

Africa Journal

December 9-15, 2006



Saturday, December 9, 2006
Nairobi, Kenya

Early morning Nairobi. No run today because my luggage was lost again – fourth flight in a row that British Airways couldn't keep my bag moving with me. And it should be a carry-on, always has been, but I can't find a contact lens solution bottle small enough for the new carry-on requirements. There must be a better way.

This trip is intended to share our work and some of the lessons with members of the Google Team – Linda Segre, Rachel Payne, Brad Pressner. Andrea Soros Colombel of our board joined us, as did our health portfolio manager, Omer Imtiazuddin.

The paper's top headline is about the Kenyan president giving himself a raise so that he now earns more than George Bush. There is another article discussing the link between malaria and HIV. When you have malaria, your immune system weakens and if you are HIV-positive, you are more likely both to transmit the virus and become infected by it. These two diseases must be tackled with even greater urgency. Our day is about a malaria treatment, but it is equally about building systems that can work for the long term, so that maybe we can derive lessons applicable to tackling diseases in a more systemic way as well.

Six-thirty breakfast and we leave the hotel with Patrick Henfrey of ABE at 8 a.m. Each time we meet, I'm struck by his graciousness and humility. Patrick has a kind face – soft brown eyes, thinning hair, a salt-and-pepper mustache that makes him look very British, though he's lived in Kenya for much of his life. Our country manager, Nthenya Mule, joins us. The day is perfect – cool air, blue sky, sunny and the jacaranda trees still have some of their bloom left. Despite my sporting the same pair of corduroys and black t-shirt that I traveled in, life feels good.

I ask Patrick if we can take the high road to Nakuru, where we are going to visit farmers producing artemisia as well as the company's station for collecting, sifting and bagging the raw materials. He agrees (always generous, Patrick) and we pile into two vans, water in hand, ready for the day. It is Linda Segre's first day in Africa, and I can't think of a better introduction than driving through the Rift Valley, Africa's extraordinary cleavage running from Ethiopia to Zimbabwe. You can only feel small, looking across its vastness and taken in by its beauty.

We've been working with ABE – an acronym for Advanced Bio-Extracts Ltd. – for more than six months now, focusing mainly on helping to structure a financing arrangement that makes sense for the company, the investors and the world at large. ABE is doing something important and groundbreaking, and it could be a blueprint for change through creating income and jobs in rural areas while profitably providing a drug that is critical in the fight against malaria. The company, started eight years ago, is working with big pharma, local farmers, regulatory groups and investors. Currently, they purchase from almost 5,000 farmers who grow artemisia in Kenya, Tanzania and Uganda. By enabling the farmers to switch from maize and other production to artemisia, the farmers are seeing, in some cases, a four-fold increase in yield and income.

As we drive along the rift, watching great clouds hang over the green valley, women carrying wood for fire on their heads, men selling sheepskins and vegetables, Patrick talks about the company, its challenges and opportunities. The road to creating what will soon become one of the world's largest artemisinin producers (artemisinin is one of the the best treatments known for malaria) was a difficult one. Patrick and his three partners had to convince farmers to try to grow a new crop (which, after the first year or so turned out much easier than expected, given that artemisia is worth up to more than four times more than maize, for instance); produce reliably (much more difficult – some areas are more or less suited to artemisia, depending in large part on altitude and rainfall); create a reliable supply chain from the farm to market; finance and build a large factory that met international standards; and innovate on processes to turn the raw artemisia leaves into a crude powder and then to a refined crystal for export for processing into actual pills for malaria.

Success feels imminent, however. Production quality from the nearly 5,000 farmers has been excellent. The farmers are quick to learn, given the financial returns to their efforts, and the ABE experience has made Patrick

rethink assumptions about farmers being risk averse. "The first to try the crop must be brave, but then when others see him go from making less than \$1 a day to more than \$3 dollars in one or two seasons, they will take the risk and make things work." The company is not yet profitable, but its systems are solid and the quality of its team excellent. Everyone we meet is excited and capable.

We drive to one of ABE's field stations near Nakuru and meet with field staff. The regional head, David, presents the entire agricultural process – from transplanting to mulching to topping to top dressing to saplings to harvesting to cleaning/sieving to delivering leaves for payment. The process typically takes about eight months, and farmers are paid for their 30 kg bags of leaves four days after delivery. A lot of trust has been built over the past years because ABE has learned to set expectations, insist on accountability and deliver on its word. A farmer with a hectare of land (most have only between one-tenth and one-half of a hectare) will produce enough artemisia to bring \$1,890 in revenues. This compares well to maize, which is much more labor-intensive and demands higher input costs and still grosses only \$422. Artemisia is a natural repellent, so insecticide isn't needed, and most farmers use fertilizer only sparingly. The goal for ABE, then, is to strengthen its structure of reliable, high-quality production while increasing farm yields. Its ambitions are to produce 15-20% of the global market in the next few years.

