IMPACT
PHILANTHROPY AFRICA
THOUGHT LEADERSHIP. CORPORATE CITIZENSHIP.

STATE OF PHILANTHROPY IN KENYA

REPORT 2023

IN COLLABORATION WITH

NSE nairobi securities exchange Discover Opportunity

Busara

KEPSA KENYA PRIVATE SECTOR ALLIANCE

ACKNOWLEDGMENTS

This report on “The State of Philanthropy in Kenya” reflects the outcomes of a collaborative endeavor between Impact Philanthropy Africa; our research sponsors - the M-Pesa Foundation, Safaricom Foundation, Mastercard Foundation, and the Children’s Investment Fund Foundation (CIFF) - together with our research partner, the Busara Center for Behavioral Economics.

Since the project’s kick-off in April 2021, our shared vision has been crucial in making this initiative a reality. Together, we aim to enhance the socio-economic impact of corporate and private giving in Kenya and across the African continent.

We sincerely thank **His Excellency the President of Kenya, Dr. William Samoei Ruto** for his steadfast support in making our initiative a success. We appreciate his recognition of the role of collaborative engagements between the Government of Kenya, Foundations and communities at large, towards the achievement of Kenya’s Vision 2030 and Sustainable Development Goals (SDG).

We recognize and extend our heartfelt appreciation to the Office of the Deputy President for their unwavering support and commitment.

Acknowledging the key government departments that supported our efforts, we appreciate their instrumental collaboration. We look forward to continued cooperation in the future.

Our sincere thanks to our esteemed partners, the Nairobi Securities Exchange (NSE) and the Kenya Private Sector Alliance (KEPSA), for their support and cooperation in facilitating interactions with their members, a crucial factor in obtaining the requisite data for this report.

Special appreciation and recognition to all participating organizations and companies for sharing invaluable insights during the research process.

We recognize and appreciate the Busara Centre for Behavioral Economics, our research partner for their rigor, expertise, commitment, and patience throughout the project.

Thank you, Samantha Bastian, the Busara Chief Operating Officer; Rahab Kariuki, the project Engagement Director; and Josphat Korir, the Research Associate for their skill and dedication in conducting the research.

Through these significant partnerships, we have also successfully brought on board self-funded corporate and private foundations, united in our vision of growing philanthropy in Kenya and Africa. We sincerely appreciate each and every one of our individual and corporate partners and their contributions to the publication and launch of “The State of Philanthropy in Kenya” report.

FOREWORDS

Foreword by Impact Philanthropy Africa Founding member

Peter Ndegwa, CBS

Chief Executive Officer, Safaricom PLC

I'm thrilled to be part of the launch of this pivotal report, "The State of Philanthropy in Kenya" by Impact Philanthropy Africa. This research was undertaken with the aim of capturing current and pertinent data on philanthropic trends in Kenya. Philanthropy, the act of generously giving to support the welfare of others and worthwhile projects, holds the potential to drive enduring social change within our communities.

Our Foundations (Safaricom Foundation & M-PESA Foundation) focus on building communities and transforming lives. We do this by working closely with various partners to invest in, and fund sustainable projects that have a direct impact on the lives of our communities.

We have worked with communities across to provide solutions on Education, Health, Economic Empowerment, Water, Environmental Conservation, Integrated Livelihood and Disaster Response, which are key sectors in empowering and providing relief for communities. Supporting and partnering with communities has been core to Safaricom ever since inception. We partner with more than 2,000 organizations and leverage our resources – finances, human, technology, and networks – to deliver more impact with less, in a sustainable manner. Our current strategy builds on our strong history of results and partnerships and aims to contribute towards the United Nations Sustainable Development Goals, aiming to alleviate societal challenges at their roots.

Corporates should walk with the communities they serve and be flexible enough to deliver relevant philanthropic and strategic interventions based on the communities' pressing needs. I urge corporate leaders to embrace philanthropy as a means of giving back to our communities through charitable donations, volunteer work, and active community involvement. Philanthropic initiatives have the power to support a multitude of causes, spanning education, healthcare, and social welfare.

Congratulations to all organizations and individuals who actively participated in this vital initiative, as well as those who contributed to the production of this report. The data collected on corporate and private giving trends in Kenya serves to deepen our comprehension of the philanthropic landscape and its potential for creating significant impact.

This survey also plays a pivotal role in addressing the challenge of insufficient and up-to-date data on trends in African and local philanthropy. Moving forward, this data will enable Impact Philanthropy Africa to fulfill its objectives, which include fostering greater interest in philanthropy, advancing thought leadership in the field, promoting knowledge sharing among foundations, and advocating for changes in areas of shared philanthropic interest.

Thank you.

Faustina Fynn-Nyame

Executive Director,
Africa Children's Investment Fund Foundation

We are delighted to be part of the launch of the Strategic Research on 'The State of Philanthropy in Kenya.' At CIFF, we place significant emphasis on quality data and evidence, working closely with partners to measure and evaluate progress for our investments, aiming for large-scale and sustainable impact. Our partnerships in Kenya seek to leverage the most of CIFF funding to catalyse domestic financing for under-resourced areas.

CIFF's strategy is dedicated to building systemic solutions, resilient communities, girl capital and local capacity. Our focus involves harnessing African expertise and growth, while ensuring that advancements can be sustained over time. Our overarching goal is to foster the design, implementation and scale of high impact, evidence-based programs that bring about transformational change across our priority geographies in Africa.

The Strategic research is designed to capture current, relevant data and information on corporate and private giving trends in Kenya. This effort will address the lack of consistent, up-to-date data on trends related to local and pan-African philanthropy.

The data collected will contribute to a better understanding of the status of philanthropy in Kenya and Africa. It will include a comprehensive literature review on the state of philanthropy in Kenya and the African region, providing insights into the profiles of corporates and private givers in Kenya, along with their sectoral and geographic areas of focus.

Furthermore, this data will also establish the cumulative amount given annually, and track trends over time. The assessment will shed light on how philanthropic giving is creating, or has the potential to create, meaningful impact.

We extend our congratulations to the Impact Philanthropy Forum on the launch of this important survey. This initiative marks a significant step toward addressing the challenges and fostering positive developments in philanthropy within Kenya and the broader African context.

Patricia Mugambi-Ndegwa

CEO and Head of Secretariat, Impact Philanthropy Africa

Impact Philanthropy Africa is proud to launch this report, in partnership with KEPSA and NSE. This report is the first of its kind in Kenya and it will shape the future of giving by quantifying the contribution of philanthropy in Kenya.

The purpose of the research is to enhance thought leadership on philanthropic giving and provide accurate data that will inform plans for members, the government, and other stakeholders within the philanthropic space.

The survey has gathered insights for advocating for the sector with Government and influence uptake of best practices among corporate and private foundations. Consistently, the biggest challenge to growing local philanthropy in Kenya and the region, has been the lack of consistent, up-to-date data and information on trends relating to local philanthropy.

The outcome of this research process is an authoritative publication on corporate and private giving trends, titled 'The State of Corporate and Private Philanthropy in Kenya'. This report will directly contribute towards the objectives of Impact Philanthropy Africa, and which will facilitate a data-driven approach to:

• Building commitment and interest in philanthropy and helping grow corporate giving

• Advancing thought leadership on corporate and private giving

• Drawing on the content and feedback processes to advocate for change, including regulatory change that would incentivise philanthropy

• Facilitating learning and sharing of best practice

• Building greater alignment with national, regional, and global priorities and goals

We interviewed over 100 companies including foundations and Impact member organizations. The data collected was analyzed by Busara Center of Behavioral Economics, our partner in the research process.

I wish to thank everyone that was involved in this survey process and the final production of this report.

Asante sana.

CONTENTS

Definitions and acronyms

The following are key definitions and acronyms used in this report.

DEFINITIONS

PHILANTHROPY:
The desire to promote the welfare of others, expressed through the generous donation of money to good causes.

CORPORATE SOCIAL INVESTMENT (CSI):
The expenditure of resources–such as funds, time, products, or services– by corporations in projects that improve the world around them, without directly benefiting from such investments.

FOUNDATION:
An organisation or charitable trust that typically provides funding and support for other charitable organisations through grants, but may also engage directly in charitable activities.

PRIVATE CHARITABLE FOUNDATIONS:
A legal entity established for charitable purposes and initially funded by an individual, family or like-minded individuals, but has over time built its own endowment and no longer depends on funds from the founders.

CORPORATE FOUNDATIONS:
Separate legal entities established and funded by corporations for philanthropy purposes, but with close ties to the founding corporations.

LARGE AND MEDIUM SIZED COMPANIES:
Medium-sized companies are formally registered enterprises with an annual turnover of between Kshs 5 million but less than Kshs 100 million, while large companies are defined as those with annual turnover of Kshs 100 million or more. Because this data was not available beforehand, this classification was done retrospectively.

ACRONYMS

ASAL Arid and Semi-arid Land

BETA The government of Kenya Bottom-Up Economic Transformation Agenda

CIDPs County Integrated Development Plans

CIFF Children's Investment Fund Foundation

CSI Corporate Social Investment

KCB KCB Bank & Foundation

KDHS Kenya Demographic and Health Survey

KSHS Kenya Shilling

KTDA Kenya Tea Development Agency

M&E Monitoring and Evaluation

NGO Non-Governmental Organizations

OECD The Organisation for Economic Co-operation and Development

OSR Own Source Revenue

SDGs United Nation's Sustainable Development Goals

TVET Technical, Vocational Education and Training

WHO World Health Organisation

ABOUT IMPACT PHILANTHROPY

Impact Philanthropy Africa is a forum of self-funded corporate and private charitable foundations working across Africa to create social impact.

Impact Philanthropy Africa, registered and headquartered in Kenya, is dedicated to enhancing the societal impact of corporate and private giving in Africa, with a view of transforming lives by improving the socio-economic status of communities. This vision is closely aligned with achieving the global Sustainable Development Goals (SDGs). Members of Impact Philanthropy Africa are committed to fostering a culture of philanthropy across the continent and seek to influence policy through impactful advocacy and thought leadership initiatives.

The Forum's Goals

The forum facilitates the above goals by:

- Fostering a space for mutual learning and sharing of Corporate Social Investment (CSI) philanthropy innovations to catalyze impact and best practices.
- Providing a platform for identifying and pursuing key advocacy issues to influence policy and practice impactful to the growth of African philanthropy.
- Contributing to thought leadership to drive the growth of the CSI/philanthropic sector in Africa and optimize the conditions for creating social impact.

The Forum's Strategic Pillars are:

1. Building Appetite and Interest
Increase commitment to Corporate Social Investing (CSI) and scale the involvement of captains of industry and African philanthropists.

2. Advocacy for Change
Engage Governments, Development Partners, the Private Sector and Civil Society/ NGOs on concerns pivotal to local philanthropy.

3. Advancing Thought Leadership
Harness the collective voice corporate and private charitable foundations to engage the media and wider public policy sphere with an agenda for social change.

4. Facilitating Learning and Knowledge Sharing
Create a platform to exchange insights and best practices across relevant initiatives in philanthropy in Africa and beyond. Commissioning research to generate accurate and relevant data on the philanthropic sector in Africa to inform advocacy and thought leadership efforts.

Impact Philanthropy Members as of October 2024

Aga Khan Foundation, Asian Foundation, Born Free, Britam Foundation – Enriching lives in Africa, Chandaria Foundation, CIFF Children's Investment Fund Foundation, Co-op Bank Foundation

Coca-Cola, dt dobie cfao group, D&S Davis & Shirtliff – know H2Ow through experience, eabl Foundation – Enriching Lives!, Family Group Foundation – Transforming Families, Gertrude's Children's Hospital – Quality healthcare for children

Giants Group of Nairobi Twiga, Grant Thornton, 25 Higherlife Foundation – Investing in People for Africa's Prosperity, I&M Foundation, Johnson & Johnson Foundation, Kasneb Foundation, Kenya Education Fund

KCB Foundation, KenGen Foundation, Kenya Airways – The Pride of Africa, KBSCCS, KPC, KTDA Foundation, Pharo Foundation

mastercard foundation, MKU Foundation, M-PESA Foundation, Nation Media Foundation, NSE nairobi securities exchange, P&G, The Rockefeller Foundation

Safal MRM Foundation, Safaricom Foundation, Segal Family Foundation, Simba foundation

Stanbic Bank – A member of Standard Bank Group, SG Standard Group – bringing your world to you, Strathmore University Foundation, The END Fund, Toyota Kenya Foundation, Triad Foundation

KEY INSIGHTS

Amount of giving per annum by private and corporate philanthropy in Kenya

> KES
172 billion
(USD 1.56 billion)

Average philanthropy investment allocation by type of organization

KES **3.9Bn** Private Foundations

KES **690Mn** Corporate Foundations

KES **38Mn** Corporations

Philanthropic assets

made up **1.42%** of Kenya's GDP

accounted for **4%** of total foreign aid to Kenya (OECD) in 2021

Top 5 sectors with the highest number of philanthropy activities

79% Education & Training

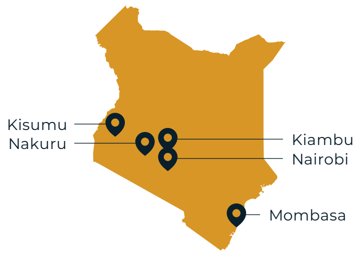
60% Health

46% Environment

33% Water and Sanitation

27% Gender, youth, sport and culture

Top 5 Counties by number of philanthropic organizations with active programs in 2021



Philanthropy programs are carried out through three main ways;

50.7% Internal Delivery Units

26.8% Grants

5.6% Partnerships

Organizations aligning philanthropy with SDGs

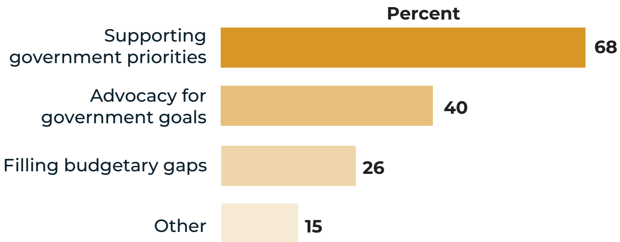
87.3% Yes

9.5% No

3.2% I don't know

Alignment with government priorities

How organisations align their philanthropy with government goals



The foreign exchange rate used in this report is 1 US dollar to 110.3 Kenyan shillings, based on the prevailing rate as of November 1, 2021

EXECUTIVE SUMMARY

Introduction

Impact Philanthropy Africa presents the inaugural report on corporate and private philanthropy in Kenya to deepen understanding of the contribution of the sector, guide decision-making, and foster collaboration for positive social impact. Based on primary data collected in 2022-2023 and robust secondary research, the report provides a comprehensive overview of the philanthropic landscape in Kenya as of 2021.

Rationale and Objectives of the study:
This study aims to address the lack of data on the role of corporate and private philanthropy in the development of Kenya. It emphasizes the importance of sharing data and advocating for strategic philanthropy to enhance giving and align it with global challenges. Specific objectives of the research include determining annual giving, profiling entities, and understanding operational strategies and governance.
The study's ultimate goal is to fulfil its objectives by promoting collaboration among peers, aligning with policies and improving impact tracking.

Philanthropic Landscape:
The study found that 68% of organizations in Kenya participate in philanthropic activities while 32%, including large-sized companies do not. Private and corporate philanthropy employ different approaches, creating an opportunity to promote more strategic and long-term giving. Philanthropy programs typically utilize three main methods; internal delivery units (50.7%), grants (26.8%), or partnerships (5.6%), indicating the potential for increased collaboration.

Monitoring and Evaluation (M&E) practices vary, with private charitable foundations more inclined to have in-house staff conduct monitoring and evaluation (87%) compared to corporate foundations (54%). This highlights the need for improved impact tracking particularly in corporate foundations. Furthermore, 19% of organisations do not conduct M&E in their philanthropy activities.

Utilizing data for decision-making necessitates the implementation of M & E strategies at all operational and strategic levels.

A significant proportion (70%) of organisations engage in philanthropy through a mix of cash and in-kind donations. Employee volunteer programmes (82%) are also widely adopted as a popular form of non-cash giving.

Key Findings and Recommendations:

Corporate and private philanthropy investments in Kenya are estimated to exceed KSHS. 172 billion (USD 1.56 billion) annually, with the top-funded sectors including agriculture, equity, poverty eradication, and water & sanitation being the top-funded sectors.

Philanthropy has a significant impact in Kenya. The research shows that majority of philanthropic activities are focused on education, health, environment, water and sanitation, and agriculture sectors. There is a strong alignment between philanthropy and national goals for education and health, moderate alignment for environment, water and sanitation, sports/art, and culture, and weak alignment for population/urbanization and housing, gender, youth, and vulnerable groups.

In 2021-2022, several Kenyan counties grappled with challenges such as the Covid-19 pandemic, drought, and cholera outbreaks. The philanthropic sector demonstrated its adaptability and potential to deepen collaboration and enhance coordination with the government and other development partners to address national challenges.

However, the government's development agendas have encountered challenges due to external shocks and funding gaps. Therefore, it is recommended to increase investment in rural development opportunities such as education, water and sanitation, healthcare, and social protection and justice. Moreover, it is necessary to continue aligning corporate and private giving with sustainable goals for greater achievement of the SDGs.

Despite reported progress of 61% towards achievement of the SDGs in 2022, challenges persist particularly in SDG 1 , 6 and 9 – which aim to tackle Poverty, Clean Water and sanitation, and Industry, Innovation & Infrastructure respectively.

Benchmarking in Africa:

Kenya's corporate and private philanthropic giving amounts to $1.56 billion annually, as reported in the 2019 Global Philanthropy Report.

In comparison, Nigeria's total philanthropy stands at $17 billion as per the same report, whereas South Africa records $709 million, according to the Trialogue Report of 2021. It is important to note that the figures for Nigeria include total philanthropy and is not specifically limited to corporate and private philanthropy.

Philanthropic organizations primarily channel their support towards health, education, and poverty alleviation causes in Kenya. Philanthropic assets make up 1.42% of Kenya's GDP, and they contribute to 4% of the total foreign aid to Kenya, as reported by Organisation for Economic Co-operation and Development (OECD).

Recommendations

1. Increase Alignment with Development Priorities: There are opportunities for more investment in various sectors.

In the education sector, philanthropies can concentrate on several key areas:

- Technical and Vocational Education (TVET): Support TVET programs by providing resources for training equipment and infrastructure development in rural areas
- Scholarships for Post-Primary Education: Offer scholarships to facilitate post-primary education, aiding individuals in transitioning to Technical and Vocational Education and Training (TVET) in both rural and urban areas
- Access to Primary Education: Improve accessibility to primary education in rural areas, ensuring that educational opportunities are more widely available

2. Improve Governance and Management Structures:

- Establish strong governance structures with clear roles, long-term plans, and data-driven decision-making. Ensure transparency, accountability, and effective resource allocation
- Regularly review and adjust resource allocation to maximize impact and establish solid foundations for success

3. Improve Reporting and Mainstreaming M&E:

- Enhance Monitoring and Evaluation (M&E) processes by encompassing strategic, operational, and project-based data
- Quantify non-cash giving to achieve a comprehensive understanding of philanthropic contributions

4. Increase Giving:

- Encourage companies to set giving targets as a percentage of net profit
- Advocate for a supportive policy environment with incentives for giving

5. Collaboration and Joint Planning:

- Promote collaboration for a unified sector voice through joint planning.
- Strengthen engagement with the government to proactively
- Enhance the legal framework and streamline the process of forming foundations

BACKGROUND

The purpose of this report is to promote a better understanding of philanthropic practices in Kenya, facilitate informed decision-making, and encourage effective collaborations between stakeholders to drive positive social impact.

A survey was administered during the end of 2022 and beginning of 2023 to a diverse range of entities operating in Kenya, seeking insights into their giving and programmes in 2021. The findings presented in this report are based on the results of this survey, complemented by rigorous secondary research. We believe that this approach has allowed us to develop a comprehensive understanding of the current landscape of corporate and private philanthropy in Kenya.

Some key definitions that have been used in the report are as follows:

Philanthropy: The desire to promote the welfare of others, expressed through the generous donation of money, products or/ and services to good causes. In this document, the term philanthropy is used interchangeably with giving.

Corporate Social Investment (CSI): The strategic allocation of corporate's resources, including financial resources, time, expertise, and influence , to contribute to the well-being of the society and environment, without the corporate directly benefiting from the investment.

Foundation: An organisation or charitable trust that typically provides funding and support for other charitable organisations through grants, but may also engage directly in charitable activities.

Rationale of the Study

The rationale for this study arises from the lack of comprehensive data on how corporate and private philanthropy contribute to Kenya's development. The lack of precise data regarding the size of giving and the specific areas of investment makes it challenging to fully understand the impact of philanthropy on the country's social and economic development. This study aims to fill this knowledge gap by providing a baseline on the current state of philanthropic practices in Kenya.

Furthermore, in the context of pressing global issues such as climate change and social inequality, there is a growing need and demand for impactful giving. Facilitating effective giving can be achieved through collaborative efforts, alignment with Government policies and improved impact tracking. Examining the current strategies employed by organizations will yield valuable insights to enhance philanthropic endeavors and amplify their impact. These findings are particularly important for organisations seeking to refine their philanthropic strategies and actively contribute to addressing global challenges.

Additionally, by identifying those who are currently not engaged in giving, the study aims to provide insights on how to incentivise them to initiate their contributions, thereby fostering increased philanthropic engagement.

Objectives of the Strategic Research

The specific objectives of the research were as follows:

- To establish the cumulative amount given annually in Kenya
- To provide a better understanding of the landscape of corporate and private philanthropy in Kenya
- To provide a profile of corporates and private givers in Kenya, including their organisational structure, sectoral and geographic area of focus
- To establish the financial resources and expenditure of corporates and private givers in Kenya
- To assess how giving is creating and/or can create impact through monitoring and evaluation

METHODOLOGY

A mixed method approach combining a quantitative survey and case study interviews was used to quantify giving, understand the landscape of giving in Kenya and create a de novo sampling framework.

