gives readers a glimpse of how the oldest public foundation in the East Africa region came to be while highlighting the very common struggles that many organisations go through in not only its formation but adhering to its convictions even when it's not convenient for them. The book is in no way a self-praising narrative of KCDF's success in the last two decades, but a living and ongoing narrative that highlights the challenges and lessons that KCDF and indeed many other development organisations continue to face in the commission of their work.

We hope you will find the publication enlightening and a worthy read.

Jenny Hodgson

Executive Director

Global Fund for Community Development

1

Birth of an Idea

Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has. ~ Margaret Mead

When six individuals started meeting regularly over cups of tea and coffee, dreaming new perspectives to community development and venting their frustrations about the nature of development and aid in Kenya in 1995, they may not have imagined where the power of their musings would lead. Nearly 20 years on, the vision of establishing Kenya's first community foundation has been realized. The Kenya Community Development Foundation, popularly known as KCDF, has been unobtrusively trailblazing for two decades; setting new standards in philanthropy, capacity building, and grant-making effectively charting a new way for the business of philanthropy on the continent. But to understand the organisation today, history demands that we go back in time. To understand and appreciate the growth of an institution and to reflect on the vision that started somewhat innocently almost 20 years ago.

In 1995, the Ford Foundation began exploring the idea of promoting community philanthropy in different geographies. Heavily informed by community philanthropy as practiced in the United States, Ford Foundation began by scoping opportunities in a number of countries including Mozambique, Uganda, Ghana and Kenya. The first step in Kenya was commissioning a study to understand the landscape of donor funding, individualised giving and how community based organisations



Some of the initial conversations in founding KCDF involved testing out diverse ideas with many diverse groups.

(CBOs) were benefiting from the plethora of different funding streams active in the region. The main finding from the study highlighted the disconnect between the substantial funding going to NGOs in Kenya, and the minimal resources reaching CBOs on account of an acute funneling effect. The result was that the community level transformation sought by many donors was not taking place. An effectiveness gap existed in community programming that desperately needed resolution.

At the same time, the support for micro-finance as a solution for helping the poor build capital and assets was fast taking root in Kenya. With huge unbanked populations investing in the highly costly micro-finance products, it was becoming apparent that the poor were not as un-resourced as previously assumed. The burgeoning micro-finance landscape exhibited high loan repayment rates. Those who had been pegged as not bankable were indeed resourced, and actively investing in their own growth and development with whatever means available.

Against this backdrop, Tom Miller - a program officer with the Ford Foundation convened a number of Kenyans to consider the study results as well as deliberate about the development landscape through the lens of community philanthropy. The common denominator was that each individual invited had interacted with Ford Foundation in different ways; some had been grantees such as Aleke Dondo of K-Rep Micro-finance, Elvina Mutua of Tototo Community Based Organisation and El-kanah Odembo of World Neighbours. Others in the group were Monica Mutuku who had been awarded a Ford Foundation scholarship, the

late Harry Mugwanga and Joyce Malombe, all of whom had interacted with the foundation in various capacities. With modest funds provided through the foundation's African Philanthropy Initiative, this group of six began meeting regularly in Nairobi with discussions taking place in people's homes or at the Kentmere Club. The discussions kept coming back to a few dominant questions ~ why were communities not fundamentally changed despite a marked increase in development resources? What would be the ideal way to get community actors at the centre of their own development? What did participation really mean and why was it so elusive? What could be learnt from the myriad community engagement approaches at play? What did community philanthropy, micro-finance and traditional development practice each have to offer for a completely new paradigm? What would be a uniquely Kenyan answer to this conundrum?

The group reflected, grappled and debated about possible solutions and scenarios for months. The intention was not to start an organisation to deal with this problem but rather developing a new theory of change for community transformation. With individuals from a variety of sectors, there wasn't always agreement on what the right approach would look like. In fact, the team faced many disagreements with members often leaning towards their sectoral bias. Layered upon this were the reminders from Ford Foundation about the role of community philanthropy – but modeled on the American system where endowment building was a central feature of success.

During the deliberations, the opportunity to test out the ideas that had been brewing was put on the table. Ford Foundation, through the African Philanthropy Initiative would be willing to invest in a project that would prototype and foster the idea of community philanthropy in Kenya. After 18 months of meetings, brainstorming, deliberation and design, the team felt ready to test out their ideas. The kernel of the idea that was to one day become KCDF was born - its midwife a handful of aspiring Kenyans, a curious foundation officer and an initiative dedicated to growing philanthropy.

When asked to reflect on whether the KCDF approach would have still emerged without Ford Foundation's support, founding member Aleke Dondo surmised that it probably would have but that it may well have taken another decade or more. The beauty of the process the founding members had gone through was a by-product of unhurried time and unbounded intellectual space.

The situation Kenya was immersed in politically and financially demanded new approaches. Donor funds were narrowing and communities were bearing the brunt of the fiscal noose tightening. The shilling had lost half its value and with a reliance on imports, life was getting more and more expensive each day. There was an urgency to the aid effectiveness conversation that propelled and bound together this professionally incongruous group. The patient capital approach that philanthropic funds provided meant that the group was never under pressure to deliver for any entity but themselves.

The group moved at a pace that made sense to them, taking the time to congregate, deconstruct, design, distill, walk away and start again sometimes with weeks or months in between, allowing the ideas to settle, be tested and triangulated with others before coming back to group centre. Few organisations have the luxury of such beginnings and there is something to be said for an institution based on the power of imaginings unconstrained by predetermined structures or boxes to tick or timelines that hamper thoughtfulness, visioning and serendipity.

2

From Visioning to Reality

*All good thoughts and ideas mean nothing without action
~ Mahatma Gandhi*

After over a year of deliberation, conversation, energy and contemplation, the group of six came to an agreement regarding the opportunity to test out their ideas on community philanthropy ‘made in Kenya’. With financial support from Ford Foundation Foundation’s African Philanthropy Initiative, the team embarked on moving from visualization to building a new reality.

The first step was deciding what type of entity or delivery mechanism would be most suitable to bring their vision to fruition. The reality of the non-profit landscape in Kenya was dire. Many NGOs had gotten a bad rap as briefcase entities and the relationship between the KANU government and civil society was tense. The political transformation taking place as the country moved from a one-party state to a multi-party system meant that anything that likened itself to a civil society change agent was immediately met with suspicion. The team wanted the entity to stand out as a differentiator and not be straddled from the start by negative perceptions that could potentially hamper their mission. And so, began the search for the right vehicle that could steer the ideas forward.

Ford Foundation was keen on the establishment of a community foundation to kick off the work but the group wanted to think critically

about what type of registration would best fit the new entity. In continuing to firm out their idea, they connected with the Aga Khan Foundation's (AKF) CEO Mirza Jahani. AKF had been active in development and philanthropy as part of the Aga Khan Development Network in East Africa for decades and Jahani brought not only an informed perspective to the ongoing discussions but new thought partners as well. The first of these was Prof Mohammed Said Abdullah, a physician with a strong social anthropology bent and an individual who deeply believed in the value of volunteerism and giving. Abdullah jumped into the discussions with enthusiasm and strong opinions about the need for capacity building at the forefront of any community development initiative that the group was considering.

The discussions continued to move towards the more practical steps of bringing their ideas to life. Ford Foundation was ready to provide seed funding but there had to be a registered institution to receive that first grant. The team determined that having an existing institution host the new-born entity would be a prudent first step as they continued to grapple with a decision about the most effective registration modality. A number of institutions were considered as incubating hosts including K-REP, World Neighbours and the Aga Khan Foundation. After considering all options, the group decided that the Aga Khan Foundation offered the best alignment in terms of institutional objectives. The new platform was thus born as a project of the Aga Khan Foundation.

As for the name of this new project?

The original convening of ideas had been around building a community foundation. But Ford Foundation's community foundation ideal was heavily informed by that of the American version. Community foundations in the US are defined as tax-exempt, not for profit, autonomous, publicly supported, non-sectarian philanthropic institutions with a long-term goal of building permanent, named component funds established by many separate donors to carry out their charitable interests and for the broad-based charitable interest of and for the benefit of residents of a defined geographic area. Ford Foundation was very keen on using this ideal as the foundational piece of the new Kenyan project, however, the team had a fundamental difference of opinion. For them, community led development was the central point of interest and the impact metric they wanted this new idea to be judged by. Moreover, the team sought a new standard for community led development that went beyond the hollow participation measures that were employed by many NGOs at

the time. There were strong feelings that having this element recognized in the nomenclature of the entity would position it as an institution with a clearly different approach and in turn the entity that would have to live up to that clear standard. Furthermore, they wanted it to be identified as a Kenyan entity, one that was promoting a new and intrinsically Kenyan approach, home-grown for the local context, designed by and for Kenyan communities. From these deliberations, the name Kenya Community Development Foundation was born. Community was at the centre; philanthropy was included and there was no ambiguity about the location of the work or the wellspring of its ideas. It was a home-grown establishment in service to communities, with those communities at the forefront.

Now the idea had a name and an incubator, the next hurdle was how the group would bring about the delivery of the promise. The group, now expanded to include representatives of Ford Foundation and AKF, began drafting an organizational structure for the Kenya Community Development Foundation project while thinking about recruitment of staff for the secretariat. It was clear that a project director was needed, someone who was attuned to what the group was trying to achieve, an individual with a strong background in community development, partnership engagement and leadership. An open call was put out to find the leader who would steward the groups thinking into reality. It turned out they didn't need to look too far.

As they continued to receive a number of applications for the post, one member of the group decided to throw in the proverbial hat. At the time, Monica Mutuku was working with UNICEF after years of service with the Nairobi City Council helping communities in informal settlements transition from tenancies to owning homes in a new site and service schemes in Dandora - a low-income suburb of Nairobi. Her recent experiences had been instrumental to her strong stance on communities which had been at the centre of the groups own decision making. Years of acting as a go-between had imbued her with the deep lessons on how to deconstruct and help communities design programmes appropriate and aligned to their self-identified needs. Monica considered herself a natural start up agent and the idea of stewarding the KCDF project with-out being faced by the bureaucracy of a large institution was intensely appealing.

