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Philanthropy in Kenya

Over the past five years, Kenya has emerged as a hub of innovation for new approaches to poverty alleviation and development. In 2004, Dr. **Wangari Maathai**, founder of the International Green Belt Movement, became the first African woman and the first environmentalist to receive the Nobel Peace Prize for her pioneering work at the nexus of women's rights and the environment. That same year, Sauri, a village of 5,400 people in Western Kenya's Siaya District, was selected as the site for the first **Millennium Village**, a partnership between United Nations Development Programme and the Earth Institute at Columbia University that is creating an integrated, sustainable model for achieving the Millennium Development Goals. And late last year, the Kenyan government promulgated the Kenya Microfinance Act, which provides a much-needed legal framework for the expansion and regulation of microfinance institutions throughout the country.

This issue of *Global Giving Matters* profiles two philanthropists' work in Kenya. One is **Chris Mathias**, a Global Philanthropists Circle member who co-founded **Digital Links**, a computer recycling organization headquartered in London and piloted in Kenya. Launched in 2002, Digital Links now delivers refurbished computers to schools, clinics, and non-governmental organizations throughout Africa.

The other profile looks at the work of businessman Manu Chandaria, who, personally and through his family business, supports a constellation of health centers, educational institutions, and foundations throughout East Africa. Over the years, Dr. Chandaria's philanthropic work and outspoken advocacy for corporate social responsibility have made him one of the region's most esteemed businessmen and respected civil-society leaders.

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A Global Supply Chain for Grassroots Technology

A few years ago, while on a business trip in California, **Chris Mathias**, one of England's most successful Internet entrepreneurs and investors, came across a disturbing statistic: Each year, 1.7 million personal computers were junked into landfills. Most were in perfectly good condition; they were simply the detritus of an economy that demanded the newest, fastest, most powerful machines.

The wastefulness piqued Mathias' environmental conscience, but he also saw a philanthropic opportunity. What possibilities would open up if he could find a way to fuse the scale and efficiency of a global supply chain for recycled PCs with the knowledge and values of local grassroots organizations in the developing world? Mathias persuaded **David Sogan**, a seasoned development professional who shared his interest in technology and development, to serve as CEO of a new venture that would play that bridging role. In 2002, Mathias and Sogan launched **Digital Links** (www.digital-links.org), a UK-based nonprofit organization that collects redundant computers from companies, refurbishes them, and works with local partners in the developing world to place computers in schools, clinics, and nonprofits throughout Africa and Asia. In just five years, Digital Links has distributed

75,000 PCs, providing access for two million people.

Kenya was one of the first markets Digital Links entered. With a population of 35 million and a GDP of US\$21.2 billion, Kenya is sub-Saharan Africa's third-largest economy. While still very poor -- estimates vary, but most experts put Kenya's poverty rate around 43% -- recent reforms have brought newfound optimism. In 2002, President Daniel Arap Moi's 24-year rule ended peacefully in multiparty elections. Since then, Kenya has achieved an annual economic growth rate of 5%.

But there are downsides to growth. According to Columbia University's Center for Sustainable Urban Development, from 1982-2002, Kenya's average annual urban population growth rate was 6.3%, more than double its annual national population growth rate. By 2020, the city dwellers are projected to constitute nearly half of Kenya's poor -- a trend that Digital Links hopes to mitigate by giving young people the technology skills they need to thrive in urban economies. "We want to ensure that young people, as they make the migration to urban centers, as they inevitably do, will have some useful, marketable skills," Mathias says.

From the outset, Mathias and Sogan made a strategic decision to build Digital Links as a web of partnerships that leveraged the strengths each partner brought to the table. "We decided very early on that the way we would structure Digital Links is to not directly interact with schools and the end-users, but to always work with a partner who could do all that, who could be our eyes and ears on the ground." Sogan says.

He and Mathias built their first distribution partnership with **Computers for Schools Kenya**

Manu Chandaria's Legacy of Philanthropy and Civic Engagement

Manu Chandaria is one of the most respected business and philanthropic leaders in East Africa. As Chairman of the **Comcraft Group Kenya**, Dr. Chandaria oversees a privately held family business with operations in 45 countries worldwide. The Founding Chairman of the East African Business Council, and past Chairman of the Kenya Association of Manufacturers, he was once named the most respected Chief Executive Officer in East Africa for three years in a row. He has served on numerous government commissions to reduce poverty, promote the economy, and reform government. In 2003, was honored as an Officer of the Order of the British Empire, the same year Kenyan President Mwali Kibaki named him an Elder of the Order of the Burning Spear.

Yet Chandaria is loath to take credit for his acclaim. Instead, he points to his family's long tradition of philanthropy and social responsibility. As devoted Jains, cultivating compassion for all life (Chandaria, like all Jains, is a strict vegetarian) is both a moral obligation and core business value. "One of our principles, right from the beginning, is looking out for the community we live in," Chandaria says. "That is the philanthropic part of the family."

Over the course of his career, Chandaria has sought to bring these values into the whole of his work. Comcraft has manufacturing interests in 11 countries throughout Africa and a parallel conglomerate of philanthropic interests. Privately, the Chandaria family has established trusts in each country to help carry out its charitable work -- and through Comcraft, Chandaria quietly supports health clinics, scholarship funds, and community development efforts throughout Kenya and East Africa.