Participating organisations were asked questions related to their activities 'over the past recorded year,' referring to the one-year period spanning 2021-2022. Face-to-face and online interviews with organisations were undertaken based on an in-depth questionnaire. As a baseline, foundations and corporates with larger philanthropy budgets were for estimation of total CSI expenditure and as a framework for future data collection. We also conducted secondary desk research to collect data on philanthropic spending by companies listed in the Nairobi securities exchange (NSE).

Sampling Approach

There is no comprehensive register of companies and foundations from which this study could derive its sample. A purposive sampling strategy to identify organisations to be surveyed was therefore adopted. Study participants were identified to ensure that different categories of philanthropic organisations were represented within the sample. The categories were large corporations, medium corporations, corporate foundations, and private foundations as per definitions provided.

Close to 200 organisations were sampled, based on the sample size calculation illustrated on the right

The sample was identified from an initial landscape analysis that generated a list of 600 eligible companies and foundations.

The sources of company and foundation lists included members of KEPSA, NSE, KPMG top 100 and other websites. These lists were combined and cleaned into a sampling frame that we classified as discoverable organisations. The term is applied in the computation of the estimate of annual amount of philanthropy.

Since we had a finite population to work with, we computed the sample size using the formula below [1].

$$n= \frac{N}{1+N(e)^2}$$

Where;
- n is the sample size,
- N is the population size
- e is the level of precision

[1] https://www.psycholosphere.com/Determining%20sample%20size%20by%20Glen%20Israel.pdf

When this formula was applied to the approximate population of 600 at a 10% level of precision we got the following sample size. A buffer of 65 participants was added to cater for sample attrition.

$$n=\frac{600}{1+600(0.01)^2}=85$$

Identification of Organisations

Due to the non-existence of a consolidated list of companies and foundations in Kenya, we initiated the process by striving to develop a comprehensive list of companies that satisfied the eligibility criteria. To achieve this, we partnered with the Kenya Private Sector Alliance (KEPSA) and the Nairobi Securities Exchange (NSE) to identify large and medium-sized companies operating in Kenya. A survey was then administered with a sample drawn from this cohort via in-person and online calls.

Inclusion Criteria

- Self-funded organisations
- Foundations that are registered in Kenya
- Medium and large corporations

Survey Tool and Data Collection

Data was collected using a semi-structured quantitative questionnaire which sought to capture information on philanthropic activities of the organisations and their demographic characteristics. The survey instrument was divided into a section on the profile of the organisation and on the organisation's operational framework.

To ensure data accuracy, completeness and consistency, the instrument was programmed into SurveyCTO, which is a secure computer aided data collection program.

Data collection was carried out by skilled and experience researchers who conducted a combination of phone and in-person interviews. This approach was chosen to accommodate the diverse needs and availability of each respondent. Each interview session lasted approximately 1 hour.

Estimating the Size of Giving

Utilizing a rigorous sampling strategy, we employed a distinct extrapolation method to estimate the size of philanthropic giving in Kenya for the organizations included in our study. To ensure the accuracy of our estimates, we applied a unique extrapolation method tailored to each category of organizations within our sample.

Step one involved the utilisation of data collected from the survey to calculate the average amount of giving in each category of organisation. Secondly, we multiplied each average by the discoverable number of organisations within that category and aggregated the results to derive an extrapolated estimate of the total amount of giving, using the formula outlined below.

This approach to estimating the size of giving is a conservative and reliable method for deriving estimates, given the limitations of our sampling strategy.

Expected giving = (#NSE *avg giving by NSE) + (#discoverable large and medium*avg giving by large and medium) + (#discoverable foundations*avg giving by foundations).

LIMITATIONS OF THE STUDY

The study did not include small sized companies, and while it included some medium sized companies, the universe of registered companies in Kenya is over 30,000.

- While the sample provides fair coverage of large organisations, it represents a small number of medium and small businesses. Our hypothesis is that giving in Kenya is concentrated among foundations, large and medium sized companies, and therefore excluding small businesses from the target sample. Additionally, because of the existence of multiple regimes of registration, the number of registered and currently operational foundations in Kenya is challenging to determine as no publicly available register of foundations could be found.

- The giving estimates in this study rely on self-reported information, considering privacy concerns. Therefore, it is recommended to approach the figures presented in this report with prudence, as they may not offer a comprehensive representation of the entire philanthropic giving landscape.

- Whilst this report acts as a baseline, it does not explore fundraising models, collaboration with peer organisations and government, trends in giving, or grantmaking practices and how they vary with grant seeking demand.

In addition to resources obtained by the founders, numerous foundations were identified as both grant making and grant seeking. The specific proportions and details regarding additional funding sources were not disclosed. We recommend that future research delves deeper into these subjects.

M-Pesa Foundation improving education outcomes through infrastructure development

CHAPTER 1

Profile of philanthropic organisations

This chapter provides an overview of the profiles of philanthropic organisations in Kenya that participated in the study. It outline participant characteristics, describing the size, scope, and types of organisations. This provides readers with a foundational understanding of the philanthropic landscape in Kenya.

The definition of philanthropic organisations used are as follows:

Private Charitable Foundations: A legal entity established for charitable purposes and initially funded by an individual, family or like-minded individuals, but has over time built its own endowment and no longer depends on funds from the founders.

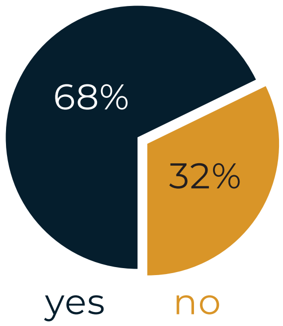
Corporate Foundations: Separate legal entities established and funded by corporations for philanthropy purposes, but with close ties to the founding corporations.

Large and Medium Sized Companies: Medium-sized companies in this context refer to formally registered enterprises with an annual turnover ranging between Kshs 5 million (USD 46,000) and less than Kshs 100 million (USD 900,000). Large companies, on the other hand, are defined as those with an annual turnover of Kshs 100 million or more. It is important to note that this classification was done retrospectively due to the unavailability of this data beforehand.

A total of 121 organisations were surveyed, representing a cross-section of the philanthropic community in Kenya. Of these, 44% were corporations, 33% were corporate foundations, and 22% were private charitable foundations.

Who is giving

Sectors of philanthropic organisations

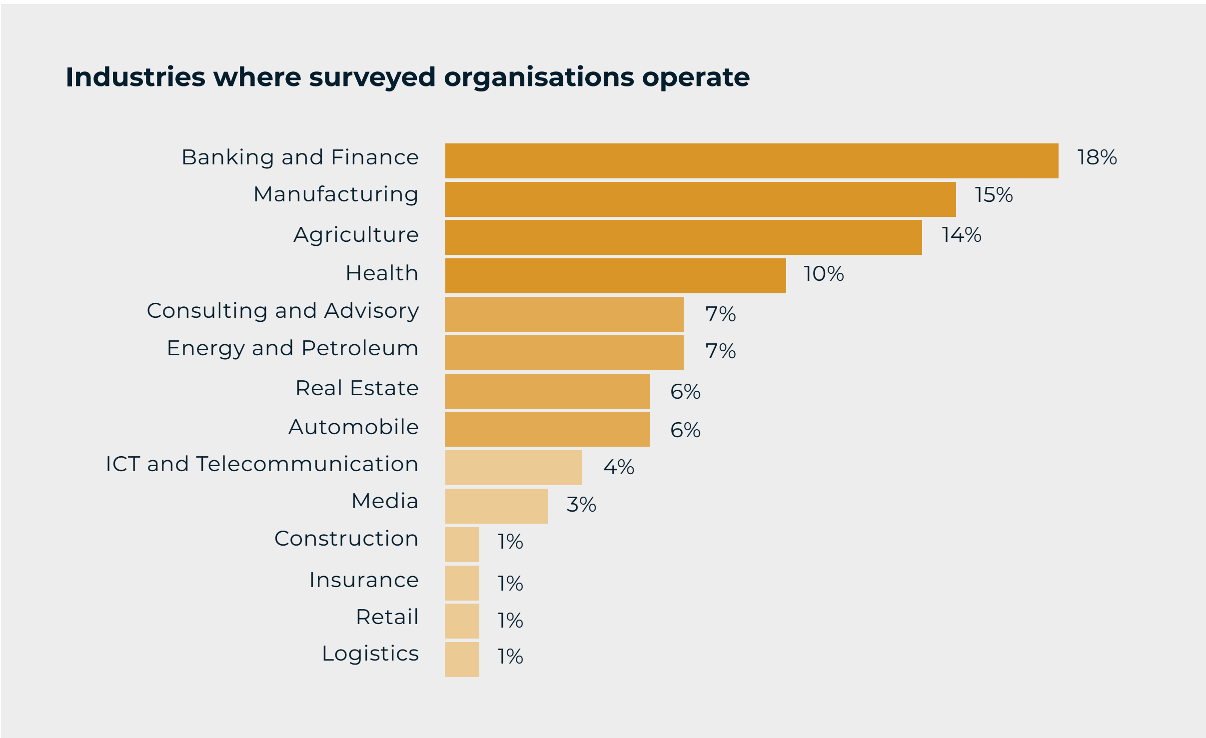


participation in philanthropic activities

According to the survey, 68% of organizations have participated in philanthropic activities, while 32% of organisations have not. Further analysis reveals that some of the companies not engaged in philanthropy are listed on the Nairobi Securities Exchange (NSE), indicating that there are medium and large-scale entities with the financial capacity for philanthropy that have not yet participated. To boost giving, further research is needed to understand the reasons behind and methods to encourage greater participation, especially among medium and large-scale companies.

Figure 1 represents the participation by sector, with banking and finance, and manufacturing leading.

Figure 1: Number of philanthropic organisations by sector



What is the size of giving

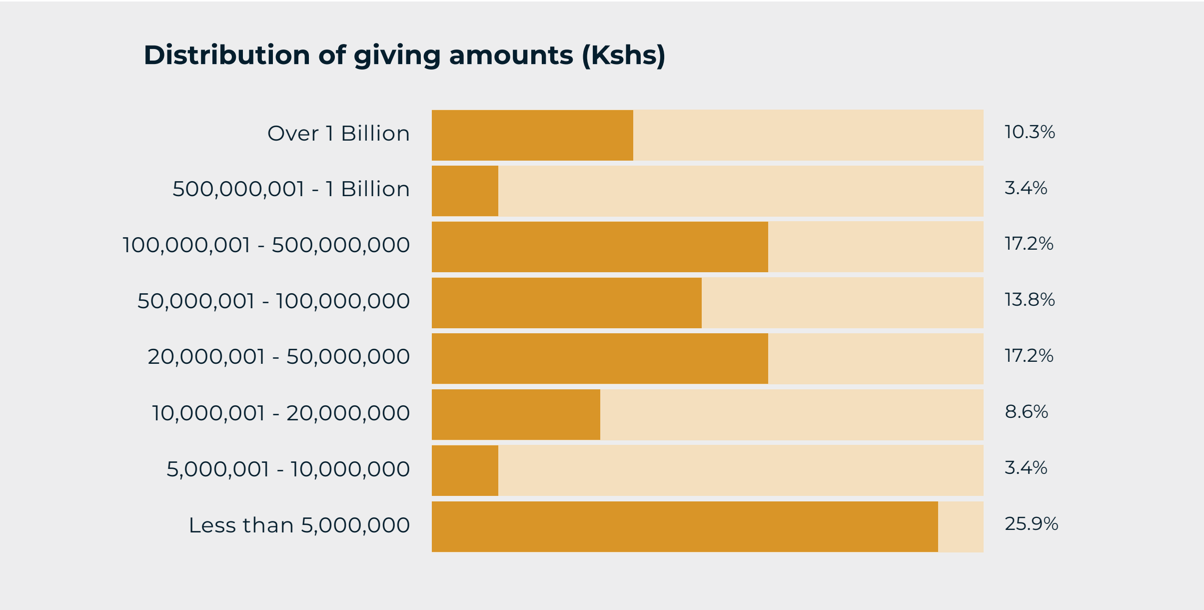
Financial contribution of philanthropic organisations

The distribution of philanthropy budgets within the sample reveals a diverse range of funding levels, highlighting the varying financial capacities of philanthropic entities. In figure 2, the majority of organisations, comprising 25.9% of the sample, had budgets less than KES 5 million.

Notably, more than half of the sample fell within the KES 5 million to KES 100 million range, indicating a significant spread of funding across this interval.

- 5-100 MILLION KSH budget allocation for more than half of the organisations. Furthermore a noteworthy **22.4%** of organisations in the sample allocated philanthropy budgets exceeding **KES 100 million.**
- These findings underscore the diverse nature of philanthropic endeavours and the range of resources dedicated to them.

Figure 2: Distribution of philanthropy budgets by surveyed organisations



In providing further detail on the locality of the sample, the research shows that 70% of philanthropic activities were directed towards Kenya. The remaining 30% of the organisations extended their initiatives beyond the country's borders, encompassing both Africa and other global regions. It is important to note that this report focuses primarily on the philanthropic activities within Kenya.

Typology of philanthropic organisations

A closer look at the top 3 entities per category

Based on the data from the top three entities per category, key practices and trends in giving behaviour were identified for private charitable foundations, corporate foundations, and companies.

- **Private charitable foundations** exhibited a diversified approach, investing in a broader range of sectors, across a wider geographical scope, compared to other categories. They typically support an average of five sectors, including education, health, environment, agriculture, and gender and youth issues. These foundations focus on specific activities such as providing bursaries, promoting digital learning, strengthening health systems, ensuring clean water supply, supporting enterprises, and contributing to agricultural development to achieve greater impact.

- **Corporate foundations** also demonstrate diversification in the sectors they support, tailoring their activities to the areas where they have operations to impact the communities within which they operate. The study indicates a priority focus on education, health, water and sanitation, environment, and agriculture. Specific activities include investments in learning infrastructure, strengthening health systems, promoting renewable energy, and developing sanitation infrastructure.

- Despite having relatively lower funding, **the top three corporations** display strategic giving behavior across more sectors, targeting their activities to locations where they have operations. On average, these corporations support six different sectors, with the most funded sectors being education, health, water & sanitation, environment, gender, youth, sport & culture, wholesale & retail, agriculture, and healthcare. Program funding locations vary by corporation, ranging from specific counties to nationwide coverage. This indicates a more tactical approach in their giving behavior.

This analysis underscores the distinct philanthropic approaches of private charitable foundations, corporate foundations, and corporations. All entities share a common goal of addressing social and economic issues, striving to make an impact in the sectors they support. The noteworthy insight emerges in the case of corporations, where a more tactical approach to giving is evident.

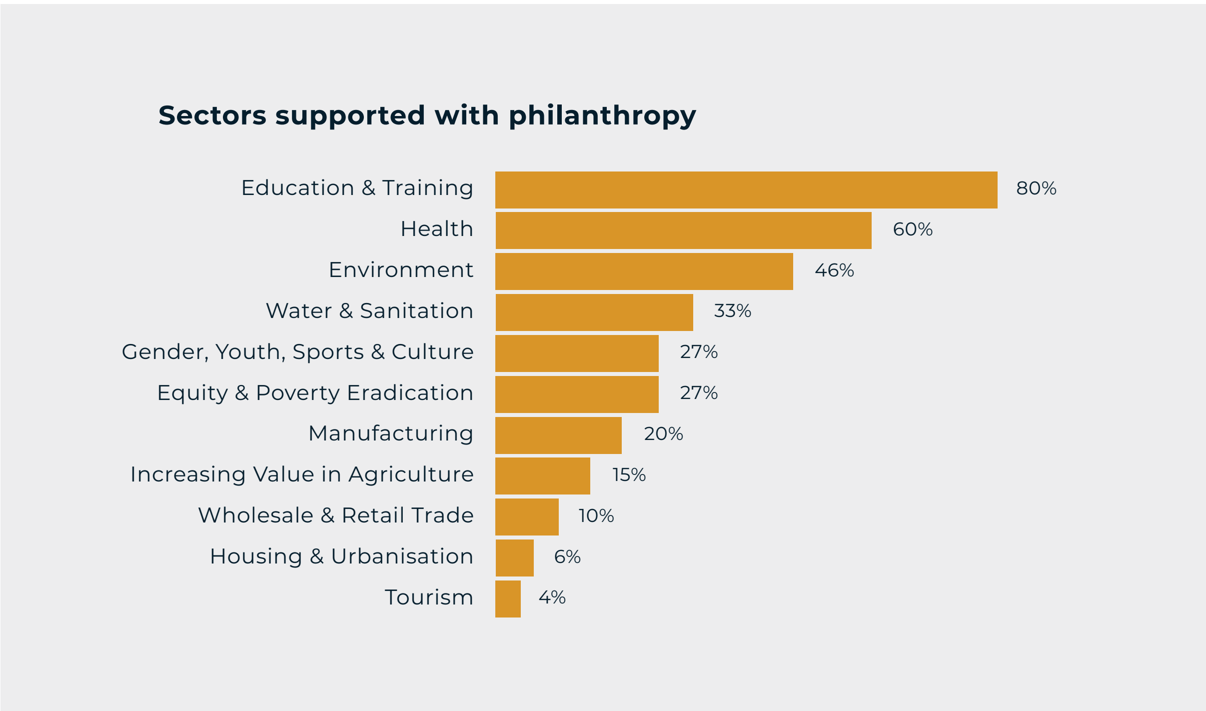
Where are they giving

Development sectors supported by philanthropy

79%	60%	46%
Education	Health	Environment

had the highest number of organisations investing in these sectors.

Figure 3: Funded sectors by number of organisations

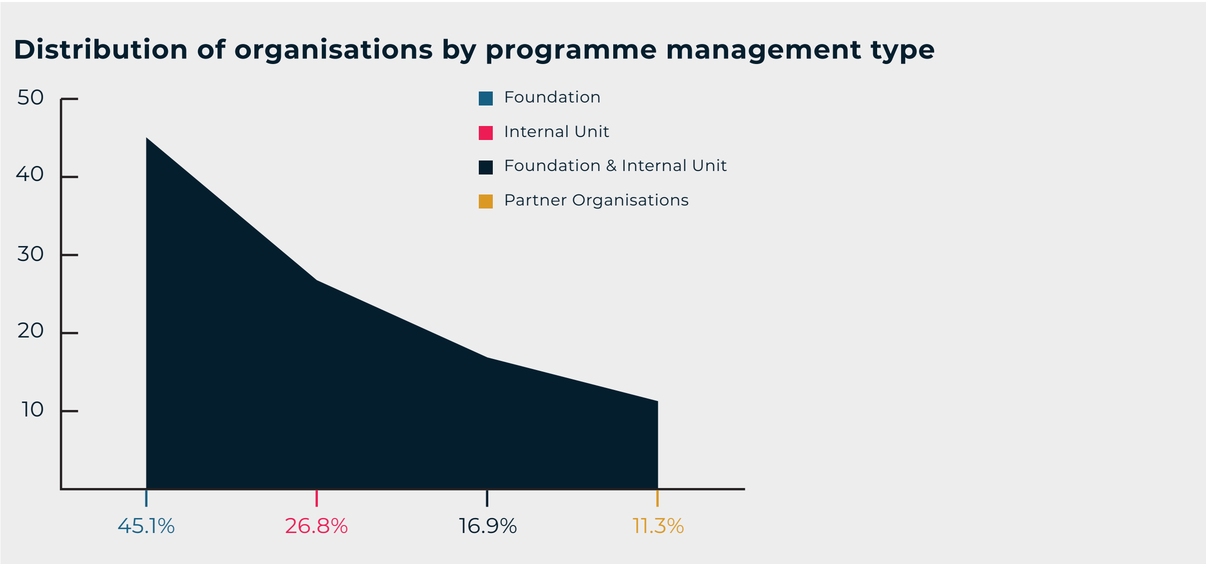


How do they give

Management of philanthropy programmes

According to the study, organisations implement philanthropy programmes in four main ways: using internal delivery units (50.7%), making grants to other organisations (26.8%), using both internal units and grants to other organisations (16.9%), or partnering with implementers (5.6%). See figure 4 below.

Figure 4: How organisations manage programmes



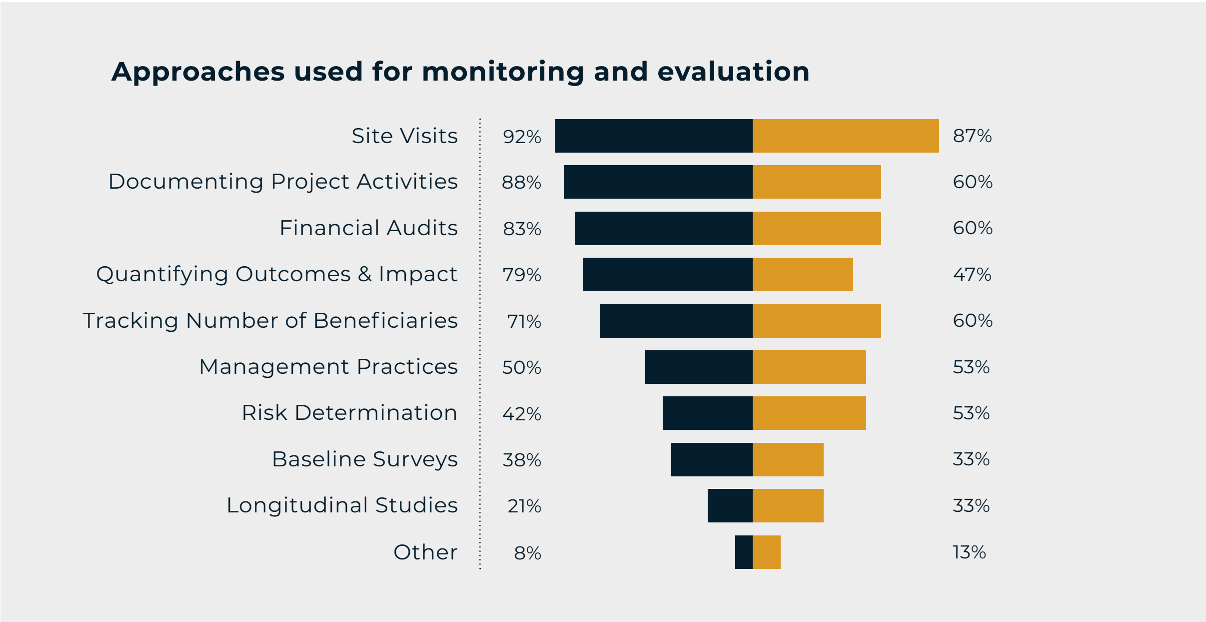
The above results show that there is opportunity for growth in strategic partnerships, to leverage resources, skills and competencies, and maximise effectiveness and efficiency.
But preferences differ by type of organisation. Majority of companies use internal units (81%) while private charitable foundations tend to make grants to other foundations (53%). In comparison, corporate foundations use grants to other foundations (38%) and internal units (29%) almost equally, with a few using private sector partnerships (4%).