She broached the idea to the other members of the group. They welcomed her to apply but on one condition – that as soon as she put in her application, she would have to step down from the group without

any assurance of getting the job. She decided to take the chance and she resigned from the ad hoc advisory team she had worked so hard for in the two years.

Her gamble paid off. After interviewing several candidates, the team agreed that Monica was indeed the best person for the job. They didn't have to explain the vision of what they were trying to achieve and with her background in starting new projects, she fit the bill to a T! She got her wish and more, as her friends and compatriots changed roles to become her new bosses – a delicate new situation to embrace and navigate.

Nevertheless, she jumped in with both feet. Her first order of business was to take unpaid leave from the UN and report to her new job. At the time, the incubation modalities with AKF were still being finalized, so she reported to the Ford Foundation offices – eager to begin. Though Ford Foundation was completely committed to the idea of the project, the practicalities were a little vague.

Monica recalls arriving at the Ford Foundation offices, and the team not quite knowing what to do with her, so they showed her to the library to use as a workstation. For the next two months, she worked out of the library developing job descriptions, designing objectives for the project, mapping a strategy and building processes for the new organization. Once the modalities of AKF incubating the project were in place, she relocated to AKF's offices. It worked for a time but it wasn't sufficient. The organization, even as a project of AKF, needed its own home.

The project had been allocated rent money, they just needed to find the right location. The Ford Foundation had a house in Lavington that they were not using and offered it for the projects' use. The building was viable for an office but its location just didn't sit well with Monica. How was she and her team supposed to serve the poor from the leafy suburbs of Bernard Estate? What matatu would partners and beneficiaries use to reach their offices in this upscale location? The building was walking distance from Monica's home and would have been ideal for her daily commute, but it wasn't what she had envisaged for this new organization. The leadership ideals the founding group had been looking for in their project director were already beginning to come out.

It was not about communities in a token way, this initiative had to be different and Monica was determined that all aspects of the project reflected that difference.

AKF stepped in with a proposition – they had an old building in Pangani on their books. Unused since the mid-seventies when it served as a transit point for Indian refugees escaping Idi Amin’s tyranny in Uganda, AKF offered it as a location for their new project rent free. All KCDF had to do was to renovate the abandoned building. Monica went to visit with a valuer.

The valuer saw a dump, a rotting roof and a rundown premise. Anything valuable from windows to doors had been carted away in the intervening years and the building looked anything but promising. Monica however saw something else – a former mosque that had served people in need in trying times, she felt its sense of community. Being in a middle-income part of Nairobi, the location would not be intimidating for the people the project was meant to serve. Furthermore, it was not far from the city centre and there was a bus stop just a few metres away from the gate. Yes, it needed work, a lot of work, but it was workable and being rent free. The money for rent could be reallocated towards the ren-ovation works. Without further ado, she snapped it up.



The AKF Pangani Building in the early 90's before it was refurbished

Meanwhile, Catherine Kiganjo had joined Monica as an administrator for the project and employee number two. During her interview, the questions were surprising with passion for communities seeming to rank higher than skills for the position. Walking away from that interview, Catherine knew that it was a job that was about heart more than anything else. On receiving the job offer, she was incredibly excited.



KCDF staff number two Catherine Kiganjo in the newly refurbished KCDF offices.

Community development was a new arena for her and she was ready to roll up her sleeves quickly. When she reported to the AKF offices, it soon became apparent what working with a start-up meant.

Monica had been working with a consultant from Ford Foundation by the name of Sara Thurman, but now she had her first official member of staff. The dream was coming to life. Catherine's work location oscillated between the AKF offices in ICEA building and Ford Foundation's offices in Transnational House both of which were in Nairobi's city centre. With no formal place to report to work, she provided administrative support to the group, now known as the Management Advisory Committee and worked wherever a copier could be found or a working telephone was situated. Though an untidy arrangement, she remembers fondly the support provided by the Ford Foundation team who had warmly contended with this growing team working out of their office library.

Monica though was impatient – the renovations had started on the Pangani property but were incomplete. Additional staff had been recruited and would be reporting to work in the coming weeks. After a visit to the renovation site one day, she declared it ready for occupation. The KCDF project was going to move into its new home.

Catherine recalls arriving to the site a few weeks after starting the new job. She arrived early as she didn't want to get lost and the directions

were a bit complicated. Walking up to the gate, she asked the watchman if the plot filled with workmen and bags of cement was the KCDF office. He gave her a categorical no and dismissed her saying that work was being undertaken for an IT college. Confused, she walked away and looked at her directions again. It seemed like the right place but it didn't look ready for occupation. So, she decided to wait at a café across the street. After a short while, she saw Monica drive in and went back to the gate telling the watchman with confidence that indeed this was her new office, it belonged to KCDF. On entering though, she hesitated once again.

The renovations were far from over. Painting was ongoing, partitions were going up, it was a live work-site. Monica invited her in with her trademark smile, proudly showed her that there were two desks, one for each of them. This was home, this was what a start-up looked like, and it was their work to make it look like an office for everybody else.

From the humble beginnings of the dilapidated house in Pangani, KCDF served communities and grew. Pangani, as the house came to be called, was the harbour that Monica imagined, offering a physical home for the ideas of the initial group of six, and the communities that the project engaged with over time. In addition to the institutions founders, KCDF benefited from many early diamonds in the rough. The first staff members, the house in Pangani, the decision to align every element of the institution from name to location to staffing with the core business of community development. These seemingly soft elements provided the bedrock upon which the institution has grown and the values that have been the rudder continually steering KCDF forward.



The AKF Pangani Building after it was refurbished and became KCDF's home

3

Incubating Partnerships

*If you want to go fast, go alone. If you want to go far, go together. ~
African Proverb*

From conceptualization, KCDF had been a collaborative effort. Individuals from somewhat disparate backgrounds coming together in the service of one idea. The sum of collective efforts had already yielded exciting results – a potential new model for community development had been developed, funds had been provided to test out this innovative approach, and a home had been found from which to launch out into the world. In hindsight, it may look like it was an easy journey, a clear meeting of minds, but it wasn't always so.

From the very beginning, the Ford Foundation had been keen that the envisaged community foundation model reflect endowment building as a fundamental feature. The foundation had facilitated study trips to the US for the founders to engage with American community foundations so as to learn and perhaps replicate the model, albeit adapted to a localised context. What the founders learnt was that endowments, in the US context were constructed largely in a similar way – foundation staff would raise money for endowments by engaging with wealthy individuals while encouraging them to consider leaving them bequests in their wills for the foundation's work. Through this model, the endowments would grow and foundation staff would be at liberty to invest in projects that were needed within the communities they operated. This model re-

mained largely unchanged for almost a century. Small institutions focused on community service, raising unrestricted funding through the goodwill of the most financially endowed in that community. In the late 1980s a new factor was introduced - inviting individuals to channel their philanthropic interests whether to community initiatives, hospitals or well-endowed prep schools through the community foundations during their lifetime.

At the time, Katharine Pearson was Ford Foundation Foundation's representative in East Africa. Prior to joining Ford Foundation in East Africa, she had been Executive Director of the East Tennessee Foundation - a community foundation in rural America. Katharine was excited about the prospect of philanthropy that could kick-start rural development in the region and was a strong advocate of KCDF from day one. While her past experience informed her view of the value of community assets, it also brought a heavy bias on the need to build endowments in the way that she had experienced it in the US. Katharine would challenge Monica to get involved in the circles of Nairobi's rich and famous, and argued with Monica to trade some of her time with communities in Makutano and Meru to cultivating donors for the endowment at Muthaiga and Karen Golf Clubs. Monica balked at the idea, she just could not reconcile the idea of community development designed at the 18th hole. Endowment building became a sore point between the two and would be a point of divergence and stormy disagreements throughout their relationship.

Ford Foundation was undoubtedly the biggest financial supporter of KCDF from inception to its last grant in 2010. Consecutive Ford Foundation representatives sat on the KCDF Management Advisory Committee and on registration as an independent entity, its Board. Though they had strong ideas about possible direction for the new organization, they considered themselves only one of many seats at the table and didn't tie the size of their financial investment to their vote. In this way, philanthropic partners stand out as markedly different from many bilateral or multilateral funders. Ford Foundation stayed true to this position during Katharine's time and her successor Tade Akin Aina's time. They supported a collectively developed vision even in the face of intellectual divergence.

However, the real midwife for KCDF was the Aga Khan Foundation (AKF), which provided the physical incubation facility. When the idea moved from concept into reality, AKF became the fiscal sponsor

for KCDF. In addition, their expertise as a philanthropic institution was instrumental in setting a strong organisational foundation for the entity. Monica Mutuku recalls that all the first guidelines, policies and processes for the start-up were modeled from AKF. Having a place to start when drafting employee manuals and financial policies was especially useful and the KCDF project drew heavily from their sponsor in this regard. However, this wasn't the only support AKF provided. With the entity, officially part of the AKF stable, the AKF team was keen on enabling the projects' success in all ways possible. This had propelled the then AKF Kenya CEO Mirza Jahani to propose Prof Mohammed Abdullah, a renowned physician and public health advocate, as part of the early advisory group.

In early 1998, AKF Chairman Yusuf Keshavjee introduced another person to the group – Atia Yahya, an insurance practitioner and career financier. Before attending her first meeting, the brief she had from Keshavjee was that there was a project that AKF was part of which may benefit from her insights. There was talk of endowments, sustainability and communities but nothing was concrete. She was invited to sit in one of the meetings by AKF, just to sit, listen and see if she could be useful in the thinking that was unfolding. At that first meeting at Windsor Hotel, Atia remembers hearing many familiar terms from her work in finance. What was of interest was the way in which the idea of endowments was being discussed – as a kick-starter for community development. She was completely intrigued. Soon after, Atia was soon co-opted as a member of the management advisory committee representing Aga Khan Foundation. Bringing in a strong financial service bent, and rigorous questions around sustainability, Atia continued to serve as part of KCDF governance structures for almost two decades.

