



# The story behind the well

A case study of successful community development in Makutano, Kenya

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Photography courtesy of Simon Wachira, KCDF

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Development is the story behind the well . . . you can have a community that wants a well to get better water, and most development agencies are happy to just help a community sink a well, get a water pump and say ‘Hurrah, we have clean water, we have done our job’ . . . We were arguing that just getting the well is not enough – because **that** isn’t the development. The development, we were arguing, is the story behind the well; it’s how you get the well that’s important. Did you build local capacities? Did you change attitudes? Did you help the community to think differently? Did you help them to see that you are not going to be there to repair the well?

*Monica Mutuku, founding director of the Kenya Community Development Foundation*

## Introduction

In August 2010, following the post-election violence of 2008, Kenyans voted overwhelmingly for a new constitution. This was a development of huge importance, not least because there had been many previous attempts to overhaul the old constitution. But the new version was also a far-reaching document, the significance of which in advocating wide-scale reforms – such as offering devolved constituency-based governments, decentralization and control of financial resources and decision making as well as unprecedented space for civil society to hold the State to account – cannot be overestimated. At the same time, translating the ideals of this constitution into reality could be a lengthy and complicated process, given the difficult political context in Kenya.

The socio-economic context in Kenya also provides a considerable challenge. Out of a population of 40.9 million, over 46% of Kenyans live below the national poverty line, with more than 19% of this group surviving on below US\$1.25 per day. Two-fifths of Kenyans (41%) still lack access to improved water services and 69% to improved sanitation. Life expectancy stands at 55.6 years, and infant mortality at 81 per 1,000 births.<sup>1</sup> HIV prevalence in Kenya is at 6.3%, which means that between 1.3 and 1.6 million people in the country live with the disease.<sup>2</sup> Across the country, communities have been left to fend for themselves with little access to State support such as infrastructure, education, water and sanitation – areas that would normally be deemed State responsibility.

This is the context for the ‘story behind the well’ of the Makutano Community Development Association (MCDA), a community that came together in 1995 to try to provide for itself the type of life that is now enshrined in the new constitution. The MCDA is located along a 23km dirt road – which the community built entirely on its own – two hours from Nairobi in the Ikombe Division of the Yatta District. As well as building the road, the community also used considerable resources of its own (together with external support) as primary inputs into the construction of 9 dams, 17 sub-service wells, 162 pit latrines and a secondary school that has seen attendance increase by a factor of ten. In a semi-arid landscape prone to droughts and floods, 10,000 acres of land have now been put to productive use.



A list of the 84 CBOs and associations affiliated to MCDA.

What is particularly remarkable about this story, however, is the emphasis that was placed on building the capacities of local people both to engage in and also to control their own development – particularly through the creation of community-based organizations and associations. Back in 1996 there were only 10 informal associations, primarily burial societies and savings groups; today the MCDA has a membership base that includes 84 registered community-based organizations (CBOs) working across activities ranging from construction and water provision to home-based care and

1 [http://www.unaids.org/en/dataanalysis/monitoringcountryprogress/2010progressreportssubmittedbycountries/kenya\\_2010\\_country\\_progress\\_report\\_en.pdf](http://www.unaids.org/en/dataanalysis/monitoringcountryprogress/2010progressreportssubmittedbycountries/kenya_2010_country_progress_report_en.pdf)

2 <http://www.imf.org/external/pubs/ft/scr/2010/cr10224.pdf>

micro-credit. Moreover, central to almost every activity that the MCDA has engaged in, is its commitment to harnessing the contributions of locally owned assets – labour, time, money, and local physical resources such as land or raw materials. Such contributions, made by community members living in very difficult economic conditions and with little to spare, challenges conventional notions of passive communities awaiting aid or incapable of controlling their own development agendas.

Today, even the government has come to recognize and value the example provided by MCDA. In fact, local members of parliament and others have begun organizing study tours and exchange visits for its new CBO partners, so that they too may learn from the MCDA's successes.

These successes did not happen overnight, as a report from the Kenya Community Development Foundation (KCDF) makes clear: 'In the 1990s, Makutano was vast, rocky and perhaps known for all the wrong reasons – poverty, yawning illiteracy rates and biting hunger.'<sup>3</sup> Access to the nearest water point was a 15km walk; erratic weather patterns contributed to high levels of food insecurity; water-borne diseases were widespread; and there were few education and employment opportunities.

In 1995, under the leadership of Raphael Masika, 60 concerned citizens representing 21 villages and 10 merry-go-rounds and burial societies met to discuss ways to improve their community. Sitting under a tree in the compound of what is now the Father Makewa High School, Masika says they asked themselves: 'Why can't we bring these associations to another level? Why can't we help each other the way we help each other when we die?'



The Muuku tree where the first meeting took place.

Even the simple act of meeting was not easy. 'You must understand that it was a very difficult democratic space at that time. Government was very suspicious of people meeting and I had to go to the authorities and explain to them what we were doing,' says Masika. Having assured political authorities that they were not a threat, the group continued to meet, becoming a registered self-help group in 1995, and then a CBO in 1997 under the name of the Makutano Community Development Association (MCDA). The motivation for formally establishing itself as a CBO came from Masika, who had by then retired from Action Aid, an international non-government organization (NGO) that was promoting the establishment of community-based structures in other communities.

The MCDA's formalization into a CBO occurred in the same year as the establishment of the KCDF, the first indigenous philanthropic institution in Kenya. KCDF explicitly and actively sought to provide an alternative to the conventional 'project funding' model, focusing on supporting and

<sup>3</sup> KCDF Case Study, 2008. <http://kcdf.or.ke/case-study/makutano-community-development-association-mcda/>

building the capacities of communities, rather than focusing on sectoral projects, which was (and still is) common in Kenya.