Monitoring and evaluation practices

81% of organisations that were giving reported that they conduct monitoring and evaluation on their programmes. Private charitable foundations were more likely (87%) to use in-house M&E staff, compared to corporate foundations (54%) while a small proportion of corporate foundations (8%) designate project beneficiaries to conduct monitoring and evaluation.
Monitoring and Evaluation (M&E) is crucial for philanthropy as it enables organizations to assess the impact of their programs effectively. The high prevalence of M&E practices, with 81% of giving organizations engaging in such evaluations, underscores the commitment to accountability and transparency in philanthropic endeavors. Additionally, the disparity in M&E approaches between private charitable foundations (87% using in-house staff) and corporate foundations (54% using in-house staff) sheds light on the diverse strategies employed within the philanthropic sector, highlighting the need for tailored evaluation methods to ensure the optimal delivery and success of charitable initiatives.

81% reported monitoring and evaluation on their programmes

Figure 5: M&E approaches of corporate foundations



As indicated in figure 5, quantifying outcomes and impact as well as tracking the number of beneficiaries were adequately used approaches while site visits were the most highly used by both types of foundations. The highly used approaches appear to be process-oriented, and imply there is room for strengthening the M&E approaches to a more outcome-oriented and impact-driven way of evaluating programmes.

I&M Foundation Food Relief

Summary of Findings

In summary, the study reveals that while 68% of organisations in Kenya participate in philanthropic activities, 32% do not, including a large number of medium and large-scale entities.

- **Increasing Giving Among Medium and Large Publicly-Listed Companies:** Opportunities exist to increase giving among medium and large publicly-listed companies. Further engagement is needed to understand how to encourage greater participation.

- **Differences in Giving Behaviour:** The study highlights distinctions in giving behavior between private charitable foundations and corporate foundations. Private charitable foundations exhibit a diversified approach, while corporate foundations tend to be more focused. In contrast, companies display a tactical approach, providing an opportunity to shift towards more strategic and long-term giving approaches.

- **Diverse Philanthropy Program Implementation:** Organisations implement philanthropy programmes in three main ways:
  Using internal delivery units (50.7%), making grants to other organisations (26.8%),or partnering with implementers (5.6%) but preferences differ by type of organisation. There are opportunities for partnership to drive increased scale and impact of giving.

- **Monitoring and Evaluation Practices:** Both private and corporate foundations primarily use site visits, documentation of project activities, and financial audits for monitoring and evaluation, while quantifying outcomes and tracking beneficiaries are adequately used approaches but can be increased.

- Private charitable foundations are more likely to have in-house staff conduct monitoring and evaluation (87%) than corporate foundations (54%).

- **Opportunities to Enhance Impact Tracking:** The monitoring and evaluation findings suggest an opportunity to improve impact tracking for all entities. There is a need to allocate sufficient resources to monitoring and evaluation. It is crucial to embed monitoring and evaluation in the conceptualization and implementation of programs from the outset, making it an integral part of the planning process. Organizations may choose from various approaches to deploy resources for this purpose.

Monitoring and Evaluation (M&E) plays a crucial philanthropy, allowing enables organizations to effectively assess the impact of their programs effectively. The widespread adoption of M&E practices, with 81% of giving organizations conducting such evaluations, emphasizes the commitment to accountability and transparency in philanthropic efforts. Furthermore, the disparity in M&E approaches between private charitable foundations (87% using in-house staff) and corporate foundations (54% using in-house staff) highlights the diverse strategies employed within the philanthropic sector. This underscores the need for tailored evaluation methods to ensure the optimal delivery and success of charitable initiatives.

ARTICLE

Making an Impact: One on One with Dr. Manu Chandaria

Interviewed by Patricia Mugambi-Ndegwa

I had the privilege of interviewing Dr. Manu Chandaria, eminent businessman and Chairman of Chandaria Foundation. As one of Kenya's Founding Fathers of Philanthropy, he has several decades of experience giving to society.

Giving is so ingrained in his identity, that the billionaire Industrialist introduces himself as 'I am just a social worker.' Here are my key takeaways from interviewing the man who laid the roadmap to show what businesses can achieve.

'My father came to Kenya in 1916, with the goal to earn 4000 rupees then move back to India.' After working in employment for 6 months working from dawn to midnight, his wages totaled only 120 rupees. His dream began to evaporate.' This spurred him to start his own business in Ngara. Thanks to his tireless work ethic, his business made even more than that 4000 rupees. Chandaria's father never went back to India - In fact, he called his entire family of siblings, cousins, and every relation who could come to move to Kenya. They came from a farming background in an extremely arid part of India - Kenya was much more fertile. But farming was not open to Asians in colonial Kenya, so they went into business. From this background, Manu learned two things: To really succeed and have an impact you must work together. He has held onto that ethos and to date, has always been the man to 'bring people together.'

Indeed, when you start to introduce philanthropy, sometimes you may meet with suspicion. To counter that, how do you foster a spirit of collaboration? This was the question Manu encountered as a young man in his 20s. He foresaw that giving must be built-in to the company's plan from day 1. Back then he proposed to his family, 'Even before we create wealth, we need to give back to the community. Let us start a foundation. We start with what we have.' Something he had seen being done in the US with the likes of Rockefeller and Ford Foundation. But the family resisted. They were a small company. They didn't have the wealth to set up a Foundation. After much convincing, the Chandaria family agreed and committed early on that a proportion of the profits would always be allocated for social impact. Why this interest in giving to Society?

Dr.Chandaria credits two influences that led him to embrace philanthropy; One was the example of his parents and the other his personal and religious philosophy as a Jain. He recalls how they grew up watching their parents work day and night to care for the family's needs. It was not easy especially because that generation of Kenyan Asians had not had access to much education. 'My father could not read, write or speak English - he was heavily dependent on others to assist whenever he had to do banking, mail, and the like...he resolved to educate his children to the highest level he could afford so that they could have a better future.' In 1940, the war gave Manu and his brothers an opportunity to study in India and the US, where they became the first few in their community to attend college. During their time there, they were deeply moved by the example of Mahatma Gandhi.

'We were impressed by this man who had given all his life. And the principle that came up with was sacrifice. Whenever you sacrifice, it brings true happiness.' These examples led Manu, his brother, and his cousins to sacrifice their own potential careers in high-level employment in the US to return back to Kenya and work on growing the family business. When they graduated, the business had 40 employees, and within a couple of years, this grew to 100 then 450 in the early years. By this point, they had already become involved in giving. Early on, they made the decision that since the needs of the society usually far outweigh any philanthropist's ability, they would focus on two major areas:

The first was Higher education, which began with just one Scholarship. Today it has grown to hundreds of scholarships which the KCDF administers on their behalf. The Chandaria Foundation selects the recipients, giving preference to more girls than boys. Their second was disability. Manu reflects, 'My brother was deaf, so we chose to focus on giving access to people with disabilities.' Over time, the Chandaria foundation's impact grew to include building schools, medical clinics, planting forests, and much, much more. The Chandaria Foundation has active chapters in Kenya, Uganda, Mumbai, and the U.K. Recently, in 2022, they gave 10 million Kenya shillings to rehabilitate inmates of Langata Women's Prison. Their motive? 'All of us have a duty to society - when you are doing business you are responsible from day 1 to help build the Society. This is regardless of whether you have a lot or a little. It goes beyond just writing a cheque. It is beyond you and me as individuals - we are part of something much greater.' He believes that philanthropy is not just a responsibility for every leader and corporate, it is in fact a cornerstone of doing good business. You don't need a lot of money to give back - you can start by simply getting a few people together and planting trees.' His advice to leaders is to start at whatever stage of business you're in. If you're small, start your CSI program small and grow.

Philanthropy is not something to be undertaken 'once we've accumulated wealth.' If that's the thinking, you'll never get started. As regards the common objection from businesses that building the society is the governments' job, he responds, ' We all know that governments have great difficulty bringing about improvements. Why do you think there are so many foundations and trusts in the United States?' Instead of blaming our governments for societal ills, each of us has the ability to do something. Long before Independence, Dr.Chandaria undertook to create organizations that would smoothen the relationship between businesses and corporates with the government. 'We always asked - how can we work together with the government rather than against them?'

He helped form and served as Chairman to a number of organizations. These included the Kenya Association of Manufacturers (KAM), Founding Chairman, Kenya Private Sector Alliance (KEPSA), Founding Chairman, East African Business Council, and built a Pan African understanding of business alliances that stretched all the way from Ethiopia to Malawi. His chairman/advisor went on to become the Finance Minister in Nyerere's government and was eventually taken by the World Bank to head the World Bank in Pakistan. Today, he is an active member of Impact Philanthropy Africa Forum and gave his time to speak to other corporate leaders and philanthropists to get involved in this new initiative.

As a parting shot, I can ask him what he'd like the philanthropic community to take away with? It is collaboration and cooperation. Collaboration and cooperation are core to Dr.Chandaria's values. His foundation has planted tens of thousands of trees, for instance, but they do this together with the local community. He gets excited when he speaks of the potential domino effect. 'Like a tree nursery we established in Starehe - imagine 650 schoolgirls and each one plants 10 trees...' Dr.Chandaria explained that in giving, he has never been about building a name for himself. His vision is that every business leader, large and small, will embrace an ethos of giving. By embedding this culture of philanthropy in our organizations, we will have the power to steer Africa towards reaching our key development goals. And on that, Impact Philanthropy Africa is fully aligned!

CHAPTER 2

Level of funding and operational approaches

This chapter unveils the results and analysis of the survey data, focusing on two primary aspects: level of funding and operational approaches. The funding section delves into an analysis of how funding is distributed across sectors and geographic locations. It also explores the nature of giving and preferred channels for philanthropic activities.

The operational approaches section examines the diverse strategies employed by philanthropic organisations to achieve their objectives, including their governance structures, partnerships, and staffing.

Level of funding via philanthropic assets

Estimated giving by private and corporate philanthropy in Kenya

172+
Billion Shillings

The estimated annual giving by private and corporate philanthropy in Kenya is over Kshs. 172 billion or USD 1.56 billion.[2]

This estimate aligns with previous studies on development funding in Kenya. In 2016, the top 25 funders of SDGs in Kenya gave approximately USD 391.5 million (Kshs. 42 billion at the mid-2021 exchange rate), according to Candid's calculations. According to the 2020- 2021 NGO board report, out of Kshs 158 billion received by over 2,700 NGOs, 16% (Kshs 25 billion) originated from within Kenya.

Giant Group of Nairobi food distribution in ASAL counties

2 The foreign exchange rate used in this report is 1 US dollar to 110.3 Kenyan shillings, based on the prevailing rate as of November 1, 2021

Benchmarking Kenya's Philanthropic Giving in Africa

We benchmarked our findings in Kenya against South Africa and Nigeria, acknowledging that estimation methodologies across these three countries differ, potentially hindering an accurate comparison. Despite some similarities in the types supported causes and funding sources in these countries, the philanthropic landscape varies significantly in terms of the scale and distribution of funding.

Estimated total philanthropic giving
- Kenya: $1.5 billion
- Nigeria: $17 billion annually (*Source 1)
- South Africa: $709 million in 2021

Philanthropic assets as proportion of GDP
- **Kenya:** 1.42%
- **Nigeria:** 0.3% (*Source 1)
- **South Africa:** 0.3% (*Source 1)

Types of causes supported
- Kenya: **Health, education and poverty alleviation** are the most commonly causes supported by

- Philanthropy in Kenya.

- Nigeria: E**ducation, health, and poverty alleviation** are the most commonly causes supported by philanthropy in Nigeria. Additionally, religious organisations receive a significant share of donations. (*Source 1)

- South Africa: **Health, education, and social welfare** are the most commonly causes supported by philanthropy in South Africa. Environmental causes are also growing in importance. (*Source 2)

* Source 1: The Global Philanthropy Report
* Source 2: Trialogue Business in Society Handbook

To estimate the total amount of giving, an extrapolation was made from the total giving of the research sample. A conservative adjustment factor was then applied based on the number of entities per category that were discoverable through an initial landscape analysis of KEPSA, NSE, and other online sources.

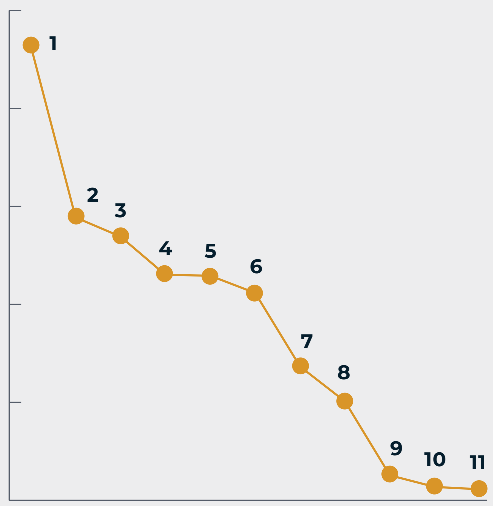
Despite the limitations in our estimation such as the likely underrepresentation of large and medium-sized companies and some overestimation from the contribution of private charitable foundations within the total sample, **the methodology resulted in a robust estimate of over Kshs 172 billion as the total annual giving by private and corporate philanthropy in Kenya.** This confidence is grounded in several factors, including the comparability of our findings to past reports on development funding in Kenya, the tendency for entities to understate figures for privacy reasons, and the extrapolation of our data to a modest population of companies and foundations in Kenya. Thus, while acknowledging the reliance on self- reported financial information and the possibility of underreporting, we believe that our estimate provides a conservative and reasonable assessment of the sector's size.

Funding by sector

Although the top sectors by the number of organisations were education, health, and environment (see Chapter 1), the leading sectors by the funding allocation figure 6, are agriculture, equity & poverty eradication, gender/youth, and water & sanitation. This allocation pattern differs from the global trend, which typically shows education and health as the most funded sectors according to the global philanthropy report.

Figure 6: Funded sectors by investment allocation

Average allocation to philanthropy by sector (Million Kshs)



1. Increasing Value in Agriculture (4700)
2. Equity & Poverty Eradication (2900)
3. Gender, Youth, Sports & Culture (2700)
4. Water & Sanitation (2300)
5. Manufacturing (2290)
6. Wholesale & Retail Trade (2110)
7. Health (1340)
8. Environment (975)
9. Education & Training (202)
10. Tourism (80.5)
11. Housing & Urbanisation (56)

Funding by geographic location

Although the top sectors by the number of organisations were education, health, and environment (see Chapter 1), the leading sectors by the funding allocation figure 6, are agriculture, equity & poverty eradication, gender/youth, and water & sanitation. This allocation pattern differs from the global trend, which typically shows education and health as the most funded sectors according to the global philanthropy report.

County	Average allocation (Million Kshs)	County	Average allocation (Million Kshs)
25. Samburu	262	45. Kisii	80.8
38. Vihiga	216	34. Kajiado	78.3
30. Baringo	179	27. Uasin Gishu	77.8
13. Tharaka-Nithi	178	22. Kiambu	77.4
26. Trans Nzoia	178	20. Kirinyaga	74.8
5. Lamu	167	1. Mombasa	73.3
11. Isiolo	145	42. Kisumu	73.2
2. Kwale	134	32. Nakuru	71.4
6. Taita/Taveta	127	12. Meru	69.2
3. Kilifi	122	47. Nairobi City	65.3
4. Tana River	116	29. Nandi	64.5
14. Embu	115	35. Kericho	64.1
33. Narok	107	36. Bomet	56
39. Bungoma	106	21. Murang'a	50.7
23. Turkana	105	46. Nyamira	48.2
40. Busia	103	15. Kitui	44
43. Homa Bay	103	28. Elgeyo/Marakwet	40
31. Laikipia	102	18. Nyandarua	30
37. Kakamega	93.4	17. Makueni	29.5
44. Migori	87.7	24. West Pokot	23.4
7. Garissa	87.1	10. Marsabit	16.7
16. Machakos	87		
19. Nyeri	86.7		
41. Siaya	84.8		

The study revealed that 30% of the surveyed organisations have programmes globally and/or regionally in Africa. Within Kenya, 29% of organisations had programmes spanning across all counties. When analysing the data by county, **the top five counties with the highest number of organisations running programmes were Nairobi (53%), Mombasa (33%), Nakuru (29%), Kiambu (28%), and Kisumu (22%).** See figure 7.

Notably, the top three counties in terms of funds allocated were Samburu County receiving Kshs 262 million, Vihiga County with Kshs 216 million, and Baringo County at Kshs 179 million. For further details, please refer to Figure 8 on the following page.

Figure 7: Funded counties by number of organisations

Counties in which organizations operate

53%
Nairobi City

33%
Mombasa

29%
All Counties
Nakuru

28%
Kiambu

22%
Kisumu

21%
Nyeri
Machakos

19%
Laikipia

17%
Uasin Gichu
Kisii
Kakamega

16%
Meru
Kilifi
Siaya

14%
Kwale
Murang'a
Kericho

12%
Migori
Homa Bay
Narok
Kajiado
Embu

9%
Lamu
Taita Taveta
Kitui
Kirinyaga
Turkana
Bungoma
Busia
Nyamira

7%
West Pokot
Trans Nzoia

5%
Samburu
Isiolo
Marsabit
Tharaka Nithi
Makueni
Baringo

3%
Tana River
Garissa
Nyandarua
Nandi
Bomet
Vihiga

2%
Elgeyo/Marakwet

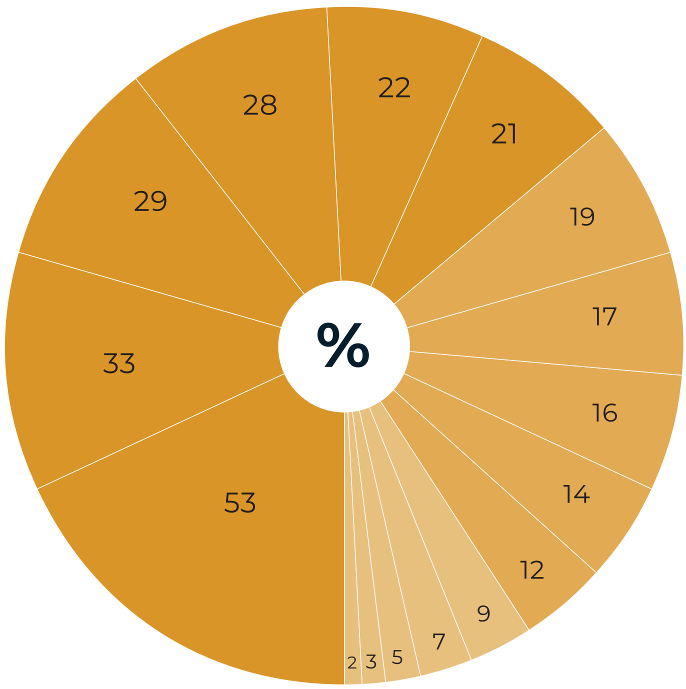
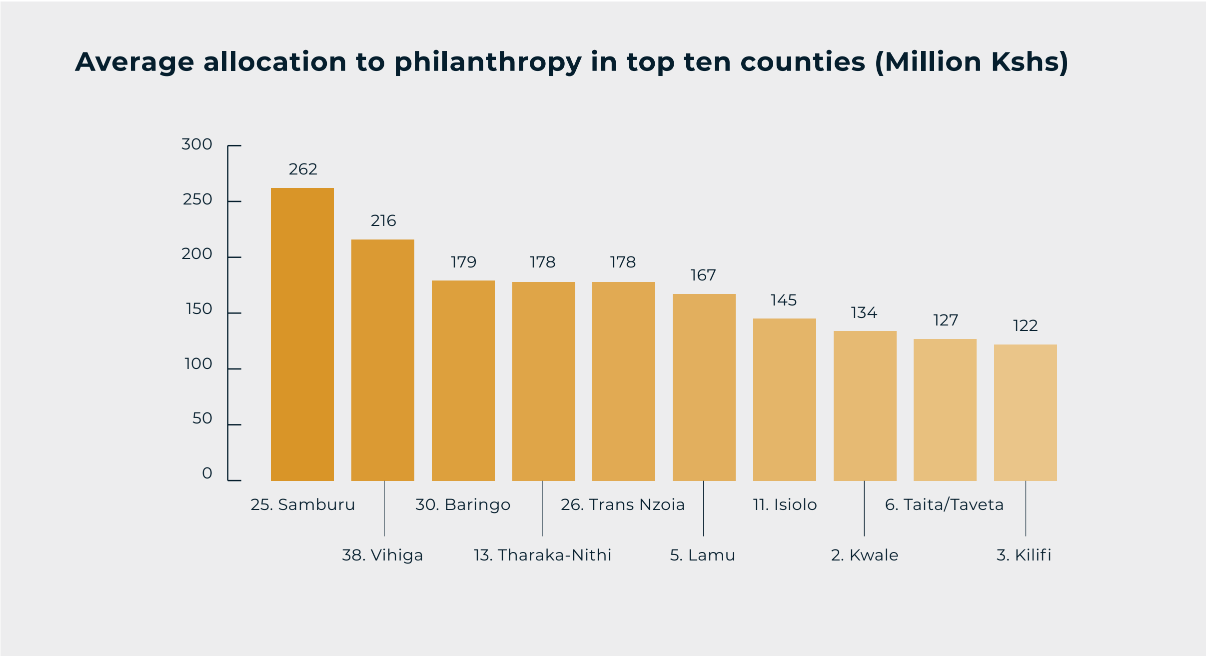


Figure 8: Distribution of counties by funds allocated



Non cash giving

Nearly 70% of organisations in Kenya engage in philanthropy through a combination of cash and in-kind donations, while 16% exclusively prefer cash donations and 14% exclusively non-cash giving. Furthermore, employee volunteer programmes have emerged as a valuable tool for philanthropy, especially for medium-sized companies with limited resources for traditional giving.