What was of interest to her was the idea of pooling together resources, investing them and taking care of societal problems with those investments. To her, it was a model that would move Kenyans from the role of beggars to action oriented folks in charge of their own destiny. In the early days of the management advisory committee, everyone was affiliated in some way or another with either the Ford Foundation or AKF. Over time though, those early affiliations ceased to be the rationale for engagement and soon it was the Kenyans of the entity that became paramount. The two midwife institutions were hungry for results and wanted to start seeing success before the institution could even walk let alone crawl. Numerous founder members remember the pressure for results of that time.

Meanwhile, the Ford Foundation was facilitating study trips enabling the team to engage with other community foundations. One was the Ford Foundation sponsored initiative in Mozambique being supported in a way that was similar to the Kenya effort. The institution was under the patronage of Graca Machel, widow of former President, Samora Machel. Her position as a leader and her work at the grassroots meant that she could fundraise for the endowment amongst high net worth individuals but at the same time raise money from the ordinary masses

- weaving in and out of markets with baskets, collecting the equivalent of twenty shillings from market women. Under her stewardship, the Mozambique project raised \$5 million which the Ford Foundation matched. With that, they invested in a bank and the Mozambican foundation was soon drawing its own resources from a commercial entity.

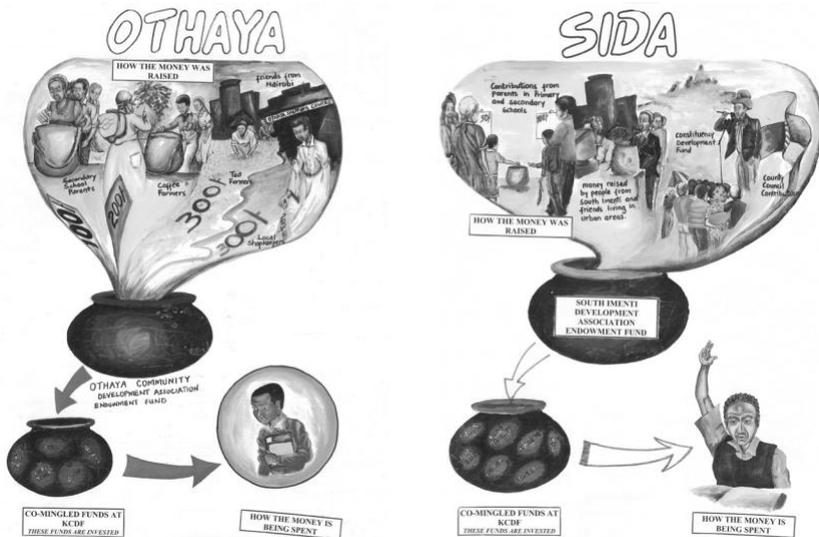
The Kenyans felt under pressure in the face of such success. They had no Graca Machel, but they had a target and the offer was on the table to generate an endowment that the Ford Foundation was willing to match shilling for shilling. Atia had signed up for the cause and was excited about this new twist to fund pooling. The aim was to get people to help raise money that the Ford Foundation would eventually match for the KCDF endowment. It was an uphill task. Kenyans were a giving people, but their giving was around tangible things – classrooms and buses, medical bills, church halls or food when hunger would strike a community. The idea of giving to an organisation that would hold the money in perpetuity for the betterment of communities was completely at odds with the Kenyan giving culture. The idea was too abstract. Even though the idea was a new one, the team underestimated how hard of a sell it would be.

Time however, was running out, the match offer had an end date and the funds were just not coming in. Ford Foundation even facilitated a workshop for the management advisory committee to learn about raising money for the endowment. Although the committee members attended the first day, less than half came back for the subsequent sessions. There were clear tensions around the funder's vision and that of the Kenyan founders.

Meanwhile, Monica was attending various forums talking about community philanthropy in a bid to kick-start interest in the approach. At a session at Starehe Girls School, a couple came up to her to learn more after her presentation. They were from Othaya, a constituency just south of the equator in a rural part of Kenya, and represented the Otha-

ya Development Association. They were interested in raising money for educating needy children in their community and were intrigued by the endowment idea. The two teams began to brainstorm further and an opportunity began to emerge. The charge had been to build an endowment. Why not enable communities to build their own endowments with the matching the Ford Foundation funds?

The team started a new approach, talking to communities that had a self-identified need and were willing to build an endowment fund with the promise that whatever they raised would be matched shilling for shilling. Before long, there was the Othaya Development Association (ODA), and the South Imenti Development Association (SIDA) responding to the clarion call on endowments with their own communities. The aggregating factor? School fees. Both associations wanted to be able to send all children in need from their locality to school. The idea was not abstract and the matching offer meant that every shilling counted. Initially, ODA raised Ksh 6.3 million while SIDA raised 5.3 Million respectively. Soon, a Nairobi based group heard about the endowments for education idea. Led by Catherine Gachukia, a professional working at the World Bank gathered together and raised money for the Hope Trust Fund, an endowment vehicle for supporting children affected by HIV and AIDS living in Nairobi's informal settlements with school fees. The new channel – contextually relevant, and aligned with Kenya's giving practices was catching on.



A depiction of how the two fund builders were able to raise resources to start their respective endowment funds.

With excitement, the KCDF team met with the Ford Foundation to inform them that they had raised Ksh 20 Million for community endowments. At the meeting, the Ford Foundation was confused by the idea of community endowments. Pools of money raised for third parties? That wasn't the idea that Ford Foundation had agreed to. KCDF was meant to use the matching funds for their own endowment. Monica responded that KCDF was about community development, and besides, at no point had they been told the money was for the sole use of KCDF's own endowment. The Ford Foundation team was shocked and released the KCDF team so they could internally discuss the unanticipated approach in private. Word soon came back that it was fine, the community endowments would be matched by Ford Foundation funds. A middle ground had been found.

This first 'experiment' of matching funds that community raised provided a much-needed experience for KCDF to build on going forward. Hence, it was not surprising when KCDF was celebrating its 10-year anniversary in 2006, the Ford Foundation agreed to provide KCDF with a USD 3 Million (under the International Initiative to Strengthen Philanthropy Programme) matching fund on condition that KCDF would raise \$ 1 Million. In the interest of helping KCDF build a much bigger pot of money to work with in future, this second lot of money was more restricted in terms of its flexibility to match for community groups. In the second phase, the heated conversations were around whether the Ford Foundation would recognise all money raised by Kenyans for different needs (money given by Kenyans for education scholarships, food security, girl child etc.) or it would only recognise money specifically donated to the endowment match.

Eventually KCDF was able to raise its match and conclude the debate amicably. The great learning here was that good partnerships remain respectful and encourage frank and honest conversations especially when there are different views on the table. Once again, a middle ground had been found. In addition, the Ford Foundation continued to provide institutional support which was instrumental in helping the young foundation find its feet and helping find its feet and focus on building its credibility in its new approach to community led development.

By 1999, the next phase of KCDF's transition was happening. The project had been operational for a few years; its cache was growing and the management advisory committee felt the time was right to pursue

independent registration as a company limited by guarantee. Mixed feelings emerged. KCDF's success to date had surpassed nearly everyone's expectations. The team had expanded and the project was attracting new funding partners including the Bernard van Leer Foundation, Plan International and the World Bank. AKF had been hosting the team as a project of the foundation, which they received overhead costs for, and in addition - positive brand equity as KCDF's sponsor. The AKF team were reluctant to divest from the partnership and questions were being raised around the need for a separate entity. The early discussions around divestment were met with deep reluctance and almost a sense of lack of appreciation for all AKF had done for the project. The management advisory committee was adamant though that this should go ahead. They had enjoyed the benefits of being incubated for years but to them, growth was synonymous with independence.

During the same period, Monica had started thinking about the long-term location of KCDF's operations. They had renovated the office space in Pangani and it was a facility that AKF had offered rent free. Monica approached Keshavjee with a request – would AKF consider ceding the property to KCDF as a gift? After all, it had always been a facility that was related to communities - shouldn't it continue to be so and perhaps under the new foundation? On and off for almost six years the question would come up between the two. Keshavjee's response was almost always the same, not a yes but don't worry about it Monica, we'll look into it. Then eventually, we'll bring it up with His Highness the Aga Khan. Then finally, a different answer came – don't worry Monica, you will get the building. The tension of separation had come to an end. Eventually, AKF graciously granted to KCDF the Pangani building and the land it stood on in its 10th anniversary celebration (2010). Moreover, they facilitated the registration of the new company and paid legal fees for their lawyers – Kaplan and Stratton to undertake the registration process. The parent was willing to let the child take control and chart its own path.

On registration in 2001, KCDF became an independent entity registered as a company limited by guarantee with its own board of directors. By mutual agreement, the members of the management committee would transition and become the new board with the new AKF CEO Arif Neki and Ford Foundation representative Katharine Pearson having a seat, but only for a three-year transitory period. After the three years, the incubating partners were mandated to exit and the board became an entirely Kenyan entity.

In many ways, KCDF was an incredibly fortuitous institution – it had the opportunity to grow with partners who were above all, interested in the possibility of their future and even when it became uncomfortable, they were willing to have frank and candid discussions that would enable that vision come to life.

Working with and finding the right players is difficult, part serendipity and part design. Sometimes like-minded partners are not entirely what is needed for the incubation and growth of a new idea. If there is too much alignment, the opportunity to grow by being stretched into uncharted waters or by unconventional methods might not happen. Disparate views and working through the hard knots of partners while working with different incentives can often be key ingredients in true innovation. KCDF was fortunate that even when bent several times, the boughs of the partnership did not break and that the ultimate goal of the incubating partners and the founding members were always aligned.