*We started off with the understanding and notion of capacity building . . . and, having agreed on a community foundation model, we wanted to look beyond the American example<sup>4</sup> and thought: what was needed was a development institution that was a grant maker. We thought, let us build the capacities of communities [because] communities who have a better understanding of their social, economic and political situation, who are in better control of their environment, can be better supported to deal with their own social justice issues – as opposed to saying we are an institution that deals with social justice.*

Monica Mutuku

### **Kenya Community Development Foundation (KCDF)**

The KCDF is the first and oldest indigenous foundation of its kind in East Africa. Established on principles of local horizontal philanthropy and capacity building, it seeks to build on the contributions of Kenyans to support Kenyan communities.

In addition to building its own endowment pool (its current target is US\$10 million by 2013), the KCDF attracts significant local and international resources to enable it to support its priority programme areas. Between 1998 and 2008 it disbursed approximately \$4 million to local communities for capacity building and programme support.

Approximately 25% of KCDF's total funding comes from local contributors such as the Kenyan company Safaricom, the Chandaria Foundation and from individuals. A further 25% of funding comes from community members themselves and is invested together with KCDF's endowment funds, leaving 50% from outside sources such as the Bernard van Leer Foundation, the Aga Khan Foundation and the Ford Foundation.

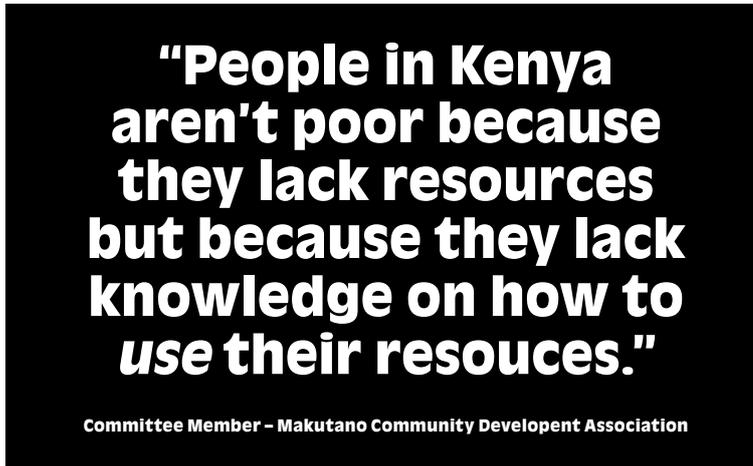
The KCDF core programme areas include food security, youth development, arts and culture, educational scholarships, the girl child, early childhood development and asset development, among other core issues at the centre of community life. These are the lenses through which the KCDF reacts to and invests in community-defined processes and initiatives. Where requests fall outside KCDF's scope of work, it attempts to link communities with other external agencies.

The defining characteristic of the KCDF, however, is that, as a core principle, it places significant emphasis, effort and resources on capacity building and technical support to communities in a way that enables and empowers them to interrogate, define and plan their own development paths.

The relationship between the MCDA and KCDF began that very year, in 1997, when Masika saw an advertisement in the newspaper describing the work of the KCDF as 'not giving funds, but building the capacity of communities'. Responding to the advertisement, Masika contacted Monica Mutuku, who promised to come to meet them.

<sup>4</sup> Referring to more-conventional community foundation models, which emphasized the flow of money from rich to poor. The alternative was to focus on models that enabled vertical and horizontal resource flows, and which had an intense focus on building local level capacity and ownership.

Masika remembers well the day of their meeting: 'The rains poured down, the river topped and it was all flood and mud. It was the heaviest rain we ever got in this place.' Masika had no phone and so he travelled 35km just to call Monica, and another meeting was arranged. That too was rained out, and both parties recall having to yell across flooded river banks to arrange their next encounter. It took months but finally, in January 1998, 'the marriage began'. Masika remembers, 'I told them at that meeting that people in Kenya are not poor because they don't have resources but because they lack the knowledge to use those resources.' This statement embodies the approach of the MCDA, and can be found posted on the wall of its office.



A poster reflecting MCDA's philosophy.

'When the MCDA first approached us, they were very small and had little capacity, but they also had people who had worked in the development sector before. Our objective was to get them to have collective responsibility to drive their development forward,' recalls Catherine Kiganjo, a programme officer at the KCDF. Current KCDF Director, Janet Mawiyoo adds:

*The MCDA was an inspiring case of a community that showed initiative in seeking solutions for its challenges. The members of the community clearly understood their critical role in bettering their lives. MCDA was well aware that organizations (supporters) such as KCDF could only build on what they had and not prescribe solutions.*

In 1998, KCDF provided its first grant to the MCDA, a three-year investment designed to look at the organizational and infrastructural needs of the CBO (the establishment of an office, some funds to hire a staff member, basic organizational training) and to provide support for the community members to investigate and define their own contextual challenges and then collectively devise a development plan.

The KCDF hired local consultants to work with the community to undertake what Monica describes as 'an analysis of itself ... step by step, looking inwardly at its own issues'. This involved an intensive process through which the community was encouraged to analyse its situation and context at every level: from resource-related issues such as land ownership to an analysis of the gender divisions of labour and educational opportunities. With each issue, it explored the underlying inequalities and challenges. Each village elected a group to work with the consultants on their behalf and, while the representatives were the primary means of liaison, it was not their task to provide the information on behalf of their immediate community members, but rather to take the questions to their villages, call for open meetings and record the discussions. Mutuku explains:

*They did the analysis in the open, under a tree or in a church or a school . . . therefore no one can cheat or claim to be doing something they do not. And you didn't report what you discussed and wrote in your own house but rather what was agreed to at the level of the village. Because of that approach, you are building cohesion, literally, at the grassroots. People own it, they know it is theirs.*

This intervention thus saw the development of village-level structures, open and consultative processes for decision-making, in-depth data collection and the completion of a comprehensive baseline survey. In the final month, the community members collectively put together a list of priorities and action plans around the issues of water, food security, health, roads, livelihoods, employment, and education. This process and the resultant priorities and plans developed proved to be an important first step: they have served as the bedrock of the organization, guiding the actions of the MCDA over the past 14 years.