It is worth noting that 82% of organisations engaged in giving incorporate volunteer programmes, indicating a growing interest in this approach in Kenya

Although not quantitatively captured in the survey, case study interviews suggest that a significant number of organisations are not yet measuring the value of their volunteer programmes.

This represents an opportunity for improvement. The popularity of volunteering during work hours and company-organised campaigns (see figure 9) further underscores the commitment of Kenyan organisations to social responsibility, even in the face of time constraints. This diversity of approaches to philanthropy highlights the importance of considering a range of giving strategies when seeking to make a positive impact.

Figure 9: Types of employee volunteering programmes

Investment structures

Vehicles used by companies for channeling giving

Over half of the sampled organisations (55%) are foundations, which serve as specialised vehicles for channeling philanthropic giving. In comparison, 88% of surveyed companies reported not having a special purpose vehicle for giving. The survey results also demonstrated that organisations with special purpose vehicles were associated with higher levels of giving.

Safaricom Foundation community water reticulation

Given these findings, it is advisable to use foundations and similar special purpose vehicles to facilitate philanthropic activities. These vehicles offer advantages such as enabling joint funding, promoting collaboration, enhancing impact and strategic giving, establishing legitimacy, ensuring longevity, and providing other benefits. As an initial step in establishing proper governance and management structures, medium-sized companies may consider creating internal units dedicated to philanthropy.

Governance and operational approaches

Governance practices

The two primary sources used by companies and foundations in their Corporate Social Investment (CSI) strategies, philanthropy practices, and funding decisions are the United Nations Sustainable Development Goals (SDGs); target impact, and company strategy, respectively.

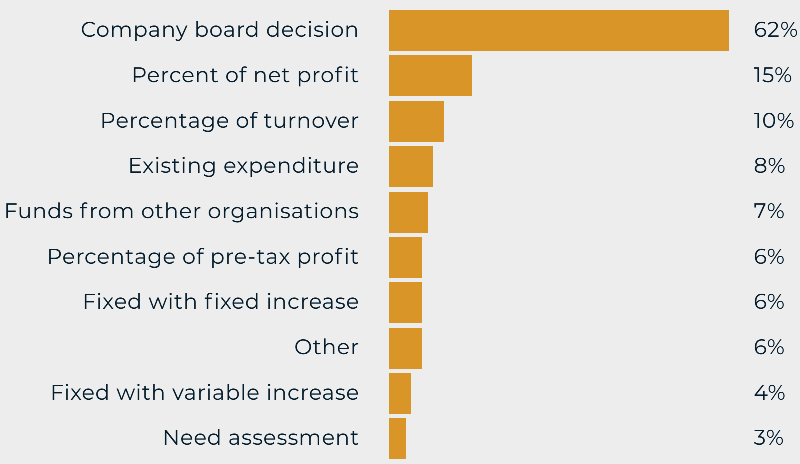
- Among the surveyed organizations, 87% align their long-term plans with the SDGs. A detailed analysis reveals that while a majority use the SDGs to shape their philanthropy practices, CSI strategies, and long-term plans, 27% see an opportunity to refine their philanthropy further to align with the SDGs, and 4% express a lack of interest in such alignment.

- In determining funding allocation, the majority of organisations (52%) relied on board decisions as the main factor (See figure 10).

- The selection of programmes was influenced by both external and internal factors. In figure 11, 76% considered the anticipated impact on target beneficiaries and 48% factored in their business goals.

Figure 10: Basis for funding allocations

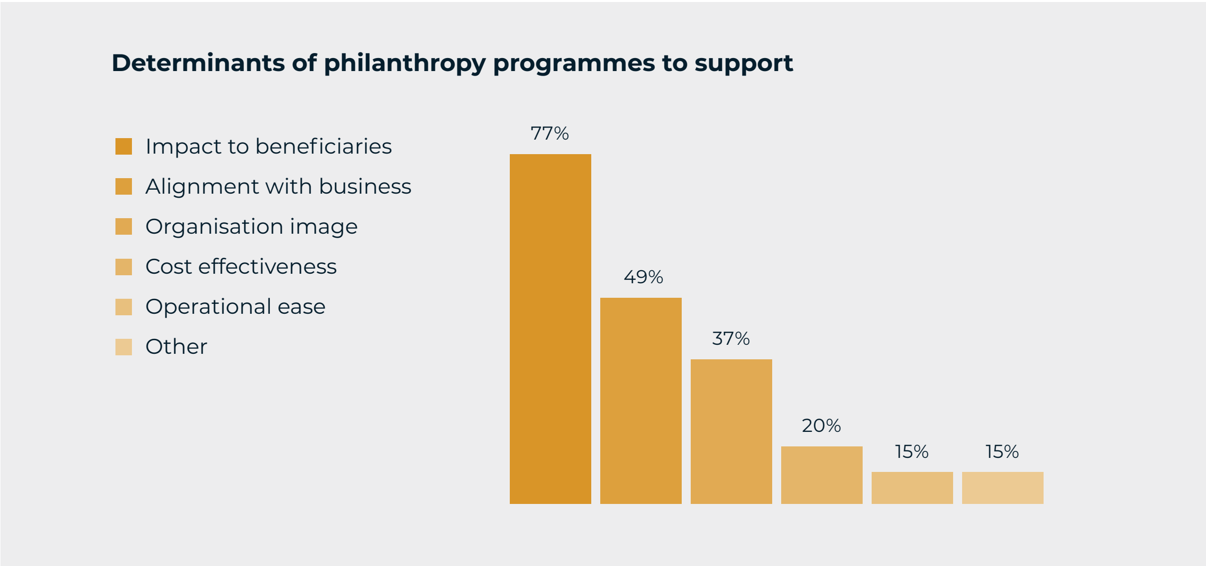
How organisations determine their philanthropic budget



Note: Other options that organisations disclosed included:

- According to statutory requirement setting 4% of the endowment for foundation per year
- Based on deserving need that arise and budget for the next financial year
- Based on the amount of funds raised
- Based on varying annual philanthropic objectives

Figure 11: Basis of selection of programmes



Funding decisions in companies

For companies specifically, larger (62%) and medium (47%) corporations base their philanthropic budget on board decisions. The second most common method of determining philanthropic budget for both large (12%) and medium (17%) corporations was based on a percentage of net profit. However, the low prevalence of basing funding decisions on net profit indicates that they are not yet predictable.

Management of organisations

Organisations primarily employ a CSI or Philanthropy Manager to oversee philanthropic activities (35%), followed by CEOs and managing directors (18%), as well as divisional executives or heads (18%). See figure 12.

There is however a slight variation in the management structure of different organisations. 47% of private charitable foundations and 46% of corporate foundations were mainly managed by Philanthropy Managers. While 33% of private charitable foundations were managed by their CEO or MD and 17% of corporate foundations by a divisional executive or head.

68%
Large Corporations

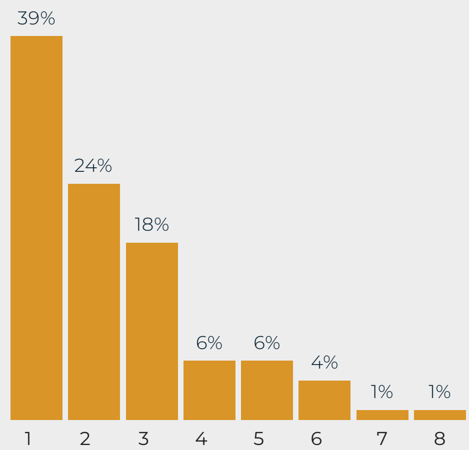
47%
Medium Corporations

base their philanthropic budget on board decisions

Figure 12: Management of philanthropy

Who manages philanthropy in the organisation?

1. CSI/Philanthropy Manager
2. CEO or Managing Director
3. Divisional Executive or Head
4. Social & Ethics Committee
5. CSI/Philanthropy Committee/ Forum
6. Company Board
7. Trustees or Non-Profit Board Director
8. Executive Committee



P&G PLC helping girls' stay in school by training on menstrual hygiene and providing dignity pads

Staffing

Most (52%) of philanthropic organisations in the sample had smaller teams of 1-5 full-time staff followed by 25% who were having 5-10, while 16% had more than 20 full-time staff as shown in figure 13.

This finding is similar to the global trend, as revealed in the Global Philanthropy Report, which found that 51% of over 7,000 foundations in 21 countries had no paid staff and 41% employed between 1-10 full-time equivalent employees.

Figure 13: Size of dedicated staff

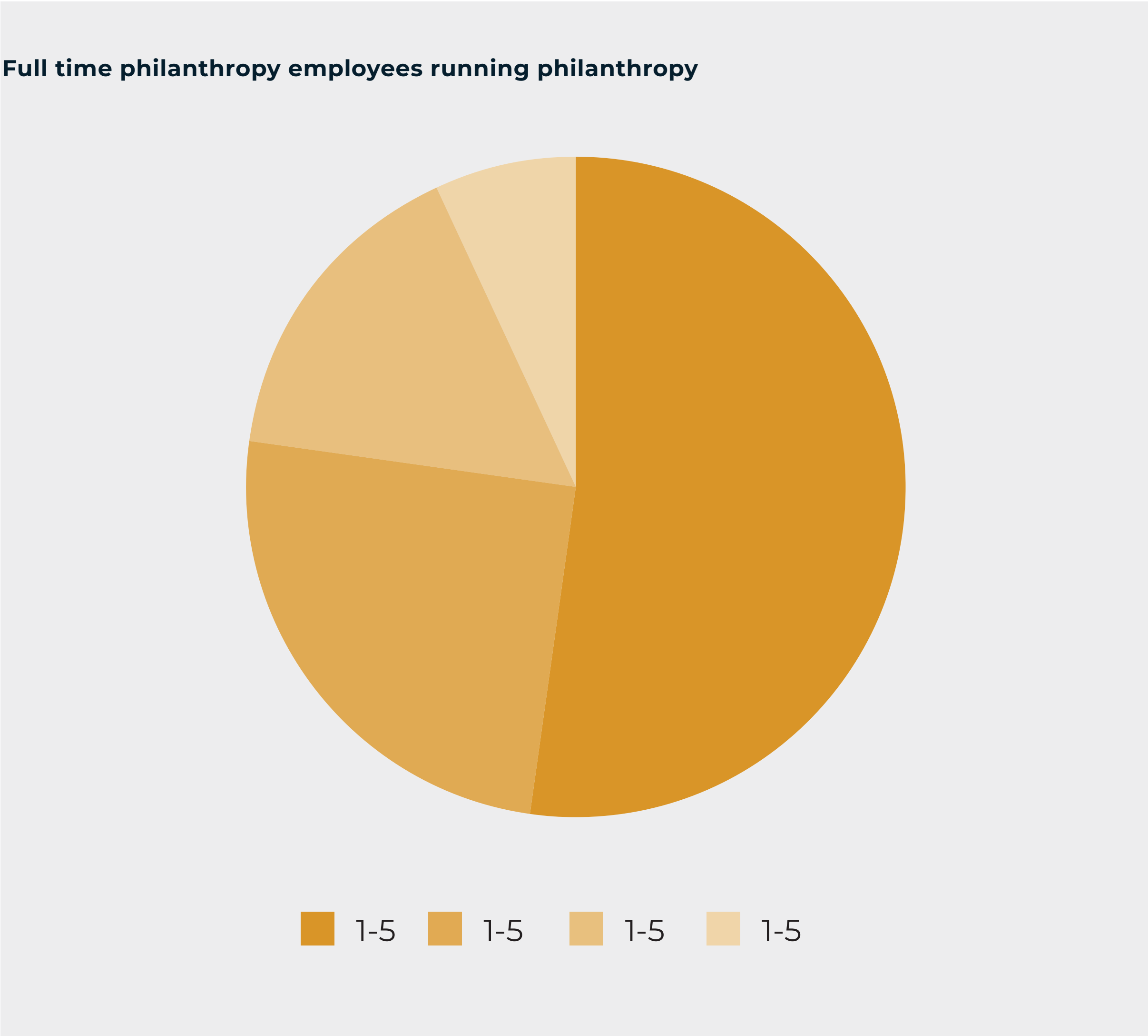
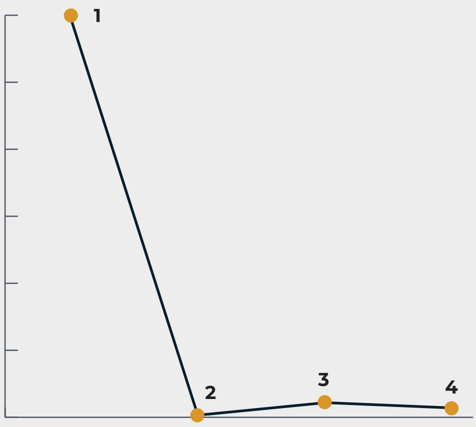


Figure 14: Analysis of amount of giving by staff size

Mean amount allocated to philanthropy by number of employees in philanthropy

1. Over 20 employees (12 Billion)
2. 10 - 15 employees (44 Million)
3. 5 - 10 employees (420 Million)
4. 1 - 5 employees (260 Million)



A notable observation from the figure 14 indicates that organisations with more than 20 dedicated full-time staff gave significantly more than entities with five or fewer dedicated staff.

The former group gave an average of KES 20 billion, while the latter group gave an average of KES 260 million. This correlation suggests that staff size is likely to be associated with the size of endowment or budget. Furthermore, private charitable foundations, which were found to have higher endowments than other entities, are more likely to have larger staff sizes compared to companies.

Partnerships and collaborations

Majority of the organisations in the sample (70%) partnered with other entities to implement philanthropic activities.

Collaboration was mostly in the form of partnership with implementing partners. Private charitable foundations had the highest percentage of partnerships (14.3%), followed by companies (10.7%), and corporate foundations had the lowest (4.8%). The primary reasons for partnering were to achieve extended outreach (77%), skill sharing (66%), and resource sharing (64%). Peer collaboration specifically for co-funding was not common practice, as revealed by case study interviews and the low prevalence of partnerships for risk sharing (20%). See figure 15.

70%

Partnered with other entities

Figure 15: Reason for collaboration and partnership

Monitoring and evaluation

The median amount of giving by organizations that engage in monitoring and evaluation (M&E) was Kshs 66 million, whereas for those that don't, it was Kshs 1.2 million. This indicates that conducting M&E on philanthropy activities is associated with higher levels of giving.

It is worth noting that(19%) of organisations did not undertake any M&E activities on their philanthropic initiatives. This was mainly observed among companies. As seen above, companies had relatively small staff sizes with an average of 1 employee dedicated to philanthropy.

Companies are more likely NOT to engage in monitoring and evaluation

Moreover, the implementation of monitoring and evaluation (M&E) varied among organizations that conducted it. The majority (67%) utilised in-house staff for M&E, 18% hired external parties or specialists, and a small percentage (4%) involved project beneficiaries in conducting M&E. This suggests that some organizations may lack the required expertise or resources to internally carry out M&E.

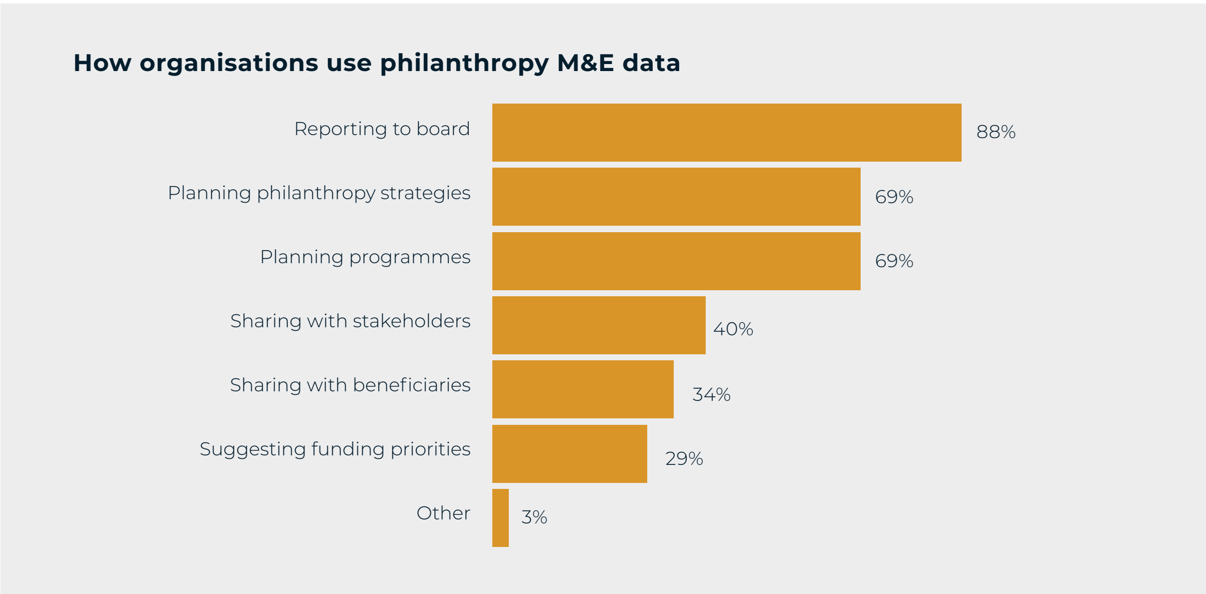
When interviewed, several organisation leaders noted the pressure to define and evaluate the impact of their programs.

This indicates that there is an opportunity for foundations and corporations to enhance their capacity in developing strategies, establishing monitoring and evaluation (M&E) strategies, and conducting project evaluations.

Reporting - Who are organisations accountable to?

Figure 16 shows that organizations primarily used M&E primarily was used for internal purposes, with 88% using it to report to the Board, and 73% for informing philanthropic strategies. A smaller percentage of organizations shared their findings with stakeholders (43%) and program beneficiaries (43%).

Figure 16: Uses of M&E data



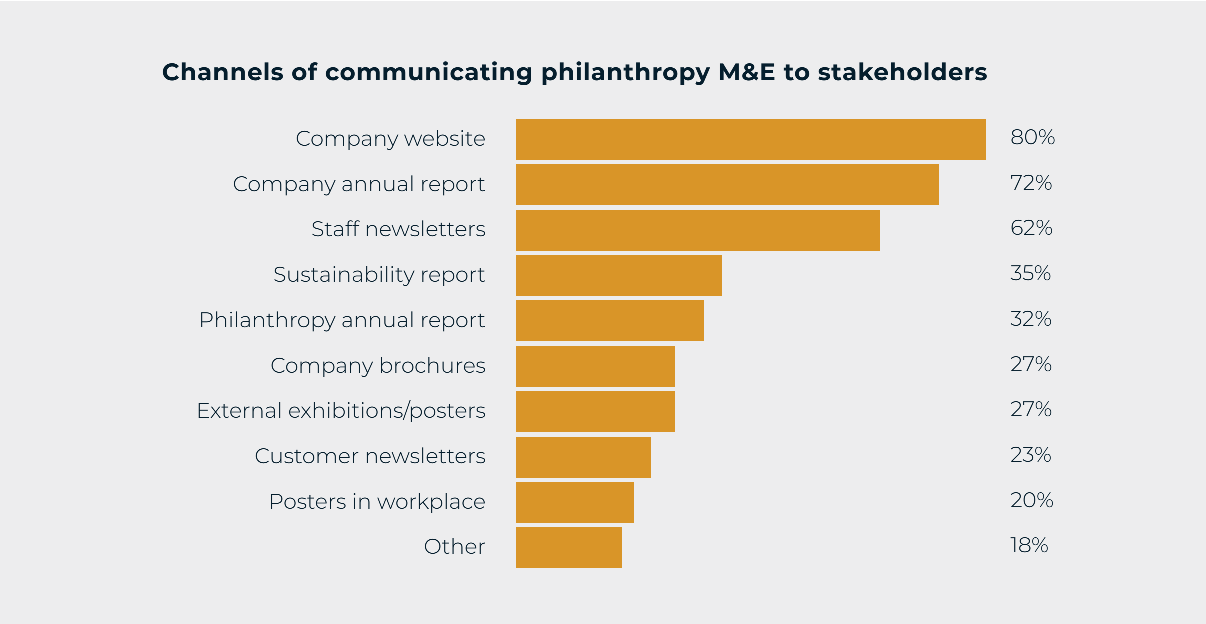
Communicating M&E results on philanthropic activities

The findings suggest that organisations prioritise communication of their philanthropic activities to both internal and external stakeholders, with 83% reporting doing so.

The most common methods for communicating M&E outcomes were through organisation websites (79%) annual reports (67%) and staff newsletters (60%).

Sustainability reports were the fourth most popular method. As seen in figure 17, other less used methods were company brochures, workplace posters and exhibitions.

Figure 17: Communication channels



A strategic communication approach plays a crucial role in transitioning stakeholders from awareness to action. Demonstrating tangible action and impact is essential to enhance contributions, and effective communication, based on careful monitoring and evaluation, takes centre stage. Employing an omni-channel communication approach is highly recommended, offering organisations various options for communication vehicles.

These include above-the-line media such as television, radio, print, and outdoor advertising; below-the-line media such as outreach and on-ground activations; and digital media encompassing social media, websites, and email marketing, among others.

Determining communication objectives and target audiences helps guide the selection of appropriate media channels. Communication objectives can be categorised into four main areas: creating awareness, disseminating information, changing attitudes, and changing behaviour.

Regardless of the specific objective, digital platforms have proven to be a cost-effective medium capable of achieving widespread reach in a relatively short time and at an affordable cost.

To effectively engage stakeholders in the philanthropic sector, the comprehensive strategic communication approach below can be employed as part of a dissemination strategy.

AWARENESS
Website, Emailers, Newsletter, Press Releases
Promotion Collateral (Posters, Fliers)

UNDERSTANDING
Social Media, Conferences & Capacity Building Workshops, Feedback via Web & Email, Short Information Videos

COMMITMENT
Blogs, Conferences & Webinars, Expert Workshops (Online & Offline), Committee Workshops & Technical Working Groups

ACTION
Committee Action Plans, Policy Papers for Government & Stakeholder Engagement, Targeted Primary & Secondary Research

Summary of Findings

In summary, this chapter provides insights into the operational approaches and strategies used by philanthropic organisations in Kenya. It highlights the importance of having dedicated staff, partnership across the ecosystem, and appropriate monitoring and evaluation systems to ensure effective and efficient use of resources.