A group photo with some of the first KCDF Board Members.

4

From Sugar to Seed: The KCDF Approach.

If you treat an individual... as if he were what he ought to be and could be, he will become what he ought to be and could be. ~ Johann Wolfgang von Goethe

The founder members of what became KCDF had spent hours, days, weeks and months deliberating over how they were going to bring about a social paradigm shift in community development. The scene had been carefully set, the charge was now to do.

In 1997, operations began with a small staff. Employee one and two - Monica and Catherine respectively were soon joined by Beverly Nut-hu who handled all things financial, Nora Mwaura took charge of community development and grant-making docket, and a driver/messenger who joined the team later. The small group all had official titles, but as is the case with most start-ups, there wasn't really room for hierarchy or departmental silos. All hands were on expected deck, irrespective of the task at hand.

The first hurdle was to design the KCDF process. Everyone was keen on KCDF approaching its work properly, but that meant that the team had to come up with procedure manuals to guide the capacity building effort to enable them to reach their goal of community centered and community led development. A participatory process was a necessary first step, and the team spent many hours developing guidelines for effective engagement with communities, CBOs and NGOs working in communities.

Monica recalls the most important lesson was learning how to listen. Actual listening was not something that could be accomplished by a quick drive in and out of a location. Rather, it required hours of personal engagement and unending patience. Village life moves at a sedate pace. When the team would set out to undertake a capacity assessment with a CBO, each team member would take part. They would listen to the community members tell stories of how their CBO was formed, what challenges they were facing and how they managed their money. The tales would extend to who was undermining who in the leadership or what troubles women would face in trying to engage in the group.

Often the sessions would take place under trees with nothing more than a mat or single chair for a visiting KCDF team member to sit on. The most expensive item was the money for milk to prepare tea. Lunch would be provided by the community members with women bringing beans, chickpeas and potatoes to make muthokoi or mukimo – local delicacies from the region. The cooking would happen at the interview site, and the interaction was an opportunity to see how the various CBO members interrelated. Some would view it as a frustratingly slow activity. But this was what community led meant – moving at the pace of the stakeholders, not on the timetables of the Nairobi visitors; meeting then in their local environments as opposed to design workshops at local hotels. This was capacity assessment KCDF style – full immersion in locale, people and context.

All the staff were involved - Beverly designed the financial questions, Catherine the administrative ones while Nora was good with programmatic design questions. No one would be left behind in the early days. Once the community time was complete, the team would huddle together triangulating all the stories they had heard that would provide the overall picture of the CBOs in question.

Repeated time and time again in communities as far apart as Yatta in eastern Kenya to Samburu in the north, the picture became clearer. The problems were not insurmountable and the devil lay in the small things – group governance skills, basic financial management practices, planning & forecasting, unlocking linkages to government programmes and the ability to undertake outreach activities. Over and over, the story was largely similar in Kajiado, Moyale, Kilifi, Isiolo, Imenti, Maralal.

The hypothesis of the founding group was beginning to prove correct. Communities understood their problems. They had visions of their

desired future states, and had mobilised themselves into community based organisations or had linked with NGOs to begin moving towards those visions. The missing piece was often soft skills that would help them unlock already available resources from state or donors' funds, or enable them to be more efficient and effective with what they already had.

The team had started out with the clear mandate of being a grant-making institution for community development, but in the first few years of operation, the reality of what that meant was starting to become clear. By 2000, a value proposition had emerged for KCDF. Through grant-making, the group would build:

Efficient and effective development organisations operating at the community level.

Motivated and pro-active communities that can help in creating the necessary critical foundation towards more people oriented approaches to development and accountable leadership.

~ KCDF Annual Report 2000

This was the official text. Unofficially though, they had a man-tra – they were in the business of beyond fishing and working behind the well. The first principle was a revamping of the adage, “give a man a fish and you feed him for a day, but teach a man to fish and you feed him for a lifetime”. Development could be approached in several ways, KCDFs’ approach was investing in people so that they could determine what was important to them, and what change they wanted to invest in. Enabling the community to understand the factors and pre-conceptions that placed them within a certain societal construct was the first step in KCDFs capacity building process. Investing in organisational development, governance and basic management as opposed to wells, boreholes and service delivery projects was the route they were pegging everything on. The aspiration was that the fishermen would be able to do the latter.

A favoured motivating quote of the team was that of Tanzania’s founding father Julius Nyerere – *Development is about people not things because people cannot be developed. They can only develop themselves and they will act for themselves and in their own interest once convinced obstacles can be overcome by their own effort.*

The second mantra was Kisima: The Story Behind the Well. The fundamental shift that KCDF was embracing was focusing on the implementation process and not only on the project completion. Enabling communities to answer critical questions about why they faced the same challenges, year in year out or what norms in their locality defined power structures and relationships that determined decision making. Other critical questions included identifying the linchpin that brought about successful completion of a project or understanding what had changed between the beginning and end of a process, and who was responsible for that change. These were the stories that mattered. These were the processes that provided the patterns that needed to either be replicated or cast aside.



KCDF founding members reflecting on the story behind the well. Inset from right Mirza Jahani, The late Harry Mugwanga, Prof. Mohammed Abdullah and Aleke Dondo.

In the late 90's, capacity building of this nature was a novel idea. Capacity building that then came with a grant to implement the changes that had been seeded was unheard of! In the first year of operations, KCDF gave out grants to 15 partner organisations. The goals of these groups were varied; education for needy children, advocacy on land rights, small scale business development, family planning, water and sanitation, early childhood development and development of tree nurseries to name a few. What was common though, was that these were all ideas that had been self-identified as the most pressing challenges facing

the communities that raised the issue. This was the result of beyond fishing. On the surface, it may have seemed diverse and disjointed, but on deeper examination, the internal changes driven by investment in intangible assets was putting in place a foundation to drive these platforms for years to come.

Coupled with the investments in endowment building, the KCDF model was proving to be not only unique but intrinsically transformative. By 2007, the institutions value proposition was aptly described as investing in communities for lasting change. The number of institutions investing in the KCDF approach had grown substantially beyond the original funders. KCDF was now running grant-making and capacity improvement programmes for Alluvida, Novib, Plan International, Bernard Van Leer Foundation and the World Bank. The approach was gaining traction, affirmed by the diversity of organisations choosing to work through KCDF.

The search for an intellectual home had benefited from a deep thought process, informed by the various backgrounds of the founding members, developed through the tenacity of the early staff and achieved by communities across Kenya. Former KCDF Chairman Abdullah shares the following analogy about KCDF's approach to community development. Many harambees can be likened to the value of sugar. It's important to have if you want to enjoy your cup of tea, but once dissolved in that one cup, it's gone. KCDF is interested in seeds, once you plant, you get a harvest. The fruits are enjoyed in that season but they also contribute to the seeds for the next harvest.

The harvest of 2007 were informed by the seeds of discussions that took place in 1996 – more than a decade earlier. The business of change does not come about quickly or easily, and the time it took to build the KCDF approach is a clear reminder of that.

5

Snapshots of Success

The old adage that the proof of the pudding is in the eating. In the following pages, we highlight a few stories from the ground on changes happening among some communities across the country.

The Seed and Not the Harvest

Othaya Development Association (ODA) was one of the early adopters of KCDF's endowment challenge. The group began raising money in 2003 with the idea of supporting children in Othaya constituency who needed school fees. A predominantly coffee and tea growing area, many families were facing economic challenges with the steady fall in coffee prices. As in many parts of Kenya though, education was highly valued and was an idea that people would gladly contribute towards.

The group started aggressively fundraising in anticipation of the challenge fund match. Every parent of a secondary school going child was tasked to contribute KES 100, coffee farmers KES 200, tea farmers and business owners in Othaya town KES 300 respectively. Secondary school development groups, farmer associations, and Nairobi professionals originally from Othaya were also approached for the campaign. From the modest contributions from those approached, the group successfully raised KES 6.3 Million by the time of registration in July of 2004, which was matched shilling for shilling by KCDF.

Getting all stakeholders to understand that they would not receive any dividends from their contributions for some time was initially diffi-

cult and ODA had to adopt a local cultural analogy to calm the nerves of the different stakeholders and exemplify the concept of an endowment. Muito Kabuya from ODA shared how they spoke about the endowment: Traditionally, women from the community in Othaya would always enter marriage with a gift of a stock of maize that was kept in the new brides' granary. This stock was never used as food but always as seed for the planting season. In the same way, the endowment was put forward as the maize stock, never to be eaten but always kept as the seed. In due time, a harvest indeed would come.

In 2006, the first harvest yield totaling KES 1 Million was released to ODA's Bursary Fund. The first dividend provided 62 children from the community with full and partial secondary school scholarships. In the interim period, ODA had set up and trained a Bursary Committee with assistance from KCDF. With 17 members drawn from community leaders, teachers' unions, women's representatives, farmers and others – the committee was tasked with the duty of reviewing, selecting and vetting of bursary applicants. The highest priority went to orphans, followed by children from very poor families and finally to children who had excelled in their studies. In addition, the group instituted a role model campaign for primary schools enabling former students from area schools to interact with and share success stories with current students. The result – schools in the area performed exceptionally well moving from seventh to first place in the district with an overall improvement in primary completion rates.

As at 2016, through continued investment of the principal, the fund had grown to over Ksh 34 Million and it continues to meet the needs of several children from the constituency seeking opportunity through education.

Hope for Children

In 2002, Catherine Gachukia was working with the World Bank. Like most Kenyans, every so often she would receive a harambee (fund-raising) pledge card requesting support for medical bills, school fees or church buildings. Harambees have been a way of life in Kenya for a long period but she was getting frustrated by making contributions, then never knowing how they were utilised. In 2001, she started thinking about setting up a vehicle that could be a more sustainable solution for her resources. Having regular report backs, walking with an individual in need from the beginning of the problem to the end as well as being able

to commit to a long-term solution, were some of the hallmarks of her plan. On talking to other professionals in her network, she soon realised she wasn't the only one interested in such an arrangement. Others felt the same frustrations and were intrigued by her idea.