## **MCDA structure and processes**

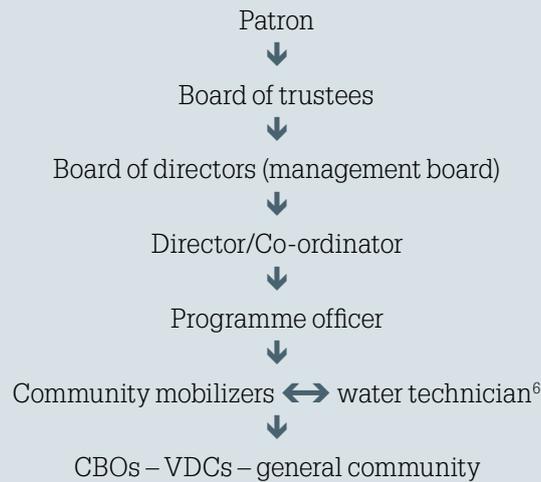
Over the years, the MCDA has built up an impressive membership structure. From a modest group of 10 informal associations and 21 villages, the MCDA today represents 84 independent CBOs and 210 villages, which means that a staggering 70,000–85,000 people benefit from and participate in its efforts. A further individual membership base now stands at 7,000 community members, each of whom contribute 100 Kenyan shillings (Kshs)<sup>5</sup> to register and an annual fee of 50Kshs, which covers the basic running expenses of the MCDA. Membership benefits include the right to elect officials and representatives as well as preferential pricing on some of the MCDA's products.

The MCDA has an accountable and transparent system of governance and distributed leadership. At the governance level, it has a patron, a board of trustees and a board of directors, all of whom give their time for free. The MCDA is staffed by a director (currently Masika), who now (after four and a half years' work without pay, and having to use his own transport and financial resources) receives a stipend, and by a programme officer, Daniel Mbatha. Beyond this staff, it relies on a cadre of community mobilizers to interact and engage with the broader community on its behalf. The MCDA arranges training on a range of issues for the community mobilizers and, in return, they assist in a volunteer capacity, acting as the primary liaison between the MCDA and the communities. At the base of the MCDA structure lie the CBOs, village development committees (VDCs) and general community members, whom the MCDA both supports and is accountable to, and who are described by Masika as the 'infantry' of the MCDA's development.

Each CBO affiliated with the MCDA is an independent entity with its own elected officials and bank accounts. In addition to their own activities, these CBOs initiate or respond to specific initiatives that feed into the overall plan developed by the MCDA in 1998. The MCDA provides capacity-related assistance, co-ordination and links to knowledge and financial resources that CBOs can access directly and independently. In effect, the MCDA acts as a sort of referral point or gateway for these CBOs.

<sup>5</sup> At the time of writing this case study, 80Kshs is equivalent to US\$1.

## MCDA Organizational Structure



### MCDA processes

When the MCDA sees an opportunity for funding or collaboration, or is approached about a specific initiative that will feed into the community's overall priority areas, it liaises with its board and potential donors, and then begins a grant request process to secure funding. (The MCDA has developed partnerships with some core funders but also responds to grant opportunities as they arise.) It then calls a general community meeting to explain the agreement and how the money will be used. CBOs are invited to apply for the project to be implemented in their area. Usually, CBOs provide local materials as well as labour and monetary contributions. The MCDA purchases the larger external materials through tenders in the area. When there is no local expertise available, the MCDA arranges for experts to provide comprehensive training on the particular issue at hand.

The MCDA is firmly rooted in its community. Masika says that they thought about registering as an NGO but decided against it. For him, being an NGO would mean that the MCDA would lose touch with its members, because the community-driven structures that underlie it would not align with a more formal NGO set-up and could thus be lost. Being an NGO might also create the perception that the MCDA had become an entity external to the community, bringing in funds from the outside. Masika explained, 'Being a CBO allows us to mobilize from the inside and the outside.' For him, formalizing the organization any further runs the risk of undermining the existing ownership, motivation and local contributions of members.

<sup>6</sup> This position depends on funding.

## Accomplishments of the MCDA

The MCDA compound itself provides a snapshot of its activities: a small office, a hall, a grain store, two greenhouses, rainwater-harvesting tanks, compost heaps, goat pens, rows of tree seedlings and small fields for planting. This, however, does not come close to reflecting the range and scale of the MCDA's activities and accomplishments, which include:

### 26 water points

During the initial baseline survey, access to water was listed as the most important issue. By envisioning and physically plotting what the area would look like once all water points had been constructed, the MCDA set about making these water points a reality, one at a time, as resources and opportunities became available. At present, the MCDA has facilitated the construction of an astonishing 9 dams and 17 sub-service wells through a combination of community and external resources. In addition, many villagers have constructed small water pans and are engaged in rainwater-harvesting techniques to supplement household water consumption.