The following are key findings from the chapter:

- Private and corporate philanthropy in Kenya is estimated to be over KES 172 billion or $1.56 billion USD annually.

- Based on allocation of funding, the top sectors were agriculture, equity & poverty eradication, gender/youth, and water & sanitation.

- Nearly half of the top 10 counties are based in the arid and semi arid zones, led by Samburu county, Vihiga county, and Baringo county.

- A significant proportion (70%) of organisations engage in philanthropy through a combination of cash and in-kind donations. Employee volunteer programmes (82%) are also a popular form of non cash giving.

- The majority (87%) of organisations align their long-term plans with the United Nations Sustainable Development Goals (SDGs).

- 27% of the surveyed organisations expressed an interest to refine their philanthropic strategy to further align with the SDGs.

- Most large (62%) and medium (47%) corporations rely on board decisions to determine their philanthropic budgets, and only a small percentage (15%) base their funding decisions on net profit. This indicates that there is an opportunity for companies to adopt more consistent and predictable giving strategies, such as allocating a proportion of net profit to philanthropic initiatives. This approach would enable companies to better plan and forecast their philanthropic commitments, ensuring that they have the necessary resources to fund their initiatives over the long term.

- Most philanthropic organisations have smaller teams of full-time staff, with 52.3% having one to five and 25% having five to ten full-time staff.

- Conducting monitoring and evaluation (M&E) on philanthropic activities is associated with increased giving, and some organisations may lack the necessary expertise or resources to conduct M&E internally. M&E is primarily used for internal purposes such as reporting to the board and informing philanthropic strategies, with a minority of organisations sharing their findings with stakeholders and program beneficiaries.

Case Study 1

Corporate Philanthropy Driving Effective Giving and Sustainable Business Practices: A Case Study of Kenya Tea Development Agency (KTDA) Foundation

Introduction

In this case study, we examine the journey of KTDA Foundation, a corporate foundation operating in the tea sector in Kenya, as it transitions from traditional corporate social responsibility (CSR) to a more impactful and sustainable approach. Through interviews with Sudi Matara, the head of the foundation, we gain insights into the foundation's early organization and goals, its transition to corporate social investment (CSI), the prioritisation of monitoring and evaluation, past successes, and its new direction.

KTDA Foundation Tree growing in the Tea belt

Organization type: Foundation incorporated as a company limited by guarantee

Website: https://ktdafoundation.org/
Founded: 2013
Staff size: 13

Objective: The key objective of the Foundation is to initiate interventions that improve the welfare of smallholder tea farmers in Kenya through strategic partnerships in areas of education, health, economic empowerment and environmental conservation.

Early Organization and Goals (2013-2017)

KTDA Foundation initially operated as a CSR department within the corporate affairs and communication department of KTDA. During this period, CSR activities primarily focused on generating goodwill among employees, customers, and the local community. Medical camps and scholarships were the core philanthropic initiatives, serving as publicity tools for the organization. The funding for these activities was entirely sourced from KTDA, with a contribution of 1% of the profit before tax.

Transition to Corporate Social Investment (2017-2022)

Recognizing the need for a more comprehensive and impactful approach, KTDA Foundation appointed a Head of Foundation and expanded its team. This transition allowed the foundation to diversify its programs, considering the three pillars of people, planet, and profit. The new program areas included health, education, environment, and climate sustainability.

To support these expanded initiatives, the foundation diversified its fundraising model. Instead of relying solely on KTDA's funds, they began raising 80% of their budget from external sources. Innovative funding approaches, such as receiving social premiums from tea buyers like Sainsbury's and Liptons, helped support social programs in the local communities where they sourced tea. This shift not only increased funding but also ensured greater stakeholder involvement and support.

In this period, the foundation focused on deepening its subject areas and measuring client impact. They introduced flagship programs like economic empowerment to explore the root causes of financial struggles among tea farmers. Additionally, the foundation increased the number of medical camps to cover all zones, aiming to provide comprehensive healthcare access to communities.

An important milestone during this transition was the creation of a sustainability policy and reporting framework for all businesses within KTDA Holdings. This initiative laid the foundation for the first sustainability report, which will be published in 2023. During our interview, Sudi Matara highlighted the immense pressure to raise resources to cover all factories, indicating the foundation's commitment to demonstrating impact and communicating effectively with stakeholders while diversifying funding approaches.

Monitoring and Evaluation Prioritisation:

KTDA Foundation recognizes the importance of monitoring and evaluation (M&E) in ensuring the achievement of desired results and demonstrating accountability. The foundation has established structures for Monitoring, Evaluation, Accountability, and Learning (MEAL) to support these objectives. According to Sudi Matara, these structures encompass learning sessions, project M&E plans, project oversight through steering committee meetings, and the development of a comprehensive manual and guidelines for program development, implementation, and closure.

The foundation uses the following framework

- Learning sessions serve as a platform for the foundation to remain connected to development realities and incorporate feedback from stakeholders. The foundation actively collects needs and reviews requests received through factories. These inputs are then endorsed by factory directors before program implementation.

- Project M&E plans are designed for each initiative, outlining data collection details, responsible parties, collection methods, reporting frequencies, and accountability measures. These plans ensure that relevant information is collected and used to track progress and inform decision-making.

- Project oversight occurs through regular Project Steering Committee meetings, where progress is evaluated. This oversight facilitates the documentation of case studies and impact stories, which further contribute to the foundation's learning and communication efforts.

- Strategic guide - The foundation is currently in the process of developing a comprehensive manual and guidelines to standardize its approach to program development, implementation, and closure. This strategic guide will enhance the foundation's ability to evaluate and improve its initiatives continually.

Success Stories:

Several success stories emerged from KTDA Foundation's initiatives. Examples include expanding their impact beyond scholarships to enhance digital literacy through a Robotics and Coding project in 12 schools. Empowering women farmers resulted in a significant increase, with 33% of them now owning their tea. Community training initiatives successfully reduced gender-based violence, while a nutrition program in Kericho leveraged behavior change communication to improve health outcomes. Additionally, the foundation formed 12 cooperatives to support avocado farming, providing farmers with alternative income streams.

Impact Evaluation

One notable evaluation conducted by KTDA Foundation focused on addressing the economic empowerment of Kenyan smallholder tea farming families.

KTDA Foundation, in collaboration with IDH, implemented a holistic economic empowerment (HEE) program to address gender disparities and promote financial inclusion among smallholder tea farming families in Kenya. The program aimed to improve financial decision-making at the household level and enhance economic empowerment. Through a gender-needs assessment, the foundation identified gender disparities at various levels, including households, factories, marketplaces, and macro policy environments. The assessment highlighted the limited control women had over productive resources, such as land, despite their significant contributions to tea farming. It also revealed regional differences in decision-making power, with men being the primary decision-makers in most households.

In response to the assessment findings, KTDA Foundation developed a gender-responsive training curriculum that focused on social dynamics, financial literacy, and entrepreneurship. The foundation collaborated with KTDA's extension staff to deliver the training to tea farming households, reaching close to 20,000 households by June 2021. The program's key results demonstrated a positive impact, including the development of shared family visions, increased involvement of family members in decision-making, and improved household budgeting.

The success of the program relied on a gender-needs assessment to tailor interventions to the specific challenges faced by tea farming families. Ongoing support for extension workers during implementation and the integration of sustainability issues into extension services were crucial for maintaining stakeholder relations and ensuring program effectiveness. Moving forward, KTDA Foundation recognizes the need for livelihood diversification to address climate change challenges, declining tea prices, and rising production costs, aiming to complement tea incomes and promote poverty reduction.

New Direction: Effective Giving and Sustainable Business Practices

Sudi Matara emphasized the foundation's aspiration to create an image of KTDA as an organization that genuinely cares, extending beyond the foundation itself. Recognizing the interdependence of social and economic objectives, the head of the foundation aims to leverage philanthropy to improve the quality of the business environment where KTDA operates. By aligning social and economic goals, the foundation seeks to enhance the competitive context in which it operates, benefiting both the company and society.

As part of its new direction, KTDA Foundation is developing a social enterprise model. This model involves working with tea farming families involved in the avocado project to market their avocados. In addition, the foundation plans to identify new business opportunities for farmers to supply complementary produce, such as herbs, which the foundation will market. By pursuing ethical sourcing and utilizing unique assets and expertise, the foundation aims to make its fundraising efforts more sustainable.

This shift in focus represents KTDA Foundation's evolution from cause-related marketing to effective giving and sustainable business practices. By addressing important social and economic goals simultaneously, the foundation aims to create a positive impact while ensuring its own long-term viability.

KTDA enhancing education outcomes in the Tea belt

Case Study 2

Navigating Philanthropy, a Pathway for Medium-Sized Companies: Toyota Kenya Foundation

Introduction

In this case study, we delve into the journey of the Toyota Foundation, a philanthropic entity dedicated to making a meaningful impact in education, safety, health, and the environment. Through an engaging interview with Florence, the Head of the Foundation, we not only uncover the foundation's milestones but also uncover a viable pathway for medium-sized companies seeking to initiate philanthropic endeavors. We explore the foundation's beginnings, key milestones, flagship programs, partnerships, and their recommendations for organizations looking to embark on a philanthropic journey.

Toyota Kenya's team, driving change among youth

Organization type: Corporate Foundation registered as a Trust

Website: https://www.toyotakenyafoundation.org/
Founded: 2007
Staff size: 2 full-time

Objective: Our commitment to communities in Kenya is to create impact in lives by achieving tangible, sustainable fulfillment of all our corporate social activities.

Foundation's Origin and Key Milestones

The Toyota Foundation traces its roots back almost 27 years, initially operating as an NGO before becoming a trust in 2014. Programs are built on four pillars: education, safety, health, and the environment. In its early years, the foundation primarily focused on providing scholarships for students in specific fields. However, in 2014, it broadened its reach beyond scholarships and began implementing various educational programs.

Notably, dedicated staff were appointed to run the foundation, marking a significant milestone. By 2018, under new leadership, the foundation expanded its program activities, particularly in education, offering community capacity building in areas like automotive, agriculture, and construction. Furthermore, the foundation engaged in environmental initiatives, including extensive tree planting during training programs.

Empowering Jua kali Artisans

One of the foundation's flagship programs is dedicated to empowering Jua kali artisans in the automotive sector. This program targets young artisans below the age of 26 with at least six months of work experience but no formal college education. Participants are facilitated to acquire certification from the Toyota Academy, which allows them to undertake entry-level Grade Three National Industrial Training Authority (NITA) exams.

The training modules cover essential automotive skills such as engine, chassis, electrical, body and paint, air conditioning repair, and heavy commercial.
Applications for this program are advertised on the foundation's website and primarily spread via word of mouth through platforms like WhatsApp. Over the years, the program has witnessed a substantial increase in applications, with a growing number of even university graduates expressing interest. The program is structured into five cohorts of 15 participants each, ensuring hands-on experience and access to training resources.

Harnessing Partnerships for Greater Impact

In 2018, the foundation had no external partners and primarily relied on funds from Toyota Kenya Limited to support its CSR activities. However, the organization has since forged partnerships with approximately 18 organizations, including UN Women, Peace Winds Japan, JAICA, and various training institutions. A noteworthy collaboration was with the African Development Bank to conduct a TVET mapping project focused on the skills needed to support African institutions effectively.

The foundation has evolved from being self-reliant to leveraging these strategic partnerships to extend its reach and impact, aligning with its goal of addressing social challenges effectively.

Empowering Women in the Automotive Industry

The foundation is dedicated to promoting gender diversity in the automotive industry. For example in 2022/2023 the foundation worked with UN Women to provide training for both refugee and host community members, with the goal of engaging both men and women in technical roles within the sector. While recruiting women for technical training can be challenging, deliberate efforts are made to enroll them, and success stories include two women recently hired by CFAO after successfully completing the UNDP program.

Diverse Forms of Funding

The Toyota Foundation receives both internal and external funding in various forms, including cash and in-kind contributions. External partners, such as JAICA, often provide expert volunteers to assist in program development and capacity building.

Future Plans

The Head of the Foundation expresses a passion for agriculture and supporting young entrepreneurs. The foundation aims to establish a revolving fund that supports young people in starting and growing businesses in agriculture and agribusiness marketing. This initiative seeks to empower youth to enter the agricultural value chain and address the challenge of youth unemployment while promoting agricultural sustainability.

In conclusion, the Toyota Foundation exemplifies how a philanthropic organization can evolve, expand its impact through strategic partnerships, and empower marginalized groups in sectors like the automotive industry and agriculture. Their journey provides valuable insights for organizations seeking to make a difference in their communities through philanthropy.

Recommendations for Medium-Sized Organizations Interested in Philanthropy

For medium-sized organizations interested in philanthropy, the Head of the Toyota Foundation offers valuable insights:

- Leverage Existing Skills - Start by offering the skills your organization possesses to support the sector or industry you are in.
- Begin with Simpler Projects - Initiate philanthropic efforts with straightforward projects like tree planting, which require minimal resources.
- Engage Staff - Encourage staff involvement in charitable activities. Consider allocating a portion of budgets, such as those designated for events like holiday parties, to charity.
- Consider Apprentice and Mentorship Programs - If feasible, establish apprentice and mentorship programs that align with your organization's expertise.

Regarding the formation of a foundation, it is recommended when the organization wishes to separate philanthropic efforts from its core business activities, facilitating partnerships and funding that might not be accessible to the business directly.

Toyota Kenya Foundation Skilling young people in the motor vehicle industry

Wanjiru Nduati

Certified Trust and Estate Planner
Advocate of the High Court

Article

Philanthropic Institutions in Kenya – A New Dawn

The opportunity that lies in legal and regulatory reform

In the year 2019, some clever people put together a study known as the World Giving Index. In that study, Kenya was ranked as the most improved country in the world in terms of generosity. The Index, which looked at data collected over the last decade, found that Kenya had improved its index score by an average of 19 points.[1]

Kenyans don't need a study to tell them how generous they are. We give all the time we give when our family, friends and neighbours are bereaved and in hospital. We sponsor children from our villages and communities to make sure they have an education. Even when we are celebrating, we are still giving, supporting a young couple as they start their life together and who can forget the dancing and giving as we celebrate the naming of a child. In short, Kenyans are a giving society.

So, seeing as we give all the time, is that same spirit of giving reflected in our support of philanthropic organisations and institutions? Do we support local charities, NGOs, public benefit trusts and organisations as enthusiastically as we do our friends, family and neighbours...perhaps not.

Safaricom's Ndoto Zetu women empowerment program

1 Charities Aid Foundation (CAF) World Giving Index, 10th Edition 2019

Is it a question of trust?

The Kenyans for Kenya Initiative of 2011, mobilised Kenyans across the country in raising funds to provide emergency assistance to Kenyans most affected by a severe drought. Coordinated by the Kenya Red Cross Society, the initiative, which raised approximately USD 10M, However, in 2019 and again in 2022/23, similar initiatives received pushback from the online community and a lukewarm reception from ordinary Kenyans.

Reasons cited for this were that previous giving did not result in long term solutions for the perennial problem of drought and famine and the cloud of graft and wastage that hangs over these initiatives.

It seems that Kenyans' belief in philanthropic organisations to solve the problems they say they will or their belief that the funds donated will be used in an honest and transparent manner has been eroded over the years. There are many reasons for this erosion in confidence, but this writer would venture to say that the one reason that underpins them all is poor governance. Poor governance results in organisations that have wobbly foundations, inadequate checks and balances and which lack staying power.

In this country, our legal system has contributed to this poor governance by the confusion caused by a multiplicity of statutes (at least 7) and the application of common law jurisprudence (decisions of the High Court). This multiplicity of laws and regulations makes the system uncertain, inefficient and many times creates loopholes that lead to weak organisations being allowed to operate in Kenya.

The Potential of Strong Foundations and Trusts

In Kenya, Trusts and Foundations are underexploited as tools of philanthropy and wealth management. The main reasons for this are a low level of awareness of these tools, the knowledge about how to use them as well as a legal framework that has not kept up with the evolving needs of the individuals and institutions that can best use these trusts and foundations for philanthropic purposes and/or wealth management. Sadly, over the years, our laws have not kept up with the modernisations that have taken place around in step with the increased use of trusts and foundations for philanthropy and wealth management.

Some of the benefits of having a modernised legal framework for the regulation of Foundations and Trusts are that it:

a. Encourages public confidence in Trusts and Foundations as tools of philanthropy and wealth management.

b. Ensures strong internal governance of Trusts and Foundations that delivers transparency, accountability and value to the beneficiaries and missions of these organisations.

c. Strengthens the oversight and regulation of Trusts and Foundations by regulatory authorities.

d. Delivers efficiency in the registration and regulation of Trusts and Foundations.

e. Encourages local retention and the repatriation of private wealth.

f. Aligns our Trust and Foundation laws and regulations with best practices from around the world.

One Law

In addition to decisions of the Higher Courts, charitable organisations and public benefit organisations are regulated in one form or another by the Trustees (Perpetual Succession) Act Cap 164 as amended by the Trustees (Perpetual Succession) Amendment Act, 2021, Companies Act 2015, Non-Governmental Co-ordination Act No. 19 of 1990, Non-Governmental Coordination Regulations, 1992, The Societies Act Cap 108, The Societies Rules, 1968, Registration of Documents Act and Trustees Act Cap 167.

The bedrock law that deals with the establishment of Foundations and Trusts in Kenya is the Trustee Perpetual Succession Act (Cap 164) of the Laws of Kenya, as amended by the Trustees (Perpetual Succession) Amendment Act, 2021 (TPSA). A first step to achieving the benefits we all seek is to update and amend this statute.

By focusing our attention on updates to the TPSA, we intend to create a primary statute that governs the establishment of Foundations and Trusts for both philanthropic purposes and private wealth management and to establish a modern and centralised regulatory system for the registration and regulation of Foundations and Trusts in Kenya.

Governance

Trusts and Foundations are governed and administered by Trustees. In the collective, the body of Trustees is known as the “Board of Trustees” with respect to Trusts OR “The Council/ The Governing Council” in respect to Foundations. It is also common for the governing body of Foundations to be referred to as the “Board of Trustees”.

Trustees have a duty of care, a fiduciary responsibility to govern Foundations and Trusts with integrity, transparency and accountability. Traditionally, this duty of care has been defined by judicial interpretation at common law which has created some uncertainty and differing interpretations in setting the standard of behaviour that Trustees must adhere to in the carrying out of their duties.

It is widely recognised that it is best practice to codify the standards of duty of care owed by trustees in the conduct of their duties and powers. This includes the penalties and remedies available in the event of breach of such powers. A codification in statute would ensure that in exercising any power, a trustee shall exercise such care and skill as is reasonable in the circumstances.

Transparency and Regulation

Foundations both private and charitable (public) solicit, collect, receive and distribute funds. This makes them targets for persons wishing to ‘wash’ illicit funds or to channel funds for illegal or anti-social purposes. It is therefore imperative that the formation and regulation of Foundations incorporate best practice in anti-money laundering and anti-terrorist financing regulations. The updated statute would also require Foundations and Trusts to provide information to the regulator on the beneficiaries.

Regulatory and controlled access to beneficial ownership information helps to establish and maintain confidence in the integrity of the transactions of Foundations and Trusts and in the greater financial system.

It also facilitates the timely and efficient availability of information for financial institutions as well as authorities, including authorities of third countries, involved in combating money laundering, terrorist financing and other financial crimes. Access to that information would also help investigations on money laundering, associated predicate offences and terrorist financing.

Regulatory oversight over beneficial ownership and financial transactions is not new in Kenya. The Companies Act, 2015, introduced the requirement for companies to keep a register of the beneficial owners of the Company and to file this with the Registrar of Companies. Under Legal Notice No. 12, the Attorney General, published the Companies (Beneficial Ownership Information) Regulations, 2020 to provide for the manner of providing beneficial ownership information relating to companies.

Confidentiality and Data Protection

A fair balance should be maintained between the public interest in the prevention of money laundering and terrorist financing and protecting the right to confidentiality of persons and their data. All states should have due regard to the protection of fundamental rights of individuals, in particular the right to privacy and protection of personal data.

The updated statute will ensure that data that is made available to the public should be limited, clearly and exhaustively defined, and should be careful to minimise the potential prejudice to the beneficial owners.

Strong Foundations

A thriving community of Trusts and Foundations in Kenya is good for everyone.
A good legal and regulatory system supports the creation of strong organisations. Strong organisations in turn create confidence. Confidence allows for the growth of wealth.

Our wealth will stay within our borders as wealth creators will be able to find locally available strong Trusts and Foundations to manage and grow their wealth. In turn the wealth within our borders will be readily available to support philanthropy. Our dignity is enhanced when we can fund our own charitable institutions and reduce the reliance on donor funding and external agendas.

The spirit of giving, which Kenyans demonstrate every day will be harnessed and channeled to solve problems at their roots. Instead of donating for famine relief every couple of years, we can fund our own institutions that will build the infrastructure and capacity to feed ourselves rain or no rain.

So, in a nutshell, our solutions are right here within our grasp. Let us take that critical first step and build that necessary bedrock for strong Trusts and Foundations.

Samantha Bastian

Chief Operating Officer at Busara

Article

Lean Monitoring and Evaluation for Effective Philanthropy

Philanthropy has the remarkable potential to transform lives and create lasting social change. Monitoring and Evaluation (M&E) is an invaluable tool that can steer us towards achieving meaningful outcomes. By incorporating M&E into every stage of the process, we can continuously learn, adapt, and ensure that our philanthropy is both efficient and impactful.

The Importance of M&E in Philanthropy

The significance of M&E in philanthropy lies in its ability to provide us with strategic frameworks like the Theory of Change (ToC). The ToC is an elegant roadmap that guides us in understanding the intended impact of our giving and the underlying assumptions that lead to success or failure. It answers the fundamental question: “How and why do we believe our giving decisions and programs will bring about the intended change?”