Catherine reached out to colleagues and friends to set up Hope Trust – a fund dedicated to supporting needy children with school fees. Soon, a board was established with Judith Macharia, Susan Waibochi, Peter Mboya, Godwin Wagongu and Tony Wainaina bringing on board a mixed set of professional skills for the fund. While planning for her fundraising campaign, she came across unconfirmed 'rumours' about an endowment challenge fund. She was excited. Further investigation led her to Monica at KCDF who confirmed there was a shilling for shilling endowment match window.

Armed with the news, the fundraising campaign kicked off in earnest. She was particularly able to mobilise her friends from the corporate sector and before long was able to reach her target of KES 6 Million. For the next decade, the Fund has supported school fees for children from Nairobi's informal settlements. In addition, the Fund initially provided a micro-finance scheme aimed at kick-starting income generating activities for poor families in Kibera and Mathare informal settlements.

After a decade of being run on a volunteer basis, the Hope Trust Board was at an inflection point. The board was manned by busy professionals with demanding jobs and myriad of family obligations. They felt they needed to think critically about how to optimize their support. With a small grant from KCDF, the board worked with a consultant to map out the strategic vision for the fund as well as explore the best option of accomplishing their vision. The Hope Trust Fund decided to recalibrate its relationship with KCDF, and invited the foundation to take over the operations of the Fund as Hope Trust's mission and vision was aligned to KCDF while recognising that KCDF had extensive knowledge and experience in running scholarship programmes. As of 2016, KCDF administers the KES 18 Million Hope Trust Fund and it continues to reach and support a number of needy children annually in education scholarships.

Home-grown philanthropy had come full circle.

Hatuombi Serikali ~ We Are Not Begging From Government!

Maasai Mara! The name evokes thoughts of plains teeming with

wildlife, morans in their archetypical red blankets leaping into the air and the famous wild beast migration of thousands of animals which year in year out brings thousands of tourists to Kenya. The Mara is Kenya's jewel in the crown, but for the communities that live in its surroundings, it's also a hazard. National parks and game reserves have no fences; wild animals are free to roam the land. What wildlife freedom means is that children from surrounding homesteads have been trampled by elephants or attacked by lions as they make their way to school.

This situation was a constant reality for the Nkoilale community whose village was a mere 10 kilometres from the park's invisible boundaries. To complicate matters, the area had only one primary school serving over 3000 pupils in its 16-kilometre radius. Many parents would simply not send their children to school because of the dangers they faced traversing the ten-kilometre journey to school daily. The low enrollment into schools perpetuated the cycle of poverty faced by many of the community's inhabitants.

In 2010, Nkoilale Community Development Organisation (NCDO) was registered. One of its first projects was the construction of feeder classrooms for younger children to reduce the long distances they were forced to cover which would often bring them into harm's way. NCDO heard about KCDF, which at the time, was running a grant matching programme for community prioritised projects. They approached KCDF for funds to construct feeder classrooms at a cost of KSh3 million. KCDF agreed to support NCDO but there was one proviso – they had to raise half the amount from within the community. The NCDO team was perplexed, firstly, why would they be seeking support if they had the money themselves? Secondly, who ever heard of a donor that would demand half of the inputs to the project? The idea was confusing on many levels. Undoubtedly an unfamiliar approach from a donor. But KCDF was adamant, the grant could only be provided as a match. Without the community contribution, there would be no classrooms. KCDF did however provide NCDO with the necessary technical support to develop a fund-raising plan to help them raise the money, by recognising the resources within themselves.

NCDO held the first fundraiser - people came but no real money was raised. It was back to the drawing board with the KCDF team walking with them to come up with a more effective resource mobilization plan. Together, they came up with a different approach – in-kind donations in lieu of cash. Cattle are the heart of every Maasai household, the physical manifestation of individual and communal wealth. Each house-

hold was prevailed upon to donate a cow. The cows were kept in a boma (cow pen) for three months as they were fattened to fetch more money in the market. Once sold, the cattle raised KES 2.7million, almost the entire amount they were trying to raise. It turns out, they weren't a poor community at all, just one that hadn't unlocked all the resources they had. With the excitement of the resources raised, they went on to raise additional funds from private tourism related companies in the Mara and state resources to build up their community match kitty. Negotiating support with business and political leaders was accelerated because of the resources Nkoilale showed it already had. In total, the Nkoilale community raised KES 5.2 million, which was matched in total by KCDF. Through this effort, they have gone ahead to construct additional class-rooms, a maternity centre and health dispensaries to serve their community.

Nkoilale community shows what real development is about, and how often resources that can be unlocked for transformational use are often overlooked, even by development agencies. Their story is a powerful reminder of what happens when a community no longer positions themselves as part of the problem, but part of the solution.

Culture as an Asset

The Muslim children of Malindi were facing an academic disadvantage. Their first interaction with education was at the local Madrassa where they would congregate daily to learn from their Madrassa Maalim and Maalima's. Islamic education was an underpinning principle of their faith and the children would spend time learning the tenets of their religion. The challenge? Non-Muslim children at the same age were enrolled in Early Childhood Development (ECD) centres whose curriculum and teaching methods were focused on preparation for primary school. The result? Academic success rates in primary school were markedly different amongst the two cohorts of children.

The Malindi Education Development Association (MEDA) was constituted with the aim of enabling children in the area to receive quality preparation for school through strong ECD programmes. In 2006, they realized that the separate programming for Madrassa and ECD was putting some children at a disadvantage. In the same year, they received a grant from KCDF to design a community participation approach to come up with a holistic programme. The MEDA team began working with stakeholders from the area which included ECD teachers, local

Imams and child right networks.

Their collaborative engagement approach soon led them to begin working in earnest with ECD and Madrassa teachers in the county to develop an integrated program that would meet the threshold of quality for both programmes. Convincing the two parties was not easy though. It required targeted lobbying of Islamic leaders who decided what methods could be used for madrassa teaching. A series of learning visits to institutions in the region that were applying an integrated approach was instrumental in moving the idea forward. Eventually, an agreement was reached and the program began. By 2008, there were more than 30 integrated ECD centres in the county.

With this success, MEDA moved onto its next goal. Malindi is a beautiful town that attracted hundreds of international tourists, however the sub-county's 11,000 children were starved of safe spaces to play. Local beaches were exhibiting the seedier side of the tourist boom with child prostitution and trafficking becoming a serious threat. Encouraged by their earlier successes, MEDA embarked on a plan to develop Malindi's first children's playground. They approached KCDF for a second grant. They now had an annual fundraising event held at the end of Ramadhan each year to support MEDA projects. The fundraising dinner was in effect an iftar, a communal breaking of the fast where community residents would bring their own food and water to share. The only challenge was that they were looking for much more money than ever before, almost KES 2 million shillings. This was more than double what they normally collected at the annual fundraiser.

Undaunted, they moved ahead with their planning, putting word out about the playground project. Community leaders, business people and parents were all invited and the call was answered. Over 800 people attended the fundraiser, raising over Ksh 4 million, more than double their target. As an unexpected boon, a local philanthropist donated land for the playground slashing the project costs substantially.

Eight months later, the playground was complete. Over 200 children use the park daily during peak season and are charged a small fee to keep the playground well maintained. MEDA and Malindi community surprised themselves. They found that they had the wherewithal to move themselves forward on the things that mattered to them. Unlocking this realization has long been a part of the KCDF "magic" of not only enabling change in the short term, but also unleashing a new outlook that takes hold in the communities that become changed forever.

6

Transitions

*There is nothing wrong with change, if it is in the right direction. ~
Winston Churchill*

When setting up KCDF, the team put in place an employee manual which clearly stated that the retirement age for all KCDF employees would be age 60. It was 2004, KCDF was almost seven years old but more importantly, its founding CEO was about to celebrate her 60th birth-day. For Monica, it was a bitter-sweet period but there was no ambiguity about whether she would seek to extend her term or not. She had put the rules in place and leadership was about living by the tenets of the institution even if you were a “victim” of said policies. There would be no extension of her service. She admits that she would have been happy to stay on, after all she had seen the institution grow in leaps and bounds under her care. However, she also recognized that after several years under the leadership of one individual, the likelihood of stagnation was real. Either the CEO would need to change or the institution would need some restructuring to remain fresh and relevant.

Guided by the desire for strong and capable leadership that understood the KCDF community driven model, the search for a new CEO began. The position was duly advertised and several individuals interviewed for the position. However, the recruitment team was not successful in their quest to get a suitable candidate and had to go back to the drawing board. The essence they were searching for in a new CEO hadn't yet been found. A second advertisement was publicized and a

new crop of individuals were interviewed. Atia Yayha, the immediate former chairperson of the foundation recalls the process.

“It was time consuming. Board members had to dedicate a fair amount of their volunteer time towards the search process and though important, it was getting frustrating. When Janet Mawiyoo walked into the interview room, I knew right there we had found the right person. It was in the way she communicated, her calm nature, and thoughtful responses. After a series of interviews, the rest of the Board were unanimous in their decision. A new CEO had been identified”, recalls Atia.

Janet Mawiyoo came from ActionAid where she had been serving as Country Director for Tanzania. With decades of experience in the development sector, Janet’s heart was yearning for more. She wanted to move back home to Kenya and was intent on working with a Kenyan organization. Interestingly, this was not her first encounter with KCDF. Six years prior, Sarah Thurman from Ford Foundation had undertaken a study on community philanthropy and Janet had been part of an in-ter-agency team that was invited to interrogate the role of capacity building within implementing organizations.