**Above** A mapping of selected water points facilitated by the MCDA.

**Below** A community owned and managed dam, facilitated by the MCDA.



## Water management committees

People who want to become members of a planned water point hold an election by secret ballot to establish a water management committee. (The MCDA plays an overseeing role in the election process to ensure that men do not dominate.) As such, each of the 26 water points is run by its own committee and is an independent CBO. The MCDA provides support and training on basic processes (such as management and accounting)



and each CBO is encouraged to open its own bank account (to which the MCDA does not serve as a signatory). All users are required to pay a fee to the committee to cover maintenance costs. For example, at one well there were 100 members and 100 non-members drawing water. Members pay an annual fee of 250Kshs per year, entitling them to full access to water; non-members pay a fee of 5Kshs per day.

Members of the water point then identify and secure a plot of land. Again, the MCDA does not get involved so as to ensure that decision making and ownership lie with the committee. If communal land is not available or is not large enough, members negotiate to secure a donation of land from individuals within the group. The MCDA then approaches the District Environmental Officer to conduct an Environmental Impact Assessment and arranges for experts to help with planning and design, all of which is paid for by the water-point members.

Once the water point has been approved, members begin the process of clearing the land, voluntarily contributing their labour and cash. Construction costs are generally beyond what members can afford (250,000Kshs for a sub-service well and pump and 2–3 million Kshs for a dam) so the MCDA approaches donors with whom they have worked before, to explore if they will provide support (AusAid and the Irish government – through Concern Universal – have been the MCDA's two core funders for the water points).

Once the water point is constructed, an outside expert is brought in to conduct training for the water point members. After the training is completed, the management of the water point lies entirely in the hands of the committee. Members take turns to supervise the wells, and hire and pay for a permanent caretaker at the dams. Each committee has its own maintenance plan to de-silt dams manually, although the MCDA will facilitate external financial assistance if the reparations are beyond the capacity of the committee. The MCDA also takes water samples to Nairobi for testing annually to ensure that the water is fit for human consumption.

These water committees have additional significance. While not every household is a member of MCDA, most households belong to a water point, and over time these water points have become sites where other relevant issues are discussed.

## The road

Makutano had always suffered from its own geographic isolation: no direct road linked the households in this sprawling community, and there was no easily accessible route to nearby towns or Nairobi. This limited, and indeed made extremely difficult, the community's access to water, secondary education, nearby local markets, economic opportunities, health care, and other basic services. Makutano's isolation already meant that most support systems were within the community and the lack of easily accessible routes between different parts of the community only increased the difficulty of the situation.

The idea of constructing a road that would connect the community households more directly to each other and would provide access to external places, opportunities and services was a key concern from the moment the MCDA was established. Making this a reality, however, did not happen overnight. Over a number of years, the MCDA and members of the surrounding 21 villages came up with a plan: 'If we all swept off our own back step, then we might be able to do it,' reflects Masika. Each household in each village subsequently took responsibility for clearing and constructing the portion of the road in front of their respective homesteads, which eventually led to a 23km road that linked them to each other and to the outside world. The importance of this road cannot be overestimated: getting from the MCDA office to some of the furthest households at the other end of the community can now take around 45 minutes; a trip from the MCDA to the town of Thika takes perhaps a bit over an hour; and what might easily have been a half-day trip (if not more) to Nairobi now can take about two and a half hours.



The bridge that now crosses the river where the MCDA and KCDF were originally supposed to meet in 1997.

In the initial stages, the road-building effort relied heavily on the role of individual households working together. In 2005, however, the MCDA facilitated the establishment of a separate road committee to help formalize their activities. More importantly, however, it also supported the committee to access 3.5 million Kshs from the local Constituency Development Fund (CDF) to extend and reinforce the road. Later, a campaign organized by the MCDA resulted in government assistance on certain sections of the road and, importantly, in the construction of a much-needed bridge across the river (the very spot that had separated the MCDA and KCDF on their first meeting). While still bumpy in places and in need of reinforcement in others, this road has provided a lifeline to the

community, reducing its isolation, providing access for goods and services into and out of the community, enabling and boosting efforts to address its social and economic development challenges.

### Constituency Development Funds (CDFs)

The Constituency Development Fund (CDF) model was created in Kenya in 2003 through an Act of parliament to 'fight poverty at the grassroots level through the implementation of community-based projects which have the long-term effect of improving the people's economic well-being ... [and to] relieve members of parliament from the heavy demands of fundraising for projects which ought to be financed through the Consolidated Fund.'<sup>7</sup> The legal model used suggests that the fund seeks to serve as a mechanism for decentralization of development planning and implementation.

Originally, 2.5% of the annual national revenue was devolved to 210 constituencies throughout the country in the form of CDFs, and 5% to Local Authority Funds.<sup>3</sup> Under the terms of the new constitution, the percentage of money devolved to new county governments has increased to 15%, although the ratio of sharing between constituencies and the county governments is as yet unclear, and debate on the fate of the CDF continues. Regardless, this devolution of funds should provide, in theory, much-needed access to resources at the local level. Alongside this decentralization, a District Road and Water Department has also been established to support communities on these issues<sup>8</sup>.

### The school

The Makutano area has always had several primary schools, but its physical isolation made access to secondary school very difficult for many families. In 1994, for instance, 40 students of secondary age in the community were registered in secondary schools outside the community; of these, only eight graduated in 1998. The MCDA, in collaboration with the village development committees, decided to do something about this. First, Masika approached Monica Mutuku and secured a pledge from the KCDF to provide bursary support for a fixed number of students, should a school be constructed. Using this as leverage, he then approached Father Makewa, from the nearby Catholic Church's Machakos Diocese, who pledged 600,000Kshs, as well as considerable time and personal effort. As with all other initiatives, the community also made its own personal contributions. The school committee held a *harambee*,<sup>9</sup> which raised 200,000Kshs, and community members contributed their labour as well as locally available building materials. These combined efforts led to the opening of the first secondary school in the area in 2003, leaving enough money over for the community to employ its own teacher.