Chandaria is somewhat more vocal in the public sphere, where he has been a stalwart advocate for corporate social responsibility, good governance, and human rights. Over the years, for instance, he has been appointed to numerous government commissions on the economy and development. Currently the Chairman of the Street Families

(CFSK). Though the organization was just getting started, CFSK staff had a deep knowledge of local needs and a network of relationships with schools throughout the country. The organization now provides a full range of education and technical assistance, including a train-the-trainer curriculum for teachers and administrators and a technical assistance program that helps schools deploy and maintain high-quality computer labs. (With support from Digital Links, CFSK recently started a pilot program to recycle computers that have truly reached the end of their lives.) To date, Digital Links and CFSK have distributed 5,000 computers to nearly 300 schools. "It's always been our view that we should focus on what we're good at, which is getting high-quality PCs to Africa," Sogan says. "The beauty of it is that the local partner looks after all the aspects of maintenance and all the other bits. We can just focus on moving boxes of computers around," Sogan quips. "It's just been a fantastic model."

Rehabilitation Trust Fund, Chandaria is also a member of the Police Reforms Task Force.

"Everybody has to do something for others," Chandaria says. These efforts need not be big or splashy, he continues, noting that some of the best work in Kenya is being carried out locally by small nongovernmental organizations. The challenge, he insists, is to make a commitment and then to see where that takes you. "There is always room for some social good as a human being. But there also must be sufficient commitment by people who are well-to-do to hold hands with those who are not. That is the major issue."

Back in the United Kingdom, Digital Links built up the supply side of the enterprise, an undertaking that proved at first to be more difficult than expected. As Mathias puts it, "The greatest challenge is that you have to generate a supply of PCs, and nobody trusts you because you have no track record." But Mathias did have a track record in the business world, and a rolodex to match, both of which he willingly put to use for Digital Links. "Unlike many people, he didn't just dip his hand in his wallet," Sogan says. Instead, Mathias leveraged his professional network on behalf of the nascent organization-opening doors, developing key partnerships, and raising Digital Links' profile. For example, Mathias persuaded the chairman and CEO of Barclays Bank to give Digital Links its first donation: five containers of PCs -- cleaned, tested, bagged, and ready to ship.

Just as important, Mathias' professional background gave Digital Links a clear understanding of how to attend to the business needs of corporate donors and commercial partners while staying true to its mission. In some cases, it was simply a matter of making sound operational decisions.

Rather than rely on volunteers to collect and refurbish computers, for instance, Digital Links partners with some of the leading organizations in the field of physical asset management. Donors receive certification that each computer disposal complies with all environmental and data-protection legislation, a guarantee that helps assuage companies' liability concerns. "We have a very professionally run operation here," Sogan says. "You can't mess around when someone like a bank is handing over their machines. They're full of sensitive data."

In other cases, Mathias helped the organization strike a balance between partners' commercial interests and Digital Links' social purpose. Sogan credits Mathias with helping him negotiate several deals with software companies to distribute free or low-cost software on refurbished machines. "Chris has obviously run a lot of successful businesses, both turnarounds and start-ups, and this was a first for me, to take on a social enterprise of this scale and ambition. He's really been a great mentor. When I'm sort of struggling with a particular issue, I can get him on the phone, and he has this wonderfully exact way of seeing problems and helping you see solutions."

With a focus on efficiency and sound management, Digital Links has pushed the cost of placing a refurbished computer in a Kenyan classroom down to US\$60. "The costs of getting people in front of the computer using our system are incredibly low, about US\$2 per child," Sogan says. At that rate, Sogan estimates that Digital Links could give every secondary school student in Kenya access to regular information-technology lessons for something like US\$2 million. Over the next four years, Digital Links hopes to reach 10 million people worldwide. "We've managed to do quite a lot on an absolute shoestring."

In this respect, Digital Links is very much like Kenya itself. Although just 3.2% of Kenyans have Internet access, the number of Kenya's online grew ten-fold from 2000 to 2005. As *New York Times* columnist **Thomas Freidman** noted recently, Kenya's surfeit of educated, English-speaking workers has made the country a hot market for outsourcing call centers. The Kenyan government is scrambling to get connected to the global fiber-optic network, a development that would cut the cost of bandwidth and open up even more outsourcing opportunities. Even now, Digital Links estimates that nearly 10% of its partner schools in Kenya have broadband access.

Likewise, the rapid growth of mobile technology is yet another hopeful development. From 2000 to 2005, the percentage of Kenyans with phone access jumped from 1.3% to 14.3%. **Equity Bank**, the pioneering microfinance institution, now uses text messaging to communicate with customers in rural areas. And mobile phones have given entrepreneurs a cheap, reliable way to communicate with customers.

As these technological and economic developments germinate, Mathias hopes they will take root through the technology education Digital Links and its partners are currently providing. "There is so much that needs to be done," Mathias says. "You have to realize that many of the projects that we're supporting are in rural areas, and many of them have just gotten electricity. Many don't have running water, many don't have toilets." With inexpensive technologies and the training to use them, people in countries like Kenya may be able to leapfrog into the digital age, seizing along the way all the opportunities it affords. And this, Mathias insists, is a goal worthy of everyone's support.



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