When news came to her that KCDF was looking for a new CEO, she recalled the positive interactions she had with the team and decided to apply. Janet’s background was in organizational development and having worked for the Kenya Government, a bilateral organisation as well as an international NGO – this philanthropy opportunity seemed like a perfect fit as well as a new professional challenge. In her words – it was a win-win opportunity. She had reached a stage in her career where she wanted to do things that she believed in and KCDF presented the ideal mix.

Stepping into the shoes of a founder CEO was daunting but her earlier positive interactions with Monica eased the transition. When Janet came on board, there were about 10 staff. It was important to build a positive rapport with them even as she introduced a new management style and approach to KCDF’s work. At the time, the institution had a relatively stable budget. What was new for Janet was working directly with a Board, something she hadn’t done in her previous institutions. Janet spent a fair amount of her time building relationships with individual board members as well as cultivating alignments on the new vision she had for the growing institution.

During this period, the Board was also going through its own transition. When the management committee morphed into the formal KCDF board, the group widened to include new members. Several new members were invited on account of their networks in Kenya with the hope that Board members could be influential fund and profile raisers for the fledgling institution. Board membership was a fully volunteer position that had neither remuneration nor sitting allowances. At the same time, it was a relatively heavy time commitment given the evolving mandate of KCDF. In many ways, board members had to be deeply wedded to the mission of the institution above all else. These expectations didn't work for everyone and in the first decade, there was a fair amount of board turnover. Eventually, the board got better at recruiting fellow members, and it became less about drawing in prestigious individuals and more about recruiting members who were aligned to KCDF's mission.

In an effort to showcase transparency, an unusual set up had been proposed – there was the foundation, registered as a company limited by guarantee which was responsible for the daily operations and implementation of the institutions activities. Then there was the Trust which was responsible for holding and managing all KCDF assets which included the KCDF endowment.

When Janet came into KCDF, she found several moving pieces which she sought to resolve constructively. Her first focus was working with staff and effectively leading a transition into the new leadership period. Catherine Kiganjo recalls that Janet was very different from Monica, apart from her commitment to communities. In this particular area, there was complete alignment. The focus of Janet's early time was to build up the structures of KCDF, ensuring that the institution had world class policies, procedures and structures to drive its growth into the future. Building community organizations had to be done from a position of strength and her background in organizational development was a welcome skill.

The second was to gain an understanding of where KCDF stood structurally. Several conversations with Board members on the split between the Foundation and Trust took place as Janet tried to come to grips with the unwieldy structural nature of the institution she was now at the helm of. At the time, NGOs and many development oriented institutions were still struggling with negative perceptions. KCDF was in a unique position – it was at work in the field of development but had the added layer of holding funds in trust of the public through its en-

dowment. The dual institutional structure was an important check and balance tool that ensured both autonomy and transparency. Yet it meant that the CEO was responsible for two institutions and the reporting and governance mechanisms that each demanded.

Janet recalls that taking the time to earn the trust of her new team and board was the mainstay of her early years. Her key performance metric was in the ability to grow a strong institution from where strong and impactful replicable practices could be launched. By this time, capacity building had almost become a buzzword in the development arena hence KCDFs' added value had to be clear. It was a challenge Janet took head on.

A first step was a relaunched effort to register the Trust to systematize the credibility that the check and balance system could offer. Next was a drive towards strengthening the legal agreements between KCDF and the few fund builders whose endowments KCDF held, coupled with increased diversification strategies to forestall an over-reliance on early funders such as the Ford Foundation while ensuring aggressive growth of the endowment. The last step was to develop a new approach to KCDFs place in the world. It was time to move beyond the arena of action into influence.

KCDF had survived a major test – a leadership transition. In its almost twenty-year history, the institution has had only two CEOs - a successful testament to the time investment that the Board took in finding that mission driven individual who could help spur growth. During Janet's tenure, the team has grown to almost thirty individuals and an operating budget of more than KES 300 million annually - an eight-fold increase from when she took the helm, with funding coming from several Kenyan corporates and individuals. Similarly, as the portfolio of partners has grown, KCDF's asset value today is almost \$10 Million, a remarkable example of dedicated investment in the community driven model of African philanthropy.

7

Fit for Purpose

If the rate of change on the outside is greater than the rate of change on the inside, the end is in sight.

~ Jack Welch

Since inception, KCDF had been fueled by the idea of building the capacity of communities. The 2005-2007 strategic period was coming to an end and it was time for the team to start thinking about what was going to drive the institution into the future. It had been an incredibly successful phase with new partners such as the Safaricom Foundation and the Japan Social Development Fund provided through the World Bank having come on board to support KCDF's work. Structurally, the board had been strengthening the governance protocols of the Trust as well as of the Foundation including putting in place independent fund managers, custodians and administrators to guide the growth and management of KCDF's endowment. In 2007, KCDF's grant-making portfolio had doubled from the previous year. KCDF was showing its mettle as a partner of choice. At 10 years old, it was 10 years strong.

Then December 2007 happened, one of Kenya's darkest periods in recent history. Violence erupted across the country on account of a disputed election and the resulting mayhem shook the country to its core. In the wake of the violence, one bright light emerged – with more than 200,000 people displaced from their homes, the power of home-grown philanthropy rose to the fore. Over KES 1 Billion was raised locally to support internally displaced people living in makeshift camps across the

country. The reality of Kenyan philanthropy was alive through the initiative dubbed Kenyans for Kenya.

KCDF was not untouched by this tragic event and the leadership of the organisation resolved to respond as a Kenyan institution – by inculcating a new thread in its community engagement which included helping communities to intentionally build cohesiveness as part of their programming. Formulation of the 2009 – 2013 strategic plan had started and it was agreed that the thread of peace and cohesion needed to be a central focus. A first step to this shift was to earmark over KES 10 Million from the Youth Development Fund towards initiating peace building programming in the Rift Valley - the hardest hit area during the post-election violence. Sports and arts programmes were central to this effort of promoting peace-building and reconciliation, so the foundation invested heavily in these non-traditional approaches towards peace building. A major take-away for the team was the importance of flexible funding that allowed for responsiveness in the face of emerging issues.

As part of its new strategic direction, KCDF built a new visual brand - a brand that represented the dynamism and vigour that KCDF aspired to be. In addition, the name Kenya Community Development Foundation was shortened to KCDF which was easily memorable, short and catchy in tune with the fresh new attitude to its work. The most significant change, however, was the shift from purely action, to action accelerated through influence in KCDF's workings. In 2007, the KCDF team had started engaging in a wider network of philanthropic actors both nationally and globally such as the Global Fund for Community Foundation, Synergos, the Worldwide Initiatives for Grant maker Support (WINGS) and the International Initiative to Strengthen Philanthropy to name but a few. Engagement in global fora meant that the KCDF's model and the idea of community driven philanthropy was being show-cased beyond the region. Conversely, these new partnerships made sure that the KCDF team was aware of, engaging with and benefiting from forums that were driving global trends and practices in the global philanthropic sector.

By 2011, a new programme had been added – Policy, Research and Advocacy which spearheaded the new influence and advocacy approaches that KCDF sought to influence. In time, KCDF has leveraged its position as Kenya's first home-grown community foundation and had become a go-to resource in the civil society space. The institution has continued to advocate for increased philanthropic giving through tax in-

centive policies as well as advocacy on legislative issues that affects the philanthropic space in Kenya, such as the Public Benefit Organisations Act and the Unclaimed Financial Assets Act.

Still anchored in grant-making through its programmes such as supporting the girl child, education and food security; KCDF had become very intentional about using its knowledge and learnings to effect change at the community level while using the lessons from its grant-making work to advocate for policy and legislative change at the national level. KCDF has grown from a grant-making and capacity building organisation to one that is actively using its influence and lessons to build a better ecosystem for change in Kenya. A new type of action was being incorporated into the KCDF approach.

Concurrently the foundation was starting to build ties with similar minded institutions on the continent and foster new platforms to accelerate the growth of the philanthropic sector. The first was with the East African Association of Grantmakers (EAAG). EAAG was set up by local foundations, including KCDF to induce networking and cross learning amongst foundations, corporate givers and social justice grant makers in East Africa. Similarly, KCDF was a founder member and co-chair of the African Grantmakers Network (now the Africa Philanthropy Network), a Pan African institution whose mandate is in the promotion of an African voice and agenda for philanthropy. Through the networks, KCDF continues to give voice to the notion of Africans as givers, as philanthropists, as active players in their own development. Through these engagements and others, KCDF's learnings and approach are being shared on a global stage. The then chair of the foundation, Prof Mohammed Abdul-lah recalls "Janet became an international resource – suddenly. She was flying here and there, either in America, India or Mexico. We had to get her to slow down but at the same time we knew that Janet's growth meant KCDF's growth and that was a good thing."

The growth has been manifested in different ways. In the numbers of partners that KCDF works with, the size of KCDF's budget as well as the growing portfolio of programme areas that KCDF focuses on, all alluding to a growing organisation that is gaining wider recognition. From a programmatic point of view, KCDF has widened its portfolio to include promoting family legacy giving to spur local giving practices, advocating for tax exemption for charitable giving that would help spur corporate and individual giving, ensuring that communities were providing resources in KCDF supported projects and developing giving programs that can be easily adopted e.g. supporting vulnerable groups

such as the Girl Child, Mentenda (mentoring young boys) and Ustawi (sustainable food production).

Of interest, KCDF was re-granting more funds than it has been raising locally. When asked whether this was at odds with the original conceptualization of KCDF as a foundation that was to kick-start philan-thropic giving from purely local resources, Janet thoughtfully responded “As long as you take money that speaks to what you want to do, that’s not fundamentally a problem. We had learnt the hard way that there is good money that you can accept and there is bad money. Bad money would make us contradict our way of working. If you are willing to take money from an organisation or individual, it must be the kind of money that allows you to be yourself. If you stop being yourself, then you’ve lost it. You become a contractor and KCDF has completely refused to be a mere contractor.”