The Theory of Change is structured into interconnected components - inputs, activities, outputs, outcomes and impact. For instance, let’s consider a literacy program in Kenya. The Theory of Change for this program would involve the financial, human capital and technical resources invested (inputs), the specific trainings and literacy interventions carried out (activities), the immediate results in attendance and engagement (outputs), the changes in literacy levels among students (outcomes), and the broader impact on education from improved literacy rates (impact). The assumptions from one component to the next are helpful to validate for each context.

Teacher training by Aga Khan Foundation

Input	Activity	Output	Outcome	Ultimate Goal
Financial Resources Program Team Tools and Training Activity Design Government Relationship	Teachers trained for identifying learning levels and conducting level appropriate activity-based sessions	Students learning levels identified Students and teachers present for sessions Level appropriate activity-based sessions conducted	Students progress in literacy levels	Improved test scores and education outcomes

Teachers are willing to take on this program

Teachers are able and motivated to identify levels and conduct regular sessions

Students come to school regularly

Students baseline learning levels are low and varied within the classroom

Improved literacy helps with overall learning and education outcomes

Design: At the design stage, we review existing evidence, data, evaluations and systematic reviews on what works, why; and what is the scale and scope of the need.

Pilot: The pilot stage of the program provides an opportunity for intensive learning and iteration. Qualitative insights and additional assessments complement monitoring data, enhancing the understanding within the context.

Test: Rapid testing or A/B testing and real time process data help improve efficiency in delivery to maximize impact.

Scale: At the scale stage in Kenya, having a mature monitoring system, well-defined indicators, and a solid understanding of data sources help refine and keep a pulse on the shifting context.

Investing in M&E at Every Stage

We can invest in M&E at every stage of our philanthropic journey. Whether we are designing a new program or scaling an existing one, M&E provides valuable insights to guide our decision-making and enhance the effectiveness of our initiatives.

Making M&E Cost-effective

Making M&E cost-effective and efficient is possible. The key lies in adopting the right-fit methods based on the specific decisions we need to make. There is a spectrum of methods available – quantitative impact evaluations, process monitoring, data qualitative insights, rapid-fire testing – it's important to find the right fit based on the decision to be made.

Additionally, while there are various approaches to M&E, embracing advancements in technology and data collection tools can facilitate cheaper and faster learning and feedback loops. These developments have the potential to enhance the quality and timeliness of data collection, allowing for real-time monitoring and dynamic course corrections.

Most significantly, making M&E cost-effective requires building a culture of learning and M&E within our philanthropic organizations. While hiring M&E experts can be beneficial, it is the integration of M&E into our program management that truly makes a difference. Even organizations with limited resources can be strategic by incorporating M&E and right-fit data driven decisions at all levels.

Conclusion

As the philanthropic sector grows in Kenya, M&E will play a vital role in steering our giving towards a more strategic and impactful direction. By embracing lean M&E practices, we can not only amplify the effectiveness of our philanthropy but also foster positive and sustainable change in the lives of those we seek to serve. Together, through continuous learning, we can create a brighter future for Kenya.

CHAPTER 3

Sectoral analysis: A deep dive into philanthropic giving within key sectors

Chapter 3 provides an in-depth analysis of the distribution of philanthropic investments in Kenya, with a focus on key development sectors and specific programmes within those sectors.

The study is based on survey findings and is complemented by secondary data at national and county-level providing additional context through a review of relevant national reports and offers recommendations for investment opportunities.

Unpacking philanthropic investment by sector

As seen in chapter 1, figure 3, the **top five sectors** with the highest number of organisations giving in that sector:

Political and Developmental Context

Long Term

The Vision 2030 is a long-term development blueprint aimed at transforming Kenya into a middle-income country by 2030. It is divided into economics, social, and political pillars, with a focus on innovation, inclusivity, and sustainability. Key enablers for achieving the goals include infrastructure, science and technology, and human resources, as well as Sustainable Development Goals (SDGs). The plan is implemented through sequential Medium Term Plans (MTPs) every five years, with the current plan being MTP IV (2023-2027).

Short Term

The Bottom-Up Economic Transformation Agenda (BETA) is a comprehensive roadmap for the government's economic development plans for the next decade launched in 2022. It focuses on revitalizing the economy by boosting competitiveness and strengthening the domestic and external economic environment.

The agenda is anchored on 5 pillars and 12 enablers that aim at the creation of a conducive business environment for socio-economic transformation.

The 5 pillars are: Agricultural Transformation; Micro, Small and Medium Enterprise (MSME) Economy; Healthcare; Housing and Settlement; and Digital Superhighway and Creative Industry. The key enablers are: Blue Economy; Education and Training; Environment and Climate Change; Foreign Policy and Regional Integration; Governance; Infrastructure; Manufacturing; Service Economy; Women Agenda; Social Protection; Sports, Culture and Arts; and Youth Empowerment and Development Agenda.

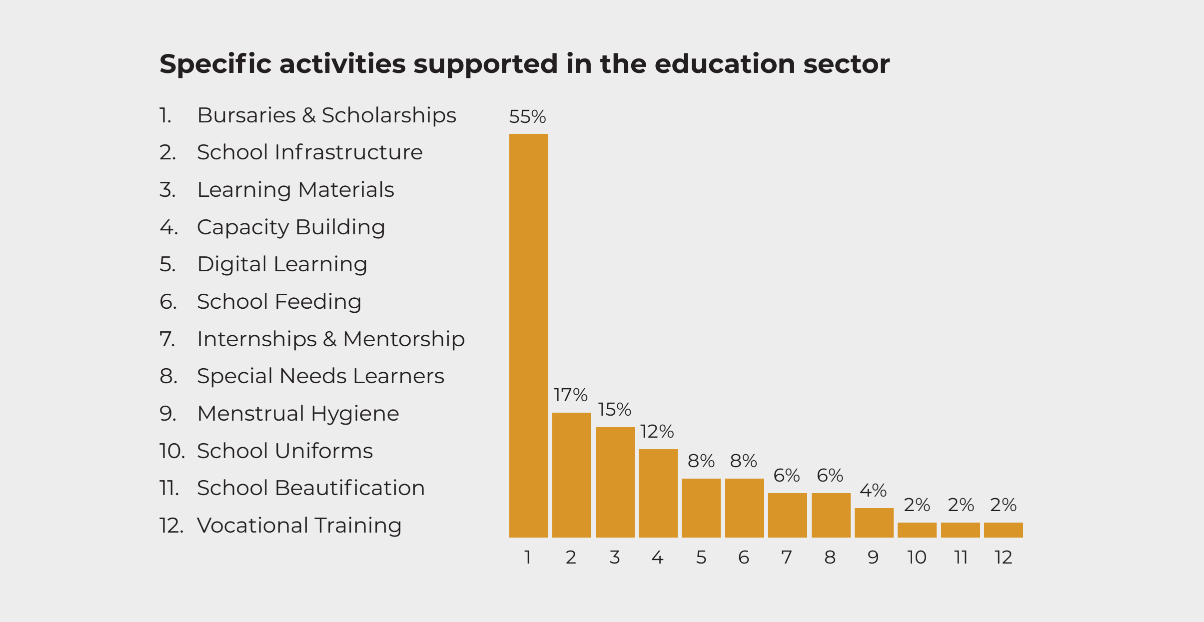
Education Sector

Specific activities funded in the education sector

Scholarships (55%), school infrastructure (17%), and learning materials (15%) were the most funded activities in the education sector. Vocational training is least funded despite its importance in creating employment for the youth.

Triad Foundation Community Education Support

Figure 18: Programs supported in education



Progress in the sector

In the education sector, the government aims to implement curriculum reforms, expand education infrastructure, integrate ICT, improve special needs education inclusivity, and strengthen the linkage between education and industry. However, the education sector continues to experience funding gaps.

For example in the 2021 budget the Free Day Secondary Education program was underfunded by KES 10 billion and TVET programs lacked funding for capitation (school fees), resulting in insufficient support for enrolled students.

BETA Priorities in Education

1. Committed to equitable education
2. Curriculum review
3. Improve capacity of day secondary schools to reduce cost and increase intake
4. Support school feeding programs to increase enrolment and retention in ECDCs
5. Build and equip TVETs in the remaining 52 constituencies
6. Establish a 1 year paid national internship program for teachers, technical and medical students in partnership with partners

The 2021/2022 Economy Survey and the 2022 Kenya Demographic and Health Survey both highlight the need for increased investment in education in Kenya. The surveys indicate increased enrolment in secondary schools and TVET, relative to pre-primary and primary schools, notwithstanding the lower transition to post-primary education. Moreover, the number of teachers increased in public primary schools, public secondary schools, and teacher training colleges.

Based on this, philanthropic investment can be directed to:

Enhance infrastructure development in rural areas, focusing on primary school and Technical and Vocational Education and Training (TVET) facilities in the remaining 52 constituencies. Prioritize efforts to increase school enrollment in rural areas, considering that 83% of the 7.1 million Kenyans who have never attended school and 74% of the 6.8 million Kenyans who dropped out of school are from rural areas, as indicated by the 2019 Census.

To improve education outcomes, it is crucial to redirect philanthropic programs towards fostering quality education. This involves improving teacher training and offering inclusive scholarships, ensuring accessibility not only for top-performing students but also for those with lower grades. Consider exploring additional avenues such as loans and bursaries to support students, particularly as the availability of loans and bursaries from institutions like the Higher Education Loans Board (HELB) decreases. Philanthropic support can play a vital role in enhancing access to higher education for underprivileged students.

Promoting access to digital training is vital for empowering youth to secure digital jobs. It is crucial to invest in enhancing girls' enrollment in education, considering the significant challenges faced by women without education, such as disability, poor maternal care outcomes, and lower child development milestones. Additionally, educating young men and women without schooling is essential for imparting knowledge about HIV prevention. Philanthropy can play a pivotal role in addressing these educational and healthcare concerns.

Kenya Population and housing Census 2019
Kenya demographic and health survey report (KDHS)2021/2022
Economic survey 2021/2022 by KNBS

Health Sector

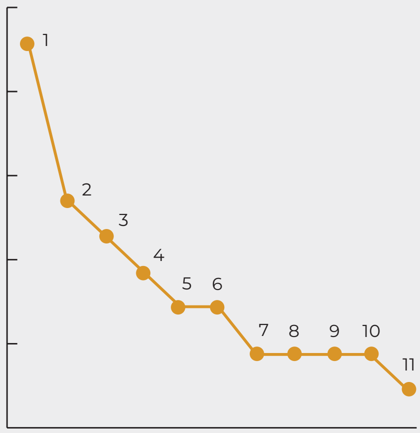
Specific activities funded in the health sector

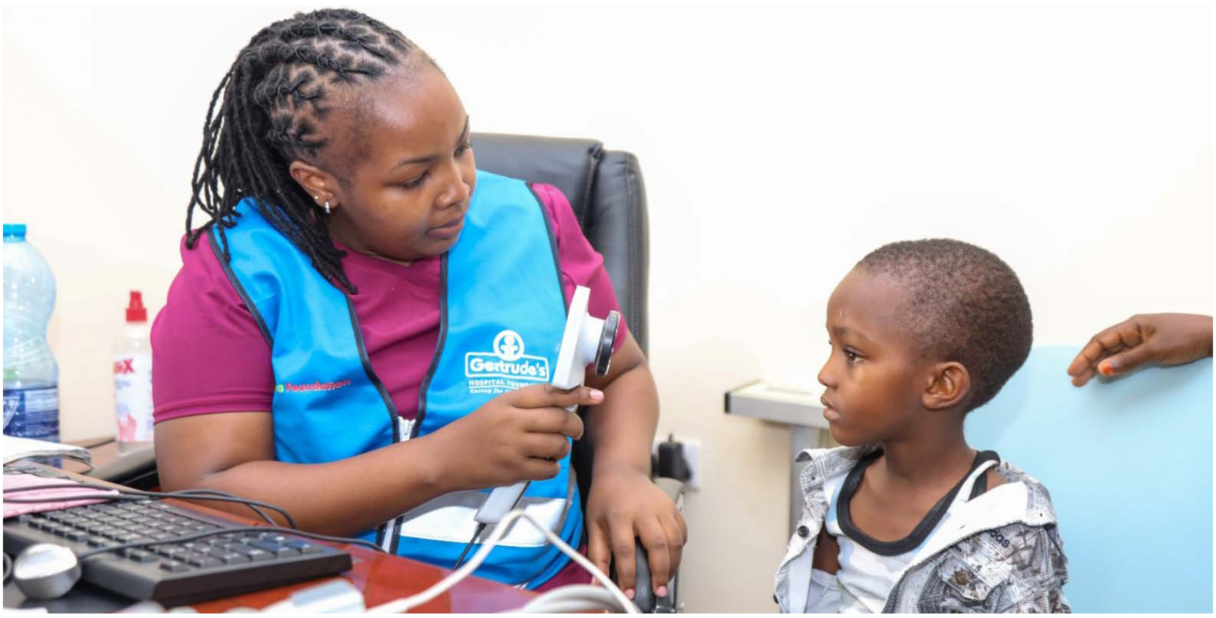
The most supported activities in 2021 included medical sponsorships (32%), medical supplies (19%), capacity building (16%), NTDs (13%), medical infrastructure (10%) and disease awareness creation (10%). The areas receiving less funding were disease testing; health systems strengthening; policy advocacy; medical camps and mobility devices for disabled.

Figure 19: Funded programs in the health sector

Specific activities supported in the health sector

1. Specialized healthcare & bills
2. Medical supplies
3. Capacity building
4. Neglected tropical diseases
5. Disease awareness creation
6. Medical infrastructure
7. Disease testing
8. Health system strengthening
9. Policy advocacy
10. Medical camps
11. Mobility devices for disabled





The Daktari Smart Telemedicine Program in Lamu

BETA Commitments - Health Sector

1. National health insurance for all,

2. Employing and paying community health workers,

3. Employment of 20,000 healthcare workers,

4. Establishing an emergency medical treatment fund,

5. Setting up a commission for human resources for health

6. Harmonise the terms of employment for all healthcare workers

7. Set aside Sh50 billion for Kenya Association of Retired Officers medical schemes

8. Integrating preventive and promotive services,

9. Setting aside a seed deposit of KES 100Bn for strategic programs such as TB, Cancer,

10. Ring-fencing funds for healthcare,

11. Reducing treatment costs,

12. Building up the supply chain management system (KEMSA) to ensure efficiency and accountability in the medical supplies to all health facilities,

13. Integrating ICT systems to enhance telemedicine and HMIS, operationalising a national health information system,

14. Eradicating malnutrition within five years

Progress in the sector

According to the KDHS 2022, Kenya has seen steady improvement in vaccination coverage, delivery assistance, nutrition in children under 5 years over the years.

There is also is high usage of treated mosquito nets and high awareness of Tuberculosis (TB) and Human Immunodeficiency Virus (HIV).

Progress has been made in reducing neonatal mortality and under-5 mortality based on the SDGs, although the pace of improvement is not as rapid as desired.

The health sector in Kenya, aligned with the Vision 2030 development agenda, aspires to attain universal health coverage. However, it faces challenges as government funding remains low, constituting about 6% of the national budget, falling short of the 15% benchmark set by the African Union. Additionally, the sector heavily depends on donor funding, rendering it continuously susceptible to external shocks.

In addition, the National Cancer Control Strategy estimates that the number of new cancer cases will rise by over 70% over the next two decades.

Kenya has piloted key system shifts in implementing Universal Health Coverage (UHC) at the county level. These shifts include a demand-driven healthcare system tailored to the community's needs, different health financing models such as social health insurance, and health system strengthening measures such as human resource management and quality improvement initiatives. However, challenges faced in piloting UHC include inadequate infrastructure, limited funding, and a shortage of healthcare workers.

Data shows that **rural counties** have the lowest rate of births delivered by a skilled provider:

59% - Tana River; **57%** - Samburu
57% - Wajir; **55%** - Mandera
53% - Turkana

Highest **unmet need** for family planning:

38% - Marsabit; **34%** - Tana River
30% - West Pokot; **29%** - Samburu
27% - Siaya; 27% - Isiolo

One of the major challenges facing the health sector in Kenya is its over-reliance on donor funding, which makes it vulnerable to external shocks. For example, when the United States President's Emergency Plan for AIDS Relief (PEPFAR) stopped funding for blood transfusion services, there was a severe blood shortage in Kenya. Similar instances have occurred in the management of Malaria, TB, and HIV. Additionally, the health sector is decentralised, and counties that lead the execution of health sector projects continue to face operational challenges.

There are opportunities for further investment in the health sector.

According to the 2021/2022 Economy Survey, the number of registered health professionals has increased, while the number of health facilities has decreased by 3.2%. Further investment could include building more health facilities, focusing on infrastructure for mental health and non-communicable diseases, improving the quality of maternal and child health services, and improving access to healthcare in rural areas.

It is important to highlight that in 2022, Kenya had only 8.3 nurses per 10,000 population, falling significantly below the World Health Organization's (WHO) recommendation of 25 nurses per 10,000 population. Philanthropic endeavors have the potential to contribute to the increase in the number of nurses in rural areas. This would result in improved healthcare access and quality for rural communities, ensuring that they have access to skilled healthcare providers for essential services like pregnancy and delivery, as well as antenatal care (ANC) visits and supplementation.

To support the operationalisation of UHC at the county level, it is important to increase the uptake of health insurance in rural areas, as according to the 2019 Census, the rate of health insurance uptake in rural areas is only half of that in urban areas. This could include increasing the number of vulnerable people accessing health care through social health insurance, such as the elderly and people living with disabilities, as well as supporting county governments in equipping and financing human resources, specifically community health promoters.

2021/2022 Economic survey by KNBS
Ahmat, Adam et al. "The health workforce status in the WHO African Region: findings of a cross-sectional study." BMJ global health vol. 7,Suppl 1 (2022): e008317. doi:10.1136/bmjgh-2021-008317
Kenya Population and housing Census 2019

Environment Sector

Specific activities funded in the environment sector

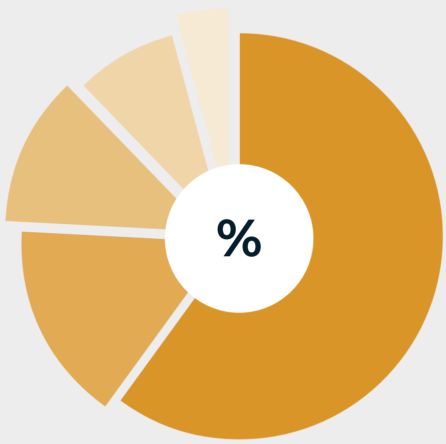
Predominantly, philanthropy in the environment sector mainly supports tree planting activities (60%), aligning with government priorities. Other funded activities include natural resource conservation (16%), renewable energy (12%), policy advocacy (12%), and wildlife conservation (12%). Nevertheless, funding for these additional activities is notably lower compared to tree planting.

I&M Foundation tree planting exercise

Figure 20: Funded programs in environment

Specific activities supported in the environment sector

- **60%** Tree planting
- **16%** Natural resource conservation
- **12%** Renewable energy
Policy advocacy
Wildlife conservation
- **8%** Waste recycling
Climate change
Reducing carbon emission
- **4%** Beautification
Tree nursery establishment
Environment conservation awards



Progress in the sector

In the environmental sector, Kenya aims to increase forest and tree cover from 7.4% to 20% by 2030.

The 2019 census highlights that despite significant progress made in expanding access to electricity and clean cooking solutions, a significant proportion of households still depend on non-renewable energy sources such as firewood for cooking and electricity mains for lighting. Several factors contribute to the slow adoption of clean energy technologies, including limited awareness of their benefits, high upfront costs, and inadequate infrastructure for distribution and maintenance.

BETA Priorities in Education

1. Focus on 3P (people, planet, profit)
2. Grow over 15 million trees every year for the next 5 years
3. Encourage and enhance community-based recycling to create jobs

Opportunities for further investment in environment

In the environmental sector, there are several opportunities for philanthropic investment. These include:

- As a starting point, Philanthropic organizations should develop and implement policies to mitigate climate change in the areas they operate.

- Expanding initiatives that reduce the reliance on non-renewable energy sources.

- Developing innovative financing models for community projects on renewable energy and building necessary infrastructure.

- While tree planting is a common focus of philanthropic investment in the environmental sector, it is important to remember that efforts should not only focus on planting trees but also on their maintenance and care. This can be achieved through partnering with communities to ensure long-term sustainability. Therefore, philanthropic organizations should increase their efforts in supporting tree planting while also focusing on their maintenance and care.

Kenya National Bureau of Statistics. (2019). Kenya population and housing census. Volume IV, Pages 330-349.

Water and Sanitation Sector

Specific activities funded in the water and sanitation sector

In the water and sanitation sector, philanthropic investment in 2021 by the sample focused on clean water supply (35%), water supply infrastructure (35%), and water treatment (12%).

Figure 21: Funded programs in water sector

Specific activities supported in the water sector

35%	- Water supply - Water supply infrastructure
12%	Water treatment
6%	- Preservation of water -Water fund contributions Policy advocacy

Safaricom's Ndoto Zetu program support to community water access

Progress in the sector

The 2022 economic survey reported that development expenditure for Rural Water Supplies was expected to increase from Kshs 2.4 billion to Kshs 3.5 billion as the government invests more in rural water projects. Further, water and sanitation priorities of the fourth Medium Term Plan 2023-2027 of Vision 2030 focus on:

- **Enhances access to water and sanitation by rollling out the last mile water and sewerage connectivity**
- **Transitioning from linear to circular economy in waste management, and reduction of Greenhouse Gas Emissions**

Opportunities for further investment in water and sanitation.

Arid and semi-arid rural areas are especially vulnerable to risks related to improper water and sanitation management.

UNICEF reports that achieving universal access to drinking water and sanitation in Kenya by 2030 will be challenging due to insufficient investment, population growth, and climate change.

Arid and semi-arid counties face the most water and sanitation challenges. For instance, Turkana (68%) and Samburu (65%) counties have the highest rates of open defecation in the country.

Philanthropy can aid in elevating investment and outcomes for water and sanitation, as well as invest in waste management, given that 5 million Kenyans practise open defecation and 27.1% burn waste in the open. Hygiene education investments can improve health outcomes as only 25% of Kenyans had hand-washing facilities with soap and water in their homes, and 9.9 million drank from contaminated surface water sources.