Today, Father Makewa Secondary School has over 400 students (girls and boys) and caters for both day and boarding students. The MCDA has negotiated bursary support

7 Chweya, L. 2006. <http://www.africanexecutive.com/modules/magazine/articles.php?article=720>

8 Janet Mawiyoo (personal communication)

9 *Harambee* is a traditional localized fundraising event that was adopted as a development strategy by President Jomo Kenyatta in 1963. It means 'all pull together' in Swahili. Fraught with corruption and used as an instrument of political patronage in subsequent years, these events have been abandoned by many Kenyans; the MCDA continues, however, to see it as an important strategy for mobilizing resources.

from the KCDF and others to support those who cannot afford the fees – it reserves 50 spaces at the school for orphans. With an increasing number of graduates, the MCDA has also negotiated for students to access tertiary-level support from the local CDF.

While the school could still benefit from additional investment in its buildings and overall infrastructure, it is already a shining example of both innovation and self-sufficiency. Solar panels provide basic electricity for the school, greenhouses and the surrounding gardens provide fresh vegetables both to feed the students and to generate cash income for the school, extensive water harvesting provides a ready and accessible water source for drinking and cooking at the school, and a massive fish pond has just been established. The school also has an extensive environmental management system and involves its pupils in its conservation and agricultural efforts, as a way of teaching both practical and life skills. The accomplishments have already garnered the Father Makewa Secondary School a host of awards.



Showcase of awards won by the Father Makewa Secondary School.

### **Food security and livelihood diversification**

Over the years, the MCDA has carried out its strategy of promoting food security by actively seeking out information and good practice models on innovative and alternative strategies, leveraging partnerships and maximizing the value of collaborative efforts. It has seen each investment as an opportunity to build on and contribute to its larger strategy, with the result that what had once been a dry, semi-arid area, reliant on external sources for food, is slowly but steadily being transformed – today 10,000 acres of bare land has been put into productive use.

#### **Ustawi programme**

Launched in 2009, the KCDF's *Ustawi* initiative seeks to promote food security by empowering communities to use new agricultural methods – such as water harvesting, greenhouse farming and drip irrigation. It also encourages the farming of drought-resistant crops such as cassava, millet, sorghum and potatoes – crops that were previously relied on by Kenyan communities to sustain them during times of hardship.<sup>10</sup>

<sup>10</sup> <http://ustawi.kcdf.or.ke/>

In addition, with a grant from the KCDF's *Ustawi* initiative, the MCDA received a 'farmer's kit', consisting of two greenhouses, fertilisers, seeds, a drip irrigation system and a 600-litre tank, which increased both the productivity and diversity of crops grown in the community. Such was the success of the initiative that, following a site visit to Makutano in December 2009, Safaricom, a private Kenyan telephone company, donated an additional 10 million Kshs towards the *Ustawi* programme. (Creatively, the MCDA also used this site visit to lobby for better network coverage.) By April 2010, the MCDA could boast a bumper harvest of 1000kg of butternut squash as a result of the *Ustawi* initiative.

MCDA's success in the area of food productivity and security attracted the attention of the government-run Kenya Agriculture Research Institute (KARI), which entered into a partnership with the MCDA to distribute a famine-resistant crop of gadam sorghum to its members. The considerable uptake of this initiative prompted the MCDA to approach Concern Universal with a grant proposal to buy and distribute additional seeds to the community beyond those provided by the government. This both increased yields and ensured significant seed stores for replanting the following year (the KARI initiative requires half the donated seeds to be returned).

The MCDA's strategy for crop production was further supplemented by a strategy for food preservation. Combining community contributions (0.5 million Kshs) with external support from the Irish government, AusAid and the KCDF, the MCDA constructed a hall and grain store, capable of preserving 5,000 bags. This store now provides access to reserves and seeds in case of drought and floods, significantly decreasing the community's vulnerability. While planning the construction, the MCDA saw an opportunity to develop skills in the community for the future, and recruited a government engineer to take charge of this project, on the condition that he train 20 local youths in construction skills through on-the-job training. These builders have now established their own construction CBO and have secured contracts both within and outside the community.



The MCDA grain store.

Finally, the MCDA itself has also embarked on a range of livelihood-generating activities both as a revenue source for the organization and as a supplement to community members' livelihood strategies. These include poultry and goat farming (dairy goats are given to families caring for children affected by HIV/AIDS), bee-keeping, sunflower oil pressing

and the distribution of fruit-tree seedlings and ox-ploughs. In addition, the MCDA itself, as well as the CBOs affiliated to it, have complemented these specific sector-based interventions with a range of other initiatives that range from youth mentoring and entrepreneurship programmes, to HIV/AIDS awareness activities, health-related initiatives and income generation activities – with the result that the scope of MCDA-related activities touches on almost every core aspect important to its community.

### **The endowment challenge**

In 2001, the Ford Foundation Nairobi Office issued an endowment challenge to the KCDF: under the terms of the agreement, the Ford Foundation pledged to contribute to KCDF's endowment fund as long as it raised matching funding from within Kenya. The endowment challenge was aimed at building the foundation's long-term sustainability, but it was also an important opportunity for the foundation to build a sense of local ownership. Monica Mutuku immediately saw an opportunity to build on local giving traditions and practice. Monica recalls: 'We made the argument that over the years in Kenya we have the tradition of *harambee* and that rather than say "*This is how it is done in America*", we would say "*No, THIS is how it is done in Kenya.*"' And so the KCDF began the process of working with communities to build their own community-level endowed funds.

In 2006, KCDF encouraged the MCDA to establish its own community fund, matched by KCDF on a 1:1 basis. This fund is held and invested by the KCDF Trust<sup>11</sup> together with all other community funds and KCDF's own endowment pool, but accounted for separately. The proceeds of the fund will be managed by a committee of elected community members.