Even in times of uncertain and unstable funding, KCDF has walked away from potentially bad partnerships including turning down sizable grants because of the potential of ‘losing itself’. In that sense, KCDF has been completely true to its mandate – being identified less as a grant-maker and more as organisation that promotes sustainable development of communities, by helping communities learn how to leverage from other actors around them as they remain in the driver’s seat. From that perspective, KCDF has changed very little over the years. The institution has only become smarter in terms of how it achieves its goals. The change it seeks is still about changing mind-sets on how communities perceive themselves, their assets, their control and their development.

By 2013, it was time to embark on another strategic review. Looking back on the institution’s past successes, the following goals were de-signed for the subsequent five years:

- Build strong and credible institutions
- Influence and foster favorable policy frameworks and an enabling environment for organized giving and social justice
- Position KCDF as a centre of excellence that nurtures/promotes knowledge management and adoption of sound development policies and practices
- Strengthen and enhance KCDFs sustainability

The new strategy called for deeper partnerships to inspire more systemic change in the arena they operated in. To do that, the team started thinking critically about how to build a sustainable pipeline of finances, one that would give them the intellectual space and financial freedom needed for new growth.

8

Structuring for Success

Without deviation from the norm, progress is not possible
~ **Frank Zappa**

As KCDF grew from an idea to an institution, the governance and leadership team continually interrogated the best form and function to adopt to deliver KCDF's aspirations. In the early days, the first decision that needed to be made was the type of institution KCDF should register as. The nineties were tough times for non-governmental organisations; there was significant mistrust between the government of the day and the civil society sector resulting in a reluctance by KCDF's advisory com-mittee to register the new entity as an NGO. Furthermore, it was the era of briefcase NGOs – organisations that were set up ostensibly to benefit individual founders as opposed to supporting actual development pro-grammes.

KCDF had to build trust and be of exceptional high standing, especially given the nascent idea of endowment in the country and region. After long drawn deliberation, an agreement was reached on the ideal registration regime for KCDF – a company limited by guarantee. This meant the organisation was registered and regulated under the Companies Act of Kenya with a Board of Directors, as well as having to adhere to very strict annual obligations regarding fiscal compliance that comes with the Companies Act. The early donors were comfortable with the registration choice as all other registration options did not quite suit the new model, but the Board wanted to go further.

Building trust was integral to the KCDF process. The idea of building endowments was new in the development sector in Kenya. Convincing communities of the validity of pooled funds was an uphill task. They had to be provided with strong assurances of the safety and security of their funds. The new board decided to establish a second institution to provide checks and balances to the assets of the foundation. This kicked off the registration of the KCDF Trust as the custodian of the Foundation's assets.

By law, a Trust in Kenya is governed by the Perpetual Trust Act whereby the Trust can own property, have its own staff and financial resources. Legally though, the complexity under which a Trust is registered has the highest accountability threshold in Kenya. The governance team felt that the endowment, which essentially is money held in trust for communities, should be governed under a registered Trust.

The registration process was not a walk in the park, it took almost 10 years for KCDF to be registered. After registration, there now existed two governance entities – the Trust and the Foundation. Initially, to ensure alignment between the two entities, it was agreed that at least four foundation directors be trustees of the Trust. The four would sit in both the Foundation and Trust Boards to ensure that the right hand of KCDF knew what the left hand was doing at all times. The foundation would apply for finances from the Trust and the Trust would review the request and decide on whether to allocate the requested funds or not. In putting this structure in place, it meant the Board of Directors would in essence be forced only to make recommendations on projects that they deeply understood and could defend to the Trustees. The team was building a system that would enhance a credible and trustworthy brand for KCDF into the future.

In 2010, KCDF was thinking creatively about expanding its fundraising capability. Founder member Joyce Malombe had relocated to the US and had been sharing “the gospel” of KCDF far and wide and interest was gathering. The Board evaluated the idea of widening its institutional structure beyond Kenya to facilitate smoother connections with a wider audience. Cognizant of the large Kenyan diaspora, many of whom were committed to the idea of contributing to Kenya's development, felt that a more formalized set up would serve the institution well. The Friends of KCDF US was hence established as a US 501c 3 non-profit, with original Directors as Dr Joyce Malombe, Fred Cooper a former classmate of KCDF's Board member Arthur Namu in Harvard University, and Elchi

Nowrojee a lawyer and US resident who is also a son of a leading Kenyan Human rights lawyer, Pheroze Nowrojee. The Friends of KCDF US Board has been a volunteer team just like the Kenyan board, which is challenging, considering they have all been in busy full time day jobs, and without an operational secretariat. The registration of the US entity thus has provision for US residents to contribute to programmes in Kenya and to receive tax receipts as an incentive, hence providing an opportunity for KCDF and the team in the US to explore creatively how to maximise on this and become a useful vehicle for Kenyans in diaspora to give back to support developmental needs, which is a space to watch in the next decade.

The fourth institution of KCDF was borne out of an idea that had been implemented in South Africa by Kagiso Trust - a South African development agency. Kagiso has put in place an investment arm that seeks to resource the Trust by making aggressive but prudent financial investments. The KCDF team was intrigued and met with the Kagiso team to learn more about the sustainability concept that Kagiso Trust had employed to ensure the Trust became self-sustaining, post-apartheid period. Janet, Atia, Arthur Namu, Kibby Kareithi and other board members spent time with the Kagiso team in trying to understand the model and interrogating its application. Could such a model work for Kenya? A development organisation with its own investment company that was responsible for commercially raising funds for its programmes?

The idea resonated deeply with the KCDF ethos of promoting sustainability, however, the new venture would mean KCDF had to risk part of its endowment fund to use as investment capital. It was a big move to take on but the team supported by the KCDF Trustees felt it was a risk worth taking and Kagiso was ready to invest as a partner which would help smooth out the learning curve. In 2012, KCDF Investment Holdings was set up as a partnership between KCDF and Kagiso Trust on a 60:40 basis respectively.

In many ways, KCDF was itself going through organisational changes and was questioning what it had advocated for to its community partners. KCDF's CEO Janet Mawiyoo says the drive for working through several institutional options was driven by KCDF's view of itself as an institution with a long-term mandate. This meant that they had to find ways to survive and grow in perpetuity. They had to be creative and open to new approaches to stimulate and maintain growth.

These new avenues to support resource mobilisation and active implementation were in place by 2012 – but were they working to maximum efficiency?

The Foundation and the Trust were indeed growing – but the structure has been unwieldy for the CEO and team who have to spend a fair amount dedicated to preparing for multiple meetings and executing the actions of both. Each institution also had its own audit obligations but one staff team to execute. It was good from the checks and balances perspective, but it has been time consuming operationally for KCDFs’ lean team.

The habit of continuous reflection is one that has been deeply ingrained in the way KCDF operates from year to year, and constantly checking if what the leadership team has put in place is working as expected. Annual Board of Directors, Trustees and senior staff retreats, have been a way of life every August, provided much needed opportunities for reflection and stock taking on where the organization is, vis-a-vis the goals it set for itself for that year. At the same time, the organization engages in a formal holistic organizational review process towards the end of a strategic period, to help inform the new strategic plan. Looking back, it is certain those have been great moments for building team-work and cohesion across the different structures, as well as enhancing a shared vision of where they want to go.

In an effort to strengthen the institution, the board in 2013 began debating on whether to hire full-time services of a more specialized company secretary, with members having differing perspectives on the issue. Many felt they had managed just fine with one who just helped them meet their annual mandatory obligations, and especially from a resource perspective, it didn’t seem like a wise investment. But KCDF had undergone a complete transformation – who would now be responsible for managing the governance aspects of the “group”?

The Board and Trustees went through a corporate governance Board development process, as part of reviewing and checking what else they needed to do to be well governed with all the growth and expansion that had taken place in recent years. From that process, it emerged that KCDF would benefit from the services of a specialized company secretary who would be responsible for guiding the Board and Trustees towards best practice and effective governance methods. Eventually a company secretarial firm that met this broader mandate was found in Azali

Certified Public Secretaries and they were brought on board in 2014. This has reduced Janet's burden of trying to deal with issues she is not trained for, but also brought in specialised legal and compliance skills sets for the organisation to lean into. The company secretary also infused best practices in board management to help improve the institutional structure, its efficiencies as well as reducing overlaps between board and management roles and responsibilities. Finding the right balance in the relationship between the entities under the KCDF umbrella continues to be a key focus for optimal organisational growth and sustainability.

The role of the board has matured from the early years; from a management advisory committee to a governance management function, leaving management to undertake day to day functions but with clear reporting structures to the Board, funneled through functioning Board committees. Yet the transition has not been immediate. It has taken years to get it right. New board members came in with different professional backgrounds and the expertise. Without any doubt, each individual has helped push the organisation to new frontiers and enabled the institution to align its structural and governance mechanisms to be right for purpose. The leadership has continually sought legal advice to make sure that the different arms remain cohesive and complementary while supporting the overall purpose of the foundation's mission.

As indicated earlier, there is work to be done to maximise on the benefits that can be accrued from the diaspora, through a well-functioning US Friends of KCDF Chapter. The need to invest in developing a clear strategy for the entity has already been identified, which once agreed upon by the US team will become a guiding star to grow the entity and 'sale' it among the various diaspora communities in the US. The issue of addressing capacity challenges is also one that must be dealt with. There is therefore room to ride on the volunteerism spirit of young Kenyans studying abroad who can support the entity to maximise on technology, such that not much manpower is physically needed. This is thus a space to watch in the next decade and take stock.

The KCDF Holdings Investment Company is still in its early days – at four years old, it's still finding its feet. The company invests in various investment vehicles, properties and assets. After tax deductions, all profits will be invested back into the foundation to support its mission.