Kenya National Bureau of Statistics, Economic survey, 2022, page 183 (rural water expenditure)
UNICEF, 2020, Water,sanitation and hygiene webpage

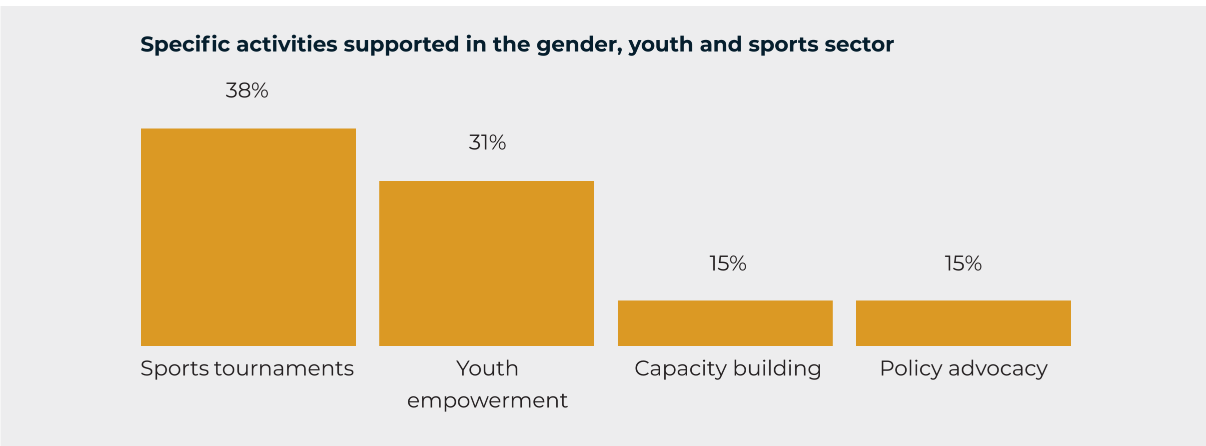
Gender, Youth, Sports and Culture Sector

Specific activities funded in the gender, youth, sports and culture sector

In 2021 philanthropic investments were made in sport tournaments (38%), youth empowerment programs (31%) and capacity building (15%). These activities align with some of the Vision 2030 MTP IV (2023-2027) priorities, including building capacity in the sports industry, promoting Kenya's positive and diverse heritage and culture, and developing and nurturing talents in the creative and performing arts industry.

Empowering young people through community sport

Figure 23: Funded programs in gender, youth, and sports sector



Progress in the sector

The 2019 census shows that young people aged 15-34 years old make up 35% of the population, with the majority living in rural areas (62%) though the urban youth population is growing at a rapid rate.

The demographic also suffers high levels of unemployment and underemployment despite high levels of education. The government's Vision 2030 Medium Term Plan IV (2023-2027) aims to create sustainable and decent employment opportunities for youth and improve labor market efficiency.

BETA Priorities in the Youth and Creative economy

1. Focus in developing the digital economy

2. Enhance TVETs for skills development

3. Employment through ICT, Agriculture and affordable housing

4. Building the Creative economy

5. Mainstream the Arts & culture infrastructure

6. Identify incentives and support required

Kenya has a diverse youth population with different levels of education, social status,, gender, and origin. A World Bank Youth report identified that the impact of unemployment varies among youth and that employment opportunities also differ. It is necessary to invest in specific segments of the youth population to make interventions more effective.

According to the World Bank report and 2019 census, the age group 18-24 age group is significantly impacted by unemployment, with approximately 700,000 individuals having primary or secondary school certificates.

A considerable portion of youth from low-income households, with limited or no education, encounters limited opportunities and high rates of unemployment, particularly in the age range of 15-20. Additionally, unemployed rural youth experience difficulties securing jobs within rural areas, prompting migration to urban centers. Moreover, female youth encounter discrimination in the labor market and are inadequately represented in formal employment, especially in rural areas.

Philanthropic organizations have a chance to collaborate with the government in supporting initiatives aimed at job creation, particularly in sectors like creative arts, entertainment, and sports under the Bottom-up Economic Transformation agenda (BETA). Additionally, they can establish internship programs within the philanthropy sector to enhance job opportunities for young graduates.

County development context

In 2021-2022, several counties in Kenya faced multiple challenges that affected their economic and social development. The foremost among these challenges were the Covid-19 pandemic, drought, and cholera outbreaks.

According to the Kenya National Bureau of Statistics, by the end of 2021, the total number of Covid-19 cases in Kenya had surpassed **250,000, with over 5,000 deaths recorded**. The pandemic led to the imposition of restrictions on movement, which affected economic activities, particularly in the service sector. The lockdowns also affected education, with schools being closed for extended periods.

As a result, many students, especially those from low-income families, faced difficulties accessing quality education. Furthermore, the pandemic had a significant impact on the healthcare system, leading to shortages of medical supplies and personnel, thereby worsening the situation.

County Integrated Development Plans (CIDPs)

The SDGs and Vision 2030 have been integrated into County Integrated Development Plans (CIDPs) in Kenya. These plans outline development priorities and strategies for each county over a five-year period to ensure that they contribute to the national development agenda. County Development Boards (CDBs) have been established to oversee the implementation and alignment of CIDPs with national development frameworks. The plans are responsive to the needs of local communities through public participation and stakeholder consultations led by county governments. Aligning philanthropic giving to CIDPs offer an opportunity for further impact at the county level.

In addition, several counties in Kenya experienced severe drought during 2021-2022. According to the National Drought Management Authority, over 2.1 million people were affected by drought in 23 counties, which later increased to 4.4 million by the beginning of 2023 with the worst-hit areas being in the north-eastern, eastern, and coastal regions. The drought led to food insecurity, with many households facing shortages of food and water.

The situation was exacerbated by conflicts over scarce resources, leading to displacement of people and increased vulnerability. Furthermore, during this period, there were outbreaks of cholera in several counties, mainly due to a lack of access to clean water and sanitation facilities.

Since the confirmation of the first case of cholera on 8 October 2022, the cumulative number of suspected cases as of 16 April 2023 were 8,960. The cumulative deaths since the beginning of the outbreak were 142. Most cases, 3 114 (35%) affected children under 10 years old. The outbreak affected 16 counties: Nairobi, Kiambu, Nakuru, Uasin Gishu, Kajiado, Murang’a, Machakos, Garissa, Meru, Nyeri, Wajir, Tana River, Kitui, Homa Bay, Mandera and West Pokot counties.

Food distribution activity in 2023

Summary of Findings

In conclusion, this chapter provides a detailed analysis of the distribution of philanthropic funding across key development sectors in Kenya and highlights the significant role philanthropy plays in supporting development efforts in the country.

This chapter further identifies funding gaps in these sectors and proposes areas for increased philanthropic investment. Key findings and recommendations are summarized below.

Philanthropy plays a significant role in Kenya, primarily supporting education, health, environment, water and sanitation, and agriculture. A closer analysis reveals varying degrees of alignment and gaps in these sectors. There is good alignment for education and health, fair alignment for environment, water and sanitation, sports, art and culture, and weak alignment for population, urbanization, housing, as well as gender, youth, and vulnerable groups. Despite the government's development agendas facing challenges from external shocks and funding gaps, opportunities for investment exist. These include enhancing access to post-primary education, improving teacher training, investing in girls' education, and enhancing healthcare coverage.

Opportunities for rural development, especially in education, water and sanitation, healthcare, and social protection and justice, are plentiful. Efforts to increase school enrollment should focus on rural areas, and strengthening social protection and justice systems can help reduce gender-based violence in these regions. In 2021-2022, various Kenyan counties faced challenges such as the Covid-19 pandemic, drought, and cholera outbreaks. The swift response from the philanthropic sector highlighted its versatility and the power of the private sector and philanthropy to mobilize resources, expertise, and know-how. This underscores the potential for increased collaboration and coordination with the government and other partners to address national challenges and implement innovative solutions on a larger scale.

Books donation by Nation Media Foundation

Case Study 3

Synergy for Change: KCB Foundation's Corporate Social Investment Advancing National Goals

Introduction

This case study explores the approach and impact of the KCB Foundation, the corporate social investment arm of the KCB Group, in addressing societal challenges and contributing to sustainable development in Kenya. In an interview with Caroline Kihara the Head of KCB Foundation, we delved into the foundation's mode of partnering with the government, its selection and management of interventions targeting vulnerable groups and value chains, the focus on evidence-based corporate social investment,and responsiveness to emerging needs such as the COVID-19 pandemic and the 2022 drought.

KCB Foundation's Scholarships for young people

Organization type: Corporate Foundation

Website: https://kcbgroup.com/foundation/
Founded: 2007
Staff size: 50

Objective: As a good corporate citizen, the KCB Bank Group is committed to sustainable development, prosperity and poverty reduction to address the hardship, high poverty levels and interconnected challenges that affect communities in Eastern Africa.

Background and Purpose

Founded in 2007, the KCB Foundation operates as the social capital holder for the KCB Group. Recognizing the impact of societal problems on the communities where its branches are located, the foundation was established to address key challenges and drive positive change. It focuses on uplifting youth and women by providing educational opportunities, promoting entrepreneurship, and supporting sustainable agriculture ventures.

Key programs and interventions

The foundation's flagship scholarship program was launched in 2007 to address low secondary school transition rates. Starting with 240 students, over the years, the program has expanded to support 1,000 students annually. From 2021 triggered by an impact survey, the foundation extended the scholarship program to cover post secondary, with a focus on ensuring 100% transition to university and TVETs for qualified students. To empower graduates beyond university, the foundation introduced an apprenticeship program to facilitate their entry into the job market.

Another significant initiative, the Mifugo Ni Mali program was established in 2014 with the primary goal of enhancing livestock productivity among farmer producer organizations in arid and semi-arid counties in Kenya, where 80% of Kenya's land falls into this category. Livestock plays a crucial role in the livelihoods of communities in these regions.

The program extends its focus beyond livestock to encompass other sustainable agricultural ventures. Currently operational in 20 counties, the program provides various interventions to support farmers. These include access to finance through cooperatives, market access partnerships with entities like Kenya Meat Commission and Choice Meats, and training in animal husbandry and value addition to commercialize by-products like milk and hide.

Capacity building for the farmer producer organizations is also a significant aspect, covering topics like cooperative management, bookkeeping, and smart farming practices. Additionally, climate change initiatives have been integrated into the program to address the challenges arising from changing weather patterns.

Initially launched for semi-arid and arid areas, the program expanded its reach to other parts of the country, including involvement in the blue economy. Collaborating with beach management units in Kisumu, the program now works with fishermen to promote sustainable fishing practices and help them view fishing as a viable economic activity capable of supporting their families' needs and investments.

Finally, Tujiajiri, launched in 2016 as a response to youth unemployment, provides vocational and enterprise development skills to young individuals in Kenya. The program operates in partnership with Technical and Vocational Education and Training (TVET) institutions and other training organizations.

It takes the youth through three stages: three to six months of technical training, followed by a similar duration of industrial attachment, and finally, six to twelve months of business incubation.

The goal is to empower young people to become self-employed entrepreneurs and create sustainable businesses. Tujiajiri targets various sectors, for example creative industries, boda-boda, digital spaces, manufacturing, and construction, based on the preferences of the youth.

Through this program, over 3,047 businesses have been incubated, and access to finance, industry-specific toolkits, and business development support have been provided to facilitate their growth and success. The program collaborates closely with county governments for student selection and to ensure broad representation and effective implementation.

Ubuntu program, encouraging Volunteerism among Staff and Alumni

The KCB Foundation leverages the resources and network of the KCB Group, actively involving staff members as volunteers and mentors in various initiatives. The staff volunteer program encourages hands-on engagement and rewards employees with a day off for their contributions. Financial contributions from staff are matched by the foundation, ensuring that both time and financial resources contribute to social impact.

Responsiveness to Emerging Needs

During the COVID-19 pandemic, when schools were closed, the foundation recognized the vital need for students from underprivileged backgrounds who relied on the stipend provided under the scholarship program. In response, the foundation promptly intervened by providing each student with 2,000 shillings, making a difference for needy families. The foundation's adaptability and resilience shone through as they swiftly transitioned programs like Tujiajiri to online platforms, ensuring uninterrupted support to the beneficiaries.

Additionally, in response to the 2022 drought, the foundation collaborated with other partners in the Pamoja Tuungane initiative to extend emergency assistance worth 150 million shillings. This aid included cash transfers and long-term solutions, such as drilling 10 boreholes in Wajir and Marsabit, as well as providing irrigation kits to help farmers cope with the challenges posed by irregular rainfall patterns.

Partnering with the Government

To engage with the government effectively, the KCB Foundation follows a structured approach, starting by aligning with the relevant national ministry and closely working with county governments for program implementation. Co-creation plays a pivotal role in their approach, involving a technical committee with representatives from the foundation, government, and other stakeholders to develop an MOU with defined roles and responsibilities. The process of formalizing the partnership and implementing programs is proactive, taking around three weeks for the recent Talanta Hela program. An illustrative example of the foundation's inclusive approach is seen in their implementation of an intervention using RFID technology for livestock tagging, where they collaborated with the Kenya Veterinary Association, engaging representatives from the national and county levels.

Caroline emphasized the role of the foundation as complementing and adding value to the government's initiatives, focusing on areas aligned with the foundation's programs and funding interventions accordingly. Understanding the government's agenda and priorities is crucial for effective engagement. Caroline's advice to other foundations and philanthropies is to identify opportunities to contribute and align their interventions with existing government programs, thereby creating meaningful impact through collaborative efforts.

Conclusion

The KCB Foundation's success lies in its structured approach to collaborating with the government, impactful interventions for vulnerable groups, and encouragement of volunteerism among staff and alumni. By staying responsive to emerging needs and prioritizing evidence-based corporate social investment, the foundation has achieved significant social impact and is poised to continue empowering communities and fostering sustainable development in Kenya and beyond.

KCB Foundation meeting the High school Scholarship beneficiaries

A snapshot of the Scholarship Program:

5,000 scholarships granted since its inception from an initial cohort of 240 students in 2007

99% secondary school completion rate

84% university qualification rate. For those who do not qualify for university, the program offers scholarships to other tertiary institutions, ensuring continued educational opportunities

KSH 1.2 Billion invested since its inception

10% of scholarships are awarded to people living with disabilities

Over 1,000 staff volunteers involved as mentors

An alumni club was formed in 2022 to encourage past students to engage in philanthropy

President William Samoei Ruto at KCB Foundations 2023 2jiajiri graduation

A snapshot of the Mifugo Ni Mali Program:

11,865 jobs created

1,695 livestock farmers and 200 livestock groups trained and supported

140 Million Shillings in access to finance: A total of 45 farmer producer groups received financial support amounting to 140 million shillings, fostering financial inclusion and business growth

Mobilized deposits of 65 Million Shillings to the bank after financial literacy training for 77 farmer producer organizations

1,500 new accounts

KCB Foundation 2jiajiri program graduation

A snapshot of the 2jiajiri Program:

240 Million Shillings dispersed to unlock access to finance for young entrepreneurs

102,679 jobs created through the incubation and support provided to entrepreneurs

43,840 young people trained of which 8,500 participants trained through Mastercard Foundation's Young Africa Works Initiative, and 3,500 Participants through German Development Corporation (GIZ) under the E4D program

400 young people trained in collaboration with the Kenya Maritime Authority and the county government of Mombasa

150 Boda Boda Riders trained targeting a shift to electronic bikes

918 business toolkits provided

Faustina Fynn-Nyame

Director, Africa
Children's Investment Fund Foundation

Article

Catalysing Change: The Potential of African Philanthropy

In the realm of philanthropy Africa stands at a crossroads yet presenting a unique landscape of opportunities. As the launch of the Kenya "State of Philanthropy Report" brings together influential foundations such as the Safaricom Foundation, Chandaria Foundation, Mastercard Foundation, Rockefeller, and my organisation, the Children's Investment Fund Foundation (CIFF) amongst others, it prompts a critical examination of the state of African philanthropy and its potential to bridge the Sustainable Development Goals (SDGs) financing gap to accelerate Kenya's social development, and Africa's at large.

The SDGs provide a roadmap for global development. However, a persistent and growing financing gap threatens their realisation. With 2030 fast approaching, Africa is on course to meet only two of the 17 SDGs with an estimated annual SDG financing gap of about $194b between now and 2030 according to the Organisation for Economic Co-operation and Development (OECD). This growing and yawning financing gap means that more Africans will slip into economic vulnerability and our social challenges potentially becoming insurmountable.

CIFF recognises that this situation has been further exacerbated by an increasingly young African population, declining aid, and swelling public debt, all which have led to decreased per capita funding towards addressing social challenges. A 2020 report by AVPA, The Africa Landscape, https://avpa.africa/landscape-reports-home/ shows that aid to Africa declined by as much as 30% over a 5-year period. Since then, Africa has seen further foreign aid cuts, while acknowledging that most of the philanthropic and while there has been some foreign impact capital on the Continent, it has been limited.

Deworming children across Africa

What is clear is that philanthropies like CIFF on our own, will not solve the Continent's challenges. We need private capital participation, where the supply of resources more than meets the requirements to solve the SDGS: $4.3t needed globally vs $430t in global financial and capital markets. At the same time, philanthropy should optimise its value proposition within public financing prioritisation. Philanthropy has the potential to be the most significant ingredient in this equation because it can provide de-risking capital to help catalyse crowding-in of dormant private capital into the social impact space, as well as accelerate the speed and scale of public financing impact.

The current situation on the state of African Philanthropy

In examining the current state of philanthropy in Africa, it is crucial to analyse major trends and data points. There is a discernible shift in patterns, with a decline in development aid and the realisation that conventional development financing models are limited in addressing the complex challenges posed by the SDGs. Their short-term focus often leads to misaligned investments, failing to meet not only the complexity of the problem, but also the sustained impact and financing needed for SDG progress. We need adaptable and innovative financial frameworks that can respond to the ever-evolving global development needs to effectively address the multifaceted demands of the SDGs. These frameworks are crucial for achieving sustainable and inclusive growth. A prevailing trend across the continent is the enduring dominant practice of ad hoc and informal philanthropy, stemming from a reluctance to establish formal institutions due to sensitivities around wealth sources and tax implications for the local philanthropists. Consequently, there is significant underreporting of the breadth and depth of both institutional and individual philanthropy on the continent. One of the most noteworthy developments is the emergence of a new generation of high-net-worth individuals hailing from the rapidly growing African economies. The 'Sizing the Field' report by the East African Philanthropy Network (EAPN) highlights the prevalence of business leaders among identified philanthropists in Kenya, standing in contrast to countries like South Africa, where the majority are established family philanthropies. Family offices are mostly found in South Africa with very few in other countries.

The data illustrates that Kenya's business leaders are more inclined to integrate their philanthropic efforts into their business activities, posing challenges in tracking beyond the conventional corporate social investment (CSI) motivated corporate giving. Their focus lies in directly applying skills and resources to drive sustainability and scale for social good. This presents an intriguing contrast to Nigeria, where High-Net-Worth Philanthropists maintain a distinct separation between their business activities and personal philanthropy.

The Landscape of Large-Scale Giving by African Philanthropists in 2020 report by Bridgespan, revealed that from 2010 to 2019, 81 percent of the sixty-four large African gifts (by number of gifts) were given within a donor's own country while cross-border giving was mostly in response to disasters such as Ebola and COVID. Outside humanitarian efforts, there is also extraordinarily little, if any collaboration, amongst our High-Net-Worth Individuals or philanthropic efforts on the continent to mobilise big capital for large scale impact. Another important development in African philanthropy is the increasing focus on trust-based relationships. Unlike in more established markets, trust plays a vital role in shaping philanthropic endeavours in Africa, impacting the allocation of resources and the formation of partnerships. As trends such as localisation and power shifts gain momentum within Pan African movements, it is undeniable that the historical power imbalances prevalent in philanthropy on the continent need to be revisited, allowing for more African voices in the solution design and resource allocation.

Unique Aspects of African Philanthropy

African philanthropy presents unique features that must be taken into consideration for example, Bridgespan, in their 2021 report on Disparities in Funding for African NGOs, highlights that over the past decade, African donors directed just 9 percent of large gifts (by value) vs 14% by non-African donors. Secondly, in contrast to more established markets such as the US where philanthropy giving is from wealth, African philanthropy is from income thus rendering it more sensitive to economic cycles and global events. Lastly, there is a general perception that Africans are not philanthropic – this is not true. African philanthropy is simply different and very familial in support of needy family members. Africans are also very generous to their religious organisations. Unconfirmed information says that, for example, Kenyans give ~$60m to the church every Sunday (~Kshs 90b). Can we even imagine the scale of what is happening in Nigeria, Ghana, or South Africa?

For CIFF, these unique distinctions have underscored the necessity for a nuanced approach to our co-financing and philanthropic strategy in Africa, considering its distinctive economic and cultural dynamics. For example, what role could the church play in addressing the SDGs, e.g., youth unemployment, as a faith-based investor?

Evolving Role of Philanthropy: Beyond Traditional Giving

As we face the myriad of growing social issues from the impact of climate change to growing youth unemployment, declining aid, and growing public debt, there is a realisation that philanthropy/aid on its own will not be enough to meet our 2030 SDG targets.

Collectively, Africa's governments must enable philanthropies to catalyse more African giving and de-risk systemic solutions for greater private sector involvement and investment into social issues. Philanthropy with its greater appetite for risk can, by providing the missing/limited grant capital, drive innovation and scaling of solutions by testing new geographies/markets, products, services, and business models that can, once proven, be scaled by private capital. Equally, innovative financing mechanisms such as development/social impact bonds, may leverage greater public financing impact alongside philanthropic capital.

This requires Philanthropy in Africa to evolve beyond traditional grant making into catalytic investing where it now serves as a catalyst for transformative change by investing alongside private capital or public finance or both, for sustainable growth and impact. This does not mean that Philanthropy abandons its current mandate, but instead adds catalytic investing to its portfolio.

Recommendations: Nurturing the Seeds of African Philanthropy

To harness the full potential of African philanthropy, an opportunity that CIFF continues to advance, stakeholders could consider the following recommendations: -

1. Build the ecosystem of social financing to scale the opportunity for Africa's giving as well as connect the continuum of social investors on the continent.