The endowment fund was not an easy concept for all fundholders to understand, particularly in a country where short-term thinking was the norm – both politically and in the international development context – and with no real history of locally endowed development institutions. Unfamiliar with the principle of investing capital over the long term, a number of fund-holders expected the capital to be returned. Recognizing the long-term value that such a fund would provide, however, Masika encouraged people to contribute. He explained:

*It was hard. It was a time of famine, but people gave what they could. The idea of 'long term' was a challenge but, because of the matching fund, and the friendship of KCDF, we proceeded. We used the example of KCDF: their funds from Ford were from the same type of endowment model, and this served as an example to stimulate people to give. It was a difficult time and people were struggling, but now we have 1 million Kshs.*

The MCDA's total contribution (at the time of the fund's establishment and when additional disposable funds were available) was equivalent to approximately \$6,500 and was subsequently matched by KCDF's endowment challenge fund. In 2010 the value of the MCDA fund was equivalent to approximately \$23,000.<sup>12</sup>

Under the terms of the agreement, the MCDA committed to retain both the capital and the returns it generated for a minimum of five years, provided it had achieved at least

11 A separate Trust was established to manage KCDF's endowment fund. Given that KCDF was Kenya's first national public foundation, operating in a context with a long track record of financial mismanagement and abuse, donors and trustees alike felt it necessary to introduce an additional level of financial oversight/stewardship by establishing an independent Trust to manage the Foundation's endowment fund.

12 Tom Were, KCDF Programmes Director

5 million Kshs (approximately \$56,000) in their fund. After that, it would start drawing on the yield.<sup>13</sup> Each year the KCDF trustees define a spending rate based on how the economy has performed, which ensures the continued growth of each fund as well as some availability of yield to meet pressing needs.

### **KCDF and community funds**

More than 20 CBOs have established community funds with KCDF. These funds constitute 30% of KCDF's overall endowment, which is currently valued at approximately \$4 million. The minimum investment required to start a fund is 500,000Kshs, which is invested by the KCDF Trust as part of its overall endowment pool.

When a new fund is established, an agreement is drawn up between KCDF and the fund builder (normally a CBO) which covers three main areas:

- 1** The length of time the capital will remain untouched: KCDF recommends a minimum five-year period, though some communities decide to extend this period, thus increasing the capital base and the eventual returns. Communities may also choose to supplement the existing capital on a regular or periodic basis.
- 2** Fees: apart from an administration fee of 12–15%, all earnings are ploughed back into endowment for the stipulated period; thereafter, earnings are distributed tentatively as follows:
  - 45% spending rate – back to the CBO in the form of a grant from KCDF
  - 35% ploughed back into endowment
  - 5% held as a reserve
- 3** The broad programmes for which the yields will eventually be used: At the appropriate time the community decides what it wants to use the dividend for (within the terms that have been agreed on), and on request the KCDF pays out the yield in the form of a grant. This grant, however, is also dependent on the CBO meeting certain governance and accountability requirements, as set out in the initial agreement.

## **MCDA's path to success: what is so different from the norm?**

Given the enormous scale of development aid to Africa and the existence of so many failed development models and approaches, a critical examination and interrogation of models that *do* work well is imperative. In Kenya, where foreign aid was the norm and results very mixed, the successes of locally developed approaches and models such as those of the KCDF and MCDA (both as separate and as collaborating organizations) provide critical food for thought. Moreover, the combination of intersecting elements that have led to those successes offer significant lessons for exploration, for the development sector in general but also for the philanthropy sector in particular.

<sup>13</sup> Janet Mawiyoo, KCDF Director

## Examining the local drivers of change

### Ownership and agency

MCDA was initiated, owned, directed and driven entirely by its members. Notwithstanding the value of external support (which will be discussed further on), the MCDA can be characterised as having a strong sense of ownership and agency in two respects:

- Vision: the MCDA was initiated by its own members and is based on a shared vision that relies on mutual support. This vision emerged from a community-defined process and was collectively developed and articulated. This is why members have held true to the vision over time, using it as the basis to direct and initiate activities and outcomes *they* (the members) defined as important.
- Structures and processes: the structure of the MCDA and its affiliated institutions vest ownership and control with the broader community rather than with the MCDA. The evidence for this is, first, that the MCDA itself is guided not only by an elected board, but also by the CBOs and VDCs it represents. Secondly, the CBOs affiliated with the MCDA are all independent entities with separate governance systems and financial mechanisms. While the MCDA supports these CBOs, it does not own them nor have any control over them. Moreover, these structures and processes reflect deep and distributed layers of decision-making, where ownership of decisions are vested in multiple structures, and not just the co-ordinating entity (the MCDA).

Combined, this vision and structure laid the groundwork for two additional elements that looped back to reinforce the MCDA's progress. The first relates to the adoption of a holistic approach: the MCDA's vision had been collectively developed, so it looked at the community in its entirety. As a result, its development plan was holistic in nature and based on the understanding that the challenges in its context were interconnected and required an integrated approach. This type of approach is a distinct break from the pervasive programme- or issue-based approaches that have followed from international development aid.

The second element is that of accountability. As a member-owned institution, the MCDA reflects a strong sense of transparency and accountability. This transparency and accountability, significantly, is not just upwards (to its board and external partners) but also downwards to its constituencies, which in turn are able to monitor the MCDA and hold it to account. This openness is fundamental to developing community cohesion, trust and social capital – characteristics that have been instrumental in reinforcing mutual-help behaviours, collective action and the pooling of resources. The fact that the *harambee* was not eroded by politicization as it had been in many parts of Kenya is evidence of this effect.