In the quest for growth and sustainability, KCDF pushed itself to think and act creatively; to go well beyond the proverbial box and to

carve out its own niche. Not every structure is currently bearing the expected fruits, but any story of true growth is one of risk. The way in which the institution has embraced calculated risk, especially in how it has structured itself, is a story well worth watching as it will likely be a harbinger for a new era in community philanthropy.

9

Pushing Sustainability to the Next Level...

What you do has far greater impact than what you say.
~ *Stephen Covey*

KCDF has over the years worked with communities, enabling them to understand their place in the world as well as view themselves differently and unlock the assets they have towards their own development. As an institution, KCDF has tried to be true to its mandate – from the location of their first office, their approach to community development, taking time to listen under trees, and working in unconventional ways.

Throughout its work, KCDF has encouraged communities to look deeply within, in order to determine their own vision and use the resources within themselves to build the future they desire. The idea had come full circle and it was now time for KCDF to lead by example. Sustainability has always been a key concern for the institution – it had a long-term vision with a long-term mandate and working to grow its endowment which would eventually help meet their intended goals. However, a gap still existed – more could be done to be truly sustainable – where the intellectual space to grow, imagine, dream and re-invent was not reliant on whether enough overhead budgets were in place to finance the core operations of the foundation. And so the team at KCDF did what they had always told communities to do – they looked within.

In 2006, the Aga Khan Foundation had bequeathed the Pangani Office nested on one-quarter of an acre to KCDF. By 2010, the area around the office had changed significantly. It had originally been a residential neighbourhood but Nairobi was growing and the demand for space

meant that many areas in the city were being re-zoned for high density and mixed use development. The leadership realised they were sitting on a goldmine. In 2010, they started exploring plans to develop the Pangani property into a modern commercial office block that would provide the foundation with sufficient funds from rental accruals to operate, explore and grow.

It took the team into somewhat unfamiliar territory of construction, bills of quantities, land surveys and development plans. However, the multifaceted skills of the various board members within the KCDF family and management provided an unexpected boon. A sub-committee was formed in 2010 to steward the mega project. Quite a bit of time was lost trying to find funding from potential donors both locally and internationally, as well as lots of time spent visiting local banks to see who may have the best deal. The interest rates charged at the time, made it unthinkable to give that thought a second chance. Before the close of the same year, providence once again landed at KCDF's door.

Janet had been the co-chair of the African Grantmakers Network (AGN) now Africa Philanthropy Network (APN) between 2010 and 2012. KCDF had been identified by APN as the secretariat and was tasked with fundraising for this new entity. One of the institutions they approached for AGN was the Rockefeller Foundation. They sought funding from Rockefeller Foundation to undertake a scoping research on the philanthropic sector in Africa and to host the inaugural AGN assembly which was held in Nairobi in November 2010. As host, they received a grant for the planned activities and were responsible for all the grantee obligations related to the grant.

In 2012, Janet received a call from Rockefeller informing her that the foundation had decided to make a discrete set of one time general operating grants to organisations that they had funded in the recent past and the foundation's Nairobi team had recommended KCDF as a recipient. The unexpected half a million-dollar grant could not have come at a better time. It set the team on a path with confidence to begin planning for the construction of the five floor Pangani property.

Much like the unexpected re-allocation of funds by Monica in the early years that saw Ford's endowment challenge for KCDF become the endowment challenge for communities, the endowment under Janet moved solely from stocks, shares and cash managed by the fund administrators, to an asset in the form of a gleaming five storey commercial building that will pay out in future monthly dividends in the form of rent.

Throughout 2013, planning went on in earnest with approvals for construction and identification of contractor to undertake the construction assignment. After KCDF selected Wadia Construction Company as the contractor, they had a meeting with the KCDF team to better understand the project brief. When they understood the rationale for the building and that the income accrued from rent would be re-invested in KCDFs work with poor communities, he made a commitment there and then to waive his professional fees on the project. It would be built at cost. Construction began in August 2014 and by February 2016, the project was complete and handed over to KCDF.

The building phase of this property was one time when KCDF benefited tremendously from several local professional friends in the building industry in many ‘hand holding’ discussions, while going through what was truly an unfamiliar territory. One friend commonly referred to as Mr Devgun was particularly helpful to KCDF as he, together with the contractor, tirelessly gave various tips on how to cut cost in matters like design, materials used, and space maximization, in order to get better value for money, considering this was a rental property. These two friends combined must have saved KCDF over Ksh 80 million which was a great boost, hence making the completion of the property doable within a very reasonable budget of Ksh 130 million.



KCDF founding members reflecting on the story behind the well. Inset from right Mirza Jahani, The late Harry Mugwanga, Prof. Mohammed Abdullah and Aleke Dondo.

One issue that seems apparent as one seeks to understand the story of KCDF is the thorough interrogation every decision goes through, in an effort to find good value for money decision. This was evident when the discussions to kick off the development of the Pangani property were at an advanced level, and there was need to find a ‘temporary’ home for the operations of the foundation. A thorough exploration and costing of moving to a ‘temporary’ home, showered that it was bad value for money to invest the resources needed, only for them to be left behind once the operations are transferred back to the new Pangani building in at least two year’s time.

This conversation led to the purchase of some 2,900 square feet of office space on Ngong Road, in recognition that an additional asset for the KCDF family would never be a bad decision for a long-term entity, whether it would choose to keep it or dispose of it once its value has appreciated over some years. It was thus becoming to look like, the base-line to develop a line of real estate assets was beginning to take shape, which hopefully would continue to be built upon in future. Going for-ward, there might be a case to consider registering a real estate entity to handle the foundations real estate investments, a story to be unveiled in the next decade.

It was thus apparent that the solutions and mind set of a long term thinking institution is very different from that of a ‘project’ oriented organization. Clearly the fact that KCDF has started an endowment years back and developed a saving culture, became a base from which it could solve its challenges with greater flexibility than would have been the case if it had not build this kind of flexible financial base.

KCDF has thus tried to be innovative in the way it has engineered its growth. Business as usual has never been the preferred approach, whether it was in how they engaged with partners in communities, or how they unlocked assets and resources for institutional growth. Tenacity in the pursuit of solutions has been KCDF’s hallmark and has held the institution in good stead. In this endeavour though, KCDF has gained a programmatic bonus – it now has its own story to put up in the hall of success stories on how to propel development differently. They no longer tell the story to communities about using what they have, they now share how they have done it themselves.

10

Reflections

You can't connect the dots looking forward; you can only connect them looking backwards.
~ **Steve Jobs.**

Today, KCDF is viewed as an institution that is mature, successful, solid and well respected. While all these descriptors are true, this narrative shows that the journey to maturity is neither linear nor easy. The story KCDF over its 20-year journey has been one of fits and starts, lessons, recalibrations, moments of pause and triumph. This is what it means to develop and grow, and remain relevant over a two-decade period where the context where work is taking place is constantly changing.

Looking back on the journey a few key issues stand out:

The need to keep sustainability as the true north for that enables the mission to be delivered. KCDF has gone through a number of ideas in its quest for sustainability. The looming reality of losing a principal donor accelerated the need to be inventive in formulating a diversified sustainability strategy. This led to new partners such as Kagiso, the establishment of KCDF Investment Holdings and the transformation of its Pangani property to a revenue generating project. Furthermore, the KCDF management has always adopted a strong savings culture which has been augmented by modest operational costs that have allowed its endowment and asset base to grow exponentially. Janet strongly believes the mantra - watch the pennies and the pounds will take care of them-

selves. Each shilling has been optimised, monitored and accounted for and where a surplus from programming has been left, negotiations with funding partners have been done to request to keep the funds. Each of these steps has helped to propel the next opportunity forward, whether that step is re-engineering its program strategy or engaging with a wider base of Kenyan funders, or being a fiscal sponsor for AGN which led to the unrestricted grant from Rockefeller Foundation that helped kick-start the Pangani transformation project. The dots can only be connected in hindsight, and KCDF's investment in relationships, in strategy and in being relevant have all been essential in the road to its sustainability.

The relationship between the KCDF CEO, Director and Trustees has been one of mutual trust and shared vision for the mission of the institution. KCDF Directors and Trustees are full volunteers, they receive no remuneration or allowances for the gift of their time and expertise. Perhaps this mission driven alignment between board and management has been an extra boon to their relationship. The management has benefited greatly from the support and trust of the governance team. The intellectual space and confidence has allowed them to explore new avenues such as the establishment of the profit-making arm, the KCDF Investment Holdings even when it felt unfamiliar to the point of being uncomfortable for many board members. Another unfamiliar territory was in the investment in a new office space when the decision to convert Pangani came into play. Obviously, the years of investing in the Trust created a great buffer when the going got tough!

The governance structure has gone through adjustment and transformation to ensure responsiveness in changing times . Adoption of regular transition measures has come slowly as is the case with many institutions founded by the passion of individuals. Recruitment of board members has been more organic than strategic resulting in a board that has been sometimes too strongly coalesced around similar ideas and approaches. The institutions' growth in some periods may have stagnated on account of this, and only recently with the inclusion of a company secretarial team that has streamlined tenure for Board members, and enhanced the strategic board recruitment measures, as well as revitalised board committees, with rotating leadership has the governance mechanism for KCDF moved more rapidly towards better industry governance practices. KCDF strongly values its history, and the individuals who were instrumental in growing the institution. As such it put in place an ad hoc advisory body known as the Council of Elders, made up of former Board members who still want to contribute to KCDF strategic growth. In this

way, institutional memory and wisdom has been retained for the benefit of both the governance and executive teams.

Above all the story of KCDF is one of institutional resilience – they have bounced back, they have weathered change, they have put in place redundancy and risk management measures that enabled continuity and they are stronger than where they started. All while growing in terms of mission, vision, influence and action towards ideals that were viewed as unlikely 20 years ago. Only in looking back to the time and circumstances when the idea was seeded can we truly appreciate just how revolutionary the journey has been.....and the story continues.....to the next decade....and beyond!