2. Be intentional about fostering collaboration among foundations to mobilise large pools of capital for greater and scalable impact. Adopt the concept of collaborative philanthropy or catalytic pooled funds.

3. Be deliberate about collaboration with non-traditional partners such as the private capital providers.

4. Comfortably pursue a mind-set shift towards a dual-bottom-line of social and economic returns to sustain and scale social financing impact. Emerging social impact delivery models like social enterprises provide more sustainable social solutions.

5. Upskill our impact competencies in innovative social finance and catalytic capital investing and explore how we can multiply impact and leverage with grants – for every $ deployed.

6. Support Governments to see themselves as catalytic investors, providing risk capital to unlock additional investments.

7. Advocating for supportive regulatory frameworks.

8. Enhancing transparency to build trust.

In conclusion, the launch of the Kenya "State of Philanthropy Report" serves not only as a reflection of the current landscape but also as a call to action. African philanthropy has the power to be a transformative force, catalysing change, and addressing the SDG financing gap. By understanding its unique dynamics, embracing trust-based relationships, and pursuing catalytic capital models, philanthropy in Africa can truly unlock its potential for the greater and sustainable good of the continent, and for children.

CHAPTER 4

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) provide a comprehensive framework for addressing the world's most pressing social, economic, and environmental challenges. Kenya's progress towards the UN's SDGs has been localised at the county level.

How Counties Operationalise SDGs

Mainstreaming SDGs at a regional level is operationalised through the five-year County Integrated Development Plans (CIDPs), though success and commitment vary by county.

In 2019, five counties – Kwale, Busia, Kisumu, Marsabit and Taita Taveta – voluntarily developed local reports on SDG implementation. County governments that meet their annual Own-Source Revenue (OSR) targets have more fiscal capacity to finance SDG-related projects than those that face periodic fluctuations or fail to meet more than 50% of their OSR targets.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 universal goals & targets adopted by United Nations member states in 2015 to achieve sustainable development across the world. The SDGs cover areas such as poverty, education, health, gender equality, and climate action. For stories on successful county projects, see the Council of Governors' (CoG) Maarifa Center.

Where is philanthropy giving?

Majority of organisations (87%) have already aligned their philanthropic activities with the SDGs. Figure 24 shows that SDG 3 (Good health and wellbeing; 65%) and SDG 4 (Quality education; 74%) were the SDGs that most organisations invested in. The two least-supported were SDG 14 (life below water; 8%) and SDG 12 (responsible consumption and production (10%).

SGD Reference Chart

Figure 24: Alignment of philanthropy investment in the SDGs

Progress of the SDGs in Kenya

P&G enhancing SDG 5 through provision of Sanitary Pads

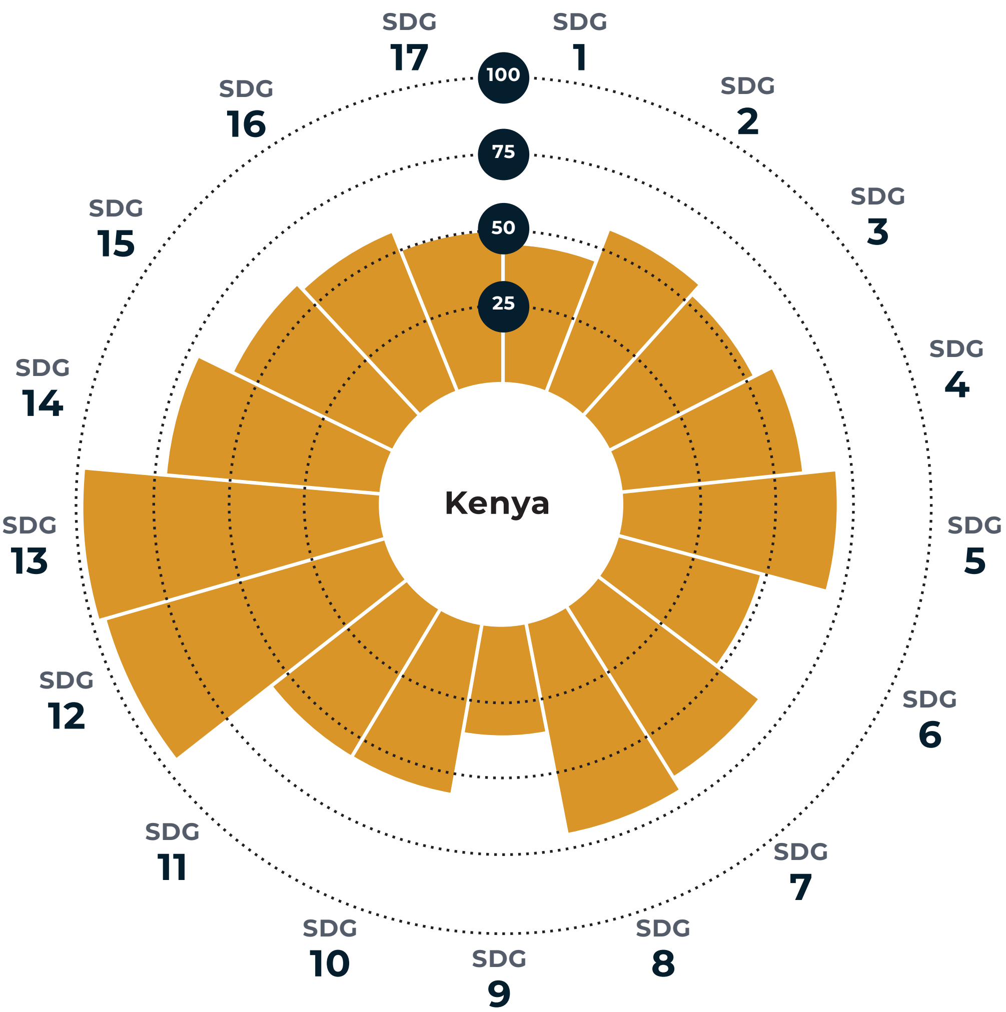
According to the sustainable development report, Kenya's SDG index score in 2022 was 61%, ranking it 118th out of 163 countries, indicating 61% progress towards achieving all SDGs Kenya is excelling in SDG 12 (responsible consumption and production) and SDG 13 (climate action), while falling behind in SDG 1 (no poverty), SDG 6 (clean water and sanitation), and SDG 9 (industry, innovation, and infrastructure).

Opportunities for further investment

Our study pinpointed health (SDG3) and education (SDG4) as the key areas for philanthropy. The chart below illustrates Kenya's modest progress in these areas, emphasizing the ongoing need for sustained support.

Specific health indicators such as maternal mortality rate, neonatal mortality rate, adolescent fertility rate, and universal health coverage index of service coverage have major challenges, while participation rate in ECD is a key challenge in education.

Average performance by SDG



Source: dashboards.sdgindex.org/profiles/kenya

Furthermore, Kenya's progress towards achieving global goals requires further investment in SDG 1 (no poverty), SDG 6 (clean water and sanitation), and SDG 9 (industry, innovation, and infrastructure).

According to the World Bank, over 36% of Kenyans live below the poverty line, making poverty a priority area for social good.

Access to basic drinking water services and access to basic sanitation services are two key indicators in water and sanitation that have major challenges and stagnant progress. While access to the internet and funding for research and development lag behind for SDG 9 (Industry innovation and infrastructure).

Seven other SDGs where major challenges remain but indicate comparatively better progress are SDG 2 (zero hunger), SDG 7 (affordable and clean energy), SDG 10 (reduced inequalities), SDG 11 (sustainable cities and communities), SDG 14 (life below water), SDG 15 (life on land), and SDG 16 (peace, justice, and strong institutions). These areas require investment to drive progress towards the sustainable development goals.

Summary of Findings

In conclusion, this chapter highlights the formidable potential of corporate and private giving to address substantial development challenges in Kenya. It illuminates noteworthy and well-recognized examples of initiatives within priority sectors, such as Education and Health, seamlessly aligned with the noble aspirations of the Sustainable Development Goals (SDGs).

Philanthropic investment in Kenya concentrates predominantly on pivotal sectors, including health, water and sanitation, education, and manufacturing. Although Nairobi, Mombasa, and Nakuru attract the most investors, the highest funding is directed towards counties such as Samburu, Vihiga, and Baringo.

Despite reported progress of 61% towards achievement of the SDGs in 2022, challenges persist particularly in SDG 1 , 6 and 9 – which aim to tackle Poverty, Clean Water and sanitation, and Industry, Innovation & Infrastructure respectively. These SDGs focus on hunger, Affordable and Clean Energy, Reduced Inequality, Sustainable Cities and Communities, Life Below Water, Life on Land, and Peace, Justice & Strong Institutions, respectively.

Peter Ndegwa, CBS

Chief Executive Officer,
Safaricom PLC

Article

How the Private Sector in Kenya Can Lead Philanthropic Efforts in the Fight Against Climate Change

The climate crisis in Kenya is an ever-escalating concern, impacting over 9 million Kenyans who are confronting the harsh realities of drought, extreme weather events, and food shortages. The gravity of these challenges is acutely felt in more than 32 counties, including Garissa, Isiolo, Kajiado, Turkana, Kitui, Mandera, Marsabit, Laikipia, Samburu, Tana River, and Wajir. The National Drought Management Authority (NDMA) has classified these regions as being in the "alarm stage," underscoring the severity of the drought emergency. Alarmingly, over 5 million Kenyans urgently require food and access to clean water.

The Private Sector's Philanthropic Role:

The private sector serves as the bedrock of Kenya's economy, contributing significantly to job creation, innovation, and economic growth. In the ongoing battle against climate change, the private sector and philanthropy are pivotal forces, holding the key to our collective ability to adapt to these environmental challenges. It is becoming increasingly evident that these two sectors are instrumental in bolstering Kenya's capacity to address climate change effectively. The private sector in Kenya can take various actions, such as investing in renewable energy projects, supporting climate-smart agricultural practices, developing climate-smart technologies, and advocating for climate-friendly policies at national and international levels. While it's commendable that many businesses have embraced Corporate Social Responsibility (CSR) initiatives and incorporated Environmental, Social, and Governance (ESG) policies, it is clear that addressing climate change requires a more deliberate and enduring strategy.

Safaricom CEO at a Drought response food distribution

This strategy must begin with active engagement with those most impacted—the local communities. It involves understanding their concerns, experiences, current livelihood activities, exploring potential alternatives, and collaborating on innovative approaches.

NSCDR's Role in Climate Change Mitigation:

In October 2022, H.E. President William Ruto recognized Kenya's dire drought situation, leading to the formation of the National Steering Committee on Drought Response (NSCDR) which I currently chair. Our mission was to mobilise the private sector and the Kenyan people to combat the devastating drought. We also acknowledged the importance of addressing medium to long-term water challenges. One of our sustainable approaches includes the repairs and rehabilitation of boreholes in 32 counties across Kenya.

Partnerships have already been inked, with the Kenya Defence Forces (KDF) taking the lead in repairing and rehabilitating 87 boreholes. We've also joined forces with the Millennium Water Alliance to adopt 78 boreholes in Arid and Semi-Arid areas, impacting the lives of over 2 million Kenyans in these regions.

Additionally, NSCDR will support the Kenya Wildlife Service (KWS) by sinking ten boreholes in the Tsavo ecosystem to mitigate the effects of drought on our wildlife.

As Safaricom, we initiated the Africa Business Leaders Coalition to encourage Kenyan CEOs to participate actively in philanthropic green initiatives. Substantial funding has been secured to finance Safaricom's ambitious sustainable growth strategy and cutting-edge technology to combat the challenges of climate change driving Green Growth and Climate Finance Solutions for Africa and the World".

The Africa Business Leaders Coalition is a pan-African CEO-led initiative emanating from the UN Global Compact Africa Strategy 2021–2023. It includes over 55 companies representing $150bn in revenue and over one million employees. It provides a platform for African business leaders to have a unified private sector voice as they actively and meaningfully engage on the continent's most pressing issues through an organised, forward-looking, principles-based approach.

In Conclusion:

It is imperative for the private sector to undergo a transformative shift, focusing not only on profit but also on making a positive impact on our environment. Investments in renewable energy, support for climate-smart agriculture, and the development of eco-friendly technologies are all part of this shift.

As leaders in the private sector, our influence and advocacy can drive significant change. When we collaborate with other private sector entities, including Impact Philanthropy Africa, we can shape a more sustainable and resilient future for Kenya, one that inspires hope for generations to come.

The time for action is now.

Julie Gichuru

Chief Public Affairs and Communications Officer at the Mastercard Foundation

Article

Homegrown Solutions are Key to Africa's Sustainable Progress

As a young journalist, I encountered the harsh reality of a region grappling with severe drought. I witnessed firsthand communities in desperate need of basic necessities like water and medicine. Heavily reliant on aid from government and development agencies. This reality was occasioned by a combination of a history of regional marginalization and the harsh realities of climate change.

One scorching day in Lokichogio, Turkana, in Kenya's arid north, on a long drive up a desolate road, my crew and I stopped to speak to a lone figure trekking. It was a woman, empty jerrican in hand, she told us she spent her days in search of water for her family and community. Her courage and resilience were starkly evident. We gave her the water we had and dropped her closer to her settlement. This encounter was a powerful testament to the life-or-death struggle for resources faced by some communities. These communities often survive these difficult periods on food aid. Holding on to hope for continued support from one delivery to the next.

In the same setting, however, I discovered another settlement with a very different story. A year earlier, they embarked on an ambitious project, digging a man-made lake. Their ask of government and development institutions: give us tools and food for this period and we will do the rest. They toiled for six months. Their efforts paid off when the rains came, filling the lake and providing a critical resource during the drought. This community, once struggling like their neighbours, could now graze their cattle and survive the drought with relative ease. Their success was a striking example of the effectiveness of simple, community-driven solutions.

Mastercard Foundation's Participation at AHAIC 2023

These experiences in Turkana highlight a broader lesson for Africa's sustainable development. The continent, despite its challenges, has shown remarkable resilience and ingenuity. By harnessing homegrown solutions, Africa can address its own unique challenges more effectively.

These solutions are within and around us, embedded in indigenous knowledge and practices. This is not just about finding effective responses but also empowering communities with agency and dignity.

This empowerment is particularly crucial given the continent's demographic trajectory. According to the World Bank, Africa is set to experience a dramatic increase in its working-age population, with an expected surge of 740 million people by 2050. Each year, up to 12 million young people join the labour market. In response to this, initiatives like the Mastercard Foundations' Young Africa Works strategy are pivotal. This strategy aims to enable 30 million young Africans, 70 percent of whom are women, to secure dignified and fulfilling work by 2030.

Since 2018, over 22 million young people have benefitted from education and skills training programs. Additionally, 10 million entrepreneurs have benefitted from initiatives focused on financial inclusion and entrepreneurship.

The Mastercard Foundation Scholars Program, established in 2012, has made significant strides, reaching over 50,000 young people. More than half of these Scholars have graduated, with over 70 percent being women. This global initiative aims to shape the next generation of transformative leaders by enabling highly talented, service-oriented young people, particularly from Africa, to pursue higher education and develop their leadership skills.

The Foundation's work is closely aligned with the ambitions and needs of Africans and with Indigenous communities in Canada where we work to enable meaningful work for young people. A key aspect of our approach is the emphasis on working with African and Indigenous organizations; we have intentionally set out to ensure 75 percent of our partnerships are with these organizations. Currently, 65 percent of our partnerships in Africa are with these organizations.

The centering of indigenous knowledge, approaches, voices, and potential is crucial, and already this principle is deeply rooted in the Foundation's work. These homegrown solutions are the fulcrum of the Foundation's mission to advance education, skilling and financial inclusion to spur prosperity in Africa.

The COVID-19 pandemic further underscored the undoubtable efficacy of local solutions. In the face of the COVID-19 crisis and vaccine inequity, African leaders took the lead in securing the health of the continent. The Foundation partnered with the Africa CDC to launch the Saving Lives and Livelihoods initiative in June 2021. This $1.5 billion partnership not only addressed the immediate crisis by acquiring COVID-19 vaccines and rolling out vaccinations but also invested in building a sustainable vaccine manufacturing workforce and strengthening the Africa CDC for long-term health security. The Saving Lives and Livelihoods partnership has contributed to the continent's current vaccination rate of 53 percent of the target population, up from just 3 percent at the start of the initiative. It also involved training, equipping, and deploying 38,000 health workers, creating a robust frontline in safeguarding public health. It has provided job opportunities for 23,000 individuals and integrated over 600 COVID-19 vaccination centres into healthcare systems. Additionally, this initiative led to the expansion of genomic testing capabilities from seven to over 40 laboratories across the continent. This is a testament to what can be achieved when African institutions are supported and trusted to lead.

As the initiative enters its next phase, its scope and scale will broaden to focus on completing the vaccination of healthcare workers and vulnerable groups while building a robust community health workforce. Additionally, it will ensure pandemic preparedness by bolstering national public health institutions, laboratory capacities, data access and quality, local manufacturing of vaccines, therapeutics and diagnostics, and continued strengthening of Africa CDC. This Africa-led approach to health solutions, paired with meaningful partnerships, is shaping a New Public Health Order for the continent. The continent, often sidelined in global health narratives, has emerged as a testament to the power of African partnerships in driving sustainable development. It's a clear demonstration that sustainable and impactful change is possible through trust in indigenous partners and action-oriented collaborations. This brings to mind the wisdom of the African proverb: a single bracelet does not jingle.

And as we continue to learn, and evolve our approach to our work, it is prudent to remember only the wearer knows where the shoe pinches. Indeed, it is those closest to challenges that have the most sustainable solutions through their unique experiences and insights. As the Mastercard Foundation, we strive to listen, understand and, where we can step up to enable these solutions.

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Community health workers in Kitui, Kenya, sensitize residents on the benefits of COVID-19 vaccination during a risk communication and community engagement in 2023 as part of the Saving Lives and Livelihoods initiative. Picture courtesy: Mastercard Foundation

Impact of the Saving Lives and Livelihoods Initiative Two-Year Overview Since June 2021

CHAPTER 5

Conclusions and recommendations

Philanthropy has been instrumental in advancing Kenya's development priorities, and we extend congratulations to all philanthropists and philanthropic organizations for their contributions to social development. Our goal through this research, was to comprehend the philanthropy sector's landscape in Kenya and identify areas for enhancement to achieve greater impact.

The study offers a foundational understanding of the size and landscape of the philanthropy sector, indicating significant potential for growth in both the amount and number of funders contributing to social causes in the country.

Ultimately, the findings of this research will be used to inform, engage, and influence philanthropic behavior. This will be accomplished by promoting thought leadership on corporate and private giving, advocating for a supportive policy and regulatory environment that encourages philanthropy, and offering case studies highlighting strategic giving and best practices.

Additionally, we strive to promote learning and the sharing of impactful philanthropic practices, emerging innovations, and solutions. Our goal is to cultivate commitment and interest in philanthropy while advancing thought leadership, in Kenya and beyond.

Recommendations

Increase alignment with development priorities

The research found that there are opportunities for more investment in a variety of sectors. In the education sector, for example, the big opportunity lies in philanthropies increasing their focus on Technical and Vocational Education and Training (TVET) infrastructure in rural areas, providing scholarships for post-primary education and transitioning to TVET in both rural and urban areas, and improving access to primary education in rural areas. In addition to education and health, other important areas for consideration would be investment in sustainable agriculture, renewable energy, and infrastructure development. Furthermore, it will be important for philanthropies to prioritise funding towards projects that promote gender equality, social inclusion, and environmental sustainability.

Improve governance and management structures

The research identified low staffing levels and diverse management structures among the corporate and private giving organizations and foundations interviewed. Effective governance structures are crucial for achieving impact and building trust with stakeholders. Therefore, philanthropies should establish robust governance structures with clear roles for executives and management, long-term plans, and data-driven decision-making. This ensures effective and efficient allocation of resources and the continuous, transparent, and accountable implementation of programs.

Improve reporting and mainstreaming M&E

While M&E processes are in place, there is an opportunity to enhance them by structuring them to provide more comprehensive data in terms of type and depth, covering strategic, operational, and project/portfolio-based metrics.

A deliberate focus on tracking outputs in terms of impact will be crucial for philanthropies to monitor program progress, identify areas for improvement, and make evidence-based decisions. This approach enables them to direct investments towards the most impactful approaches and programs.

Additionally, we recommend a shift towards quantifying non-cash giving to facilitate a more realistic and comprehensive understanding of the value of the philanthropic sector's contributions.

Increase giving

Most corporations determine their philanthropic budget through board decisions, leading to unpredictable and non-standardized corporate giving. This presents an opportunity for companies to consider a more deliberate and structured approach, such as setting targets as a percentage of net profit.

Beyond this, exploring ways to align philanthropic activities with county-level or national priorities, while also considering business interests and community needs, ensures that giving remains a priority and is integrated into the organization's overall strategy.

For this recommendation to be sustainable, the policy environment needs to support philanthropy, offering incentives for giving and a streamlined process for foundation formation in the long term.

Collaboration and joint planning

This study now provides a solid foundation for understanding the current state of corporate and private giving in Kenya. Supported by the Impact Philanthropy Africa Forum, which unites corporate and private giving entities, there is now a push towards a unified sector voice and collaboration. This shift from individual actions to a more synergistic approach encourages dialogue, advocacy, engagement, and overall impact.

As strategies align with national priorities, it is recommended that philanthropies and companies adopt a collaborative and strategic approach through joint giving for more effective engagement government.

Improved government engagement can lead to changes and enhancements in the legal framework, including streamlined foundation formation, best practices in reporting, and recommendations for corporate giving levels. This creates a favorable environment for increased strategic philanthropic contributions.

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Busara is a leading research and advisory firm with extensive experience in designing and testing behavioural interventions that contribute to poverty alleviation in the Global South. We utilise behavioural science to help governments, NGOs, private companies, and academics understand behaviours, and design and test solutions to scale and shape their programs, products, and policies.

We are a non-profit organisation founded in 2013, with active operations across Africa, South Asia and South America. We are headquartered in Nairobi, Kenya and have offices in Nigeria, India, Tanzania, Uganda, and Ethiopia.

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