### Leadership

The MCDA's leadership can be examined on two related levels. First is the leadership provided by Raphael Masika, the Director. Masika's leadership is rooted in his community: he was born in Makutano and continued to live there, even when working outside. The strength and humility that he brought to this role have been instrumental in the way the MCDA has evolved. Masika's commitment to leading by example is demonstrated through his contribution of time and resources – an example followed by

others in almost every activity of the MCDA. Moreover, his experience of working with communities through Action Aid left him with an understanding of how the institutional development sector operated. Masika thus understood issues from the two different perspectives of the internal community and the external development sector, and he was able to align, link or bridge these where required and appropriate.

Masika provided a visionary type of leadership, not only steering the institution but also acting as a catalyst, enabling the MCDA and its associated CBOs to make connections horizontally with other individuals in the community and vertically with partners outside. He recognized the strengths and limitations of the MCDA and actively leveraged the knowledge and resources of partners to complement its strengths and to overcome its limitations.

This type of leadership, together with a defined holistic plan, provided the space for Masika to be proactive rather than reactive, seeking out opportunities that would support MCDA's plans, rather than developing plans in response to opportunities, and working with external role players only when it fits MCDA's priorities or when local resources were unavailable or insufficient. Masika is genuinely interested in developing partnerships with outsiders for knowledge as much as for financial resources, but he admits matter of factly: 'If the resources aren't there, we will find another way; we always have.'

The second issue critical to the MCDA is that of distributed leadership. Although succession planning is a considerable concern, and there is no concrete arrangement for this yet, Masika has deliberately cultivated a system of leadership that equips others with the knowledge and skills to move things forward. This is demonstrated in a number of ways. First, and most obviously, independent committees have been systematically created to manage nearly every facet of community activity. Secondly, myriad CBOs have emerged, which the MCDA has supported to address a range of community priorities. These CBOs have been encouraged to interact with outside actors directly, making the MCDA a 'gateway organization' as opposed to a 'gatekeeper organization', reinforcing links within the community and outside it.

Thirdly, the MCDA aims to use outside expertise when necessary, but to ensure that these outsiders leave their skills behind in the community so that in the future it can call on locally available knowledge and skills – as in the case of the grain store and hall.

Fourthly, there was a deliberate investment in individuals to equip them with a level of knowledge and skill to move things forward in Masika's absence. The investment in community mobilizers is a case in point. Another is that of Daniel Mbatha, whose parents were involved in one of the burial societies that founded the MCDA and whose example motivated Daniel to study community development. Today he is an MCDA staff member, and well able to manage in Masika's absence.



Daniel Mbatha explaining the water preservation approaches of the MCDA.

### **Asset-building approach**

The MCDA approach was intrinsically about harnessing, supporting and strengthening local assets. Using available locally sourced natural materials as the starting point for the development of infrastructure such as roads and water points, for example, is one illustration of this point. Just as important, however, is the focus on developing and strengthening social capital. With the support of KCDF's first grant, the process of community mobilization was critical in helping the MCDA to define and develop a shared vision and set a sound foundation for the consolidation of a common identity, mutual accountability and collective responsibility. These initial processes – together with the development of both formal and informal structures, systems and networks over the years – have helped the community build a strong level of social capital. In many ways, the MCDA seems to have enhanced and supplemented the communities' ability both to develop 'bonding' social capital – mutual dependence to carry them through in times of stress – and also to act as a source of 'bridging' social capital, which 'provides leverage in relationships beyond the confines of one's own affinity group, or even beyond the local community'.<sup>14</sup>

Finally, the importance the MCDA attaches to the use and contribution of individual assets – time, labour, land and money – is a central aspect. Almost every MCDA activity had at its core a level of community contribution, including, perhaps most importantly – and remarkably, considering the deprivation within this community – what were often scarce financial resources. Indeed, the internal resources generated for the water points, dams, road, school, grain store, hall and the MCDA itself give the lie to the common assumptions about poor communities being dependent receivers of aid, waiting for handouts and innovation from outside. The story of the MCDA refutes this, demonstrating that, with the right kind of leveraging support, communities are able to tap into local assets and to act as agents and drivers of their own development processes.

<sup>14</sup> Mathie, A and Cunningham, G (2003) *Who Is Driving Development? Reflections on the Transformative Potential of Asset Based Community Development*. Occasional Paper Series, No 5 (p3). Canada: Coady International Institute.

## The role of external support structures

No man is an island; no community either. It must be recognised that external agencies have played a significant role in the development of the MCDA. Its achievements cannot be divorced from the consistent, complementary, patient and responsive support of certain outside actors over the last 14 years. Despite being a small and relatively isolated CBO, the MCDA has developed successful relationships with a diverse range of institutions upon which it can call directly for assistance, financial and otherwise: both AusAid and the Irish Government (the latter through Concern Universal), for example, have been core supporters of the MCDA, willing to invest in MCDA's priorities rather than to impose their own priorities on the community. The MCDA has also, more recently, been successful in attracting government support and partnerships in activities ranging from bursaries (through the CDFs) to health-related and agricultural issues.

The relationship between the MCDA and the KCDF in particular, however, merits additional scrutiny. The current director of the KCDF, Janet Mawiyoo, describes the distinctive features of the relationship in these terms:

*We continue to be a friend and a listening partner. We like to connect, even if we don't have a current fund, to exchange notes and see what they are working on. We give ideas and hear their challenges and, where possible, we give financial and other support. Their leadership has made this possible. It's receptive and open to new ideas. They take challenges positively and try to learn from their past experiences. They keep a big view of their community in mind and try to see how to support different segments. They retain an independent mind which means we are not a 'Big Brother' to them. They have learnt to scan their environment and see any other opportunities that speak to them. Whenever we see anything that can be of help we too pass it on to them. It's a mutual relationship.*

The nature of the support provided by the KCDF to the MCDA has several important elements:

First, the basis of the relationship was built on a shared vision and common approach that underscored the community as owners and agents of its own development processes. In the words of Tom Were, KCDF Programmes Director, the KCDF sees development as a process where 'communities have ownership and KCDF makes a contribution, *not* as a KCDF project that communities contribute to'.

The second element is the recognition of local assets and the commitment to harnessing local contributions. The KCDF is an indigenous community foundation, dedicated to mobilizing local Kenyan resources for Kenyan development and looks internally for solutions before seeking outside assistance. Its support to the MCDA has been based on the development and strengthening of local assets – physical, social, organizational, financial and educational.

Third, the initial type of support provided by the KCDF concentrated as much on the 'software' of development (contextual and structural analysis, community mobilization, capacity building, planning and institution building) as on the 'hardware' (infrastructural and organizational development and financial management etc). This dual approach led to the development not just of concrete action plans but also, and more importantly, of organizational capacity, social infrastructure and long-term vision.

Fourth, KCDF's investments in MCDA were consistent with the pace of community change and of a scale that did not undermine community ownership or overwhelm absorptive capacity. Indeed, it was the small amounts of money that made a difference. Over the years, the KCDF has invested an average of \$5,000–\$10,000 a year in the MCDA, which, relatively, is not an exorbitant amount – but the strategic, consistent and appropriate use of KCDF funds has complemented and compounded the effects of the MCDA's efforts.

The fifth element is the recognition that change takes time and requires multiple role players. KCDF's support to the MCDA has been characterised by a patient and steady long-term approach, providing access to funds and other resources over a period 14 years. When the MCDA's activities fell outside the mandate of the KCDF, it acted as a 'gateway' to other organizations that could offer support.

Finally, there is recognition of the importance of long-term sustainability. Just as the KCDF seeks to build itself on the basis of mobilising local resources as a means of decreasing dependence on foreign donor funds, so too it sought to encourage MCDA to do the same. To this end, it balanced its project-based support to the MCDA with matching funds to incentivize the MCDA to build its own endowment. Interestingly, this long-term giving did not appear to displace or replace more-traditional or spontaneous forms of giving, and the *harambee* has remained an ongoing source of support for MCDA activities.

## The road ahead?

The elements that have led the MCDA to where it is today cannot be taken for granted – a holistic approach, long-term vision, commitment to community-owned processes, prioritization of reliance on internal resources over external resources, accountable and distributed leadership, the development of both bonding and bridging social capital. All these elements have been reinforced by a humble acknowledgement of the MCDA's capabilities and limitations, and by external partners who shared a commitment to providing support that enabled rather than dictated. These are all complex and inter-related issues, each of which could easily have led to conflict, tension and a divergence of priorities and development paths. Yet the MCDA has successfully navigated, managed and held together its affiliated CBOs, village development committees and individual community members in a cohesive system that places the welfare and support of the community as a whole above that of individual interests.

Against a background of hardship, deprivation and inadequate access to resources, the MCDA emerged as an organic, self-driven entity committed to taking its own development process forward. Given the political context at the time, this CBO essentially operated as a parallel governance system, taking on both the responsibilities of citizenship but also the duty-bearer functions of government across a range of key priority areas. As a result, poverty and vulnerability have certainly been reduced, access to basic services improved, and educational opportunities significantly widened. The pressure has been significantly eased, but people in Makutano continue to struggle against the odds daily – the difference is that now they are better armed to do so.

With the changing political context in Kenya, the new constitution and the commitment to devolution of resources to the local level, there may be an opportunity for the MCDA, and perhaps the KCDF as well, to begin to ask some questions about evolving roles and

responsibilities. For instance, in the context of (at least in theory) a more responsible and responsive government, should the MCDA continue as it is? Would this mean letting government off the hook? Or should it begin to think about a space for shared responsibilities? What are the limitations to the MCDA's ability to alter the wider context it operates in, and, given these limitations, what scope is there for it to begin to influence development priorities, plans and resources of the State? To what extent can the MCDA take an active role in holding the state accountable to its mandates and responsibilities? Is there a space for the KCDF, at a broader level, to take on a stronger advocacy role on key structural issues on behalf of the MCDA and other communities? Is there a space for the KCDF to begin to examine new ways of support to enhance the impact of the MCDA and similar institutions?

Only time will tell whether the new political context will lead to the State taking up what has so long been a community responsibility and whether (and to what extent) the new constitution will be translated into reality. For the present, the 'story behind the well' of the MCDA also raises some important questions for the philanthropy sector that may be worth exploring: is the alternative approach to philanthropic practice encapsulated in the story of the MCDA – devolving power and ownership of development agendas to the local level – a model to be promoted more widely? What are the frameworks, assumptions and practices that philanthropic institutions need to confront within themselves for such power and control to be devolved? What does this mean for the existing nature of external aid? How does such an approach compare with other approaches aimed at integrated, community-level interventions – for instance, the Millennium Village concept,<sup>15</sup> a high-profile, ambitious multi-country programme, which was first piloted in Kenya? Does the MCDA/KCDF approach offer a viable locally led alternative to such forms of externally led models? Many further questions may be raised, but the fundamental question is this: Is institutionalized philanthropy willing to make the paradigm shift required to engage these issues?

Only time will tell . . .

15 A United Nations initiative that seeks to use proven technologies to invest in health, food production, education, access to clean water, and essential infrastructure at the community level. The first Millennium Village was started in Sauri, Kenya in August 2004. For more information see <http://www.unmillenniumproject.org/mv/index.htm>