We visit the local bagging station and then a few farms in the lush Nakuru region. Most extraordinary is a farmer named Samuel. He lives on his father's farm in Nakuru and is one of the more successful farmers among those working with ABE. Samuel is long and lanky with a sweet face and short hair. He wears blue pants, and a light blue shirt open at the neck. He has an easy, confident way about him and is happy to talk with us.

Samuel left home after school to make his way in the city. He found a job doing silk screening in Eastleigh, one of the toughest slum areas of the city. The city burned him out with its cold promise of opportunity that never came. When his first child was born, he decided to return to his father's farm to seek a better life for his daughter. A year ago, he read in a local paper about ABE's call for farmers willing to plant artemisia. He found his way to the company and planted the majority of the farm's seven acres with the plant. The first year was a difficult one, as he had to learn about weeding (critical in the early stages of the plant's life) and especially about threshing before the plants flower.

Over time, the crop flourished, and despite the learning curve, he still earned enough to invest in more equipment – and to lease three additional acres for the crop. He's now earning four times what he used to earn growing maize, and he continues to reinvest in the crop. I ask him whether he considers himself a farmer or a businessman. He answers, "a businessman!" And when asked about his dream, he says he plans to increase his farm to 50 or 100 acres over time. He has already purchased a storage shed to hold the cut leaves and is looking into buying additional equipment. Though his children (now aged 4 and 2) are still in nursery school, he intends to send them to good schools, and his wife is very happy now with her new television. "Life is good," I say to him. "Yes," he answers with a radiant smile.

I ask him whether he uses the extension service offered through Abraham, one of ABE's best employees. "In the first year, I called him daily sometimes because everything was new," Samuel responded. "Now I call him much less. In fact, even I am called by other farmers for help. But still, he is good and he helps a lot." Abraham beams in his white floppy hat. He clearly loves the farmers and the company. I ask him how long he intends to stay with the company. "Forever," he answers.

I reflect on the power of information – cell phones offer a way for farmers to get needed information not only regarding pricing but also to touch base with critical services like extension workers and seed suppliers. When I was looking into setting up agricultural credit systems in the early '90s, farmers simply waited in their fields hoping for an extension worker with the right skills – and inputs – to stop by. Today, farmers can call in for what they need, keeping in touch both upstream and downstream in the supply chain. If we combine cell phone technology with banking services, then the consumer surplus generated for people living on only a few dollars a day can increase significantly. This couldn't be more exciting.

The interaction with Samuel also differs from those with farmers a few years ago because he talks to us as a peer and not a recipient of charity. In the development game, too often farmers feign humility and gratitude to foreigners, always with the hope that they will get something – but false conversations mean that neither needs



nor available resources are truly understood. Today, Samuel speaks to us as a leader. He is clear about what he has accomplished and appropriately views ABE as a partner where both parties benefit from their interaction with one another. Samuel is talking now to ABE about helping other farmers learn about artemisia and teaching them how to grow it. He knows he's on the road to real success – and is willing to share his good fortune. This notion of bringing others along bodes well for his community.

Also important is Samuel's reverse transition from the urban slums to the rural areas, to his family's home. He is dignity personified. He is power and promise, and all it took was giving him an opportunity and a little bit of help in the beginning to make use of it. Samuel and people like him must be the future – and a symbol for how we need to rethink development, rethink change.



Sunday, December 10, 2006
Nairobi, Kenya

I am awakened at 1 a.m. (minutes after I'd fallen asleep) to have my bag delivered. Unfortunately, only one bag arrives and it is Andrea's. The jolt from slumber keeps me awake just thinking about the day, the possibilities.

Finally, I get up and walk around the hotel area (in my same clothes) before delivering Andrea's bag to her. Another day in the same dusty clothes, something poor people do here as an assumption of living. No complaints.

We have breakfast with Wangari Maathai, Nobel Laureate for her work with the Green Belt Movement. You can feel her power just by looking at the sparkle in her eyes, the enthusiasm in her voice. She has been trying for thirty years to wake up the world to its current state of degradation and to the role of women in improving it. We talk about the need to empower people and not create dependency. She speaks about the difficulty of running an organization for 25 years that is chronically undercapitalized, how instead we need to find the changemakers and support them more fully. I love her spark, her focus and her laughter. She is a powerhouse and a role model.

Meeting her also makes me think about organizations and leadership. The Green Belt Movement has focused on planting trees since I lived in Kenya more than twenty years ago. I remember Wangari fighting the government on environmental issues and issues of women as well. She has been threatened, and many have tried to isolate her politically. And still she has fought on with a focus and vision for change from which she refuses to move. Today, the Green Belt Movement is still a fairly small operation – less than \$4 million a year – but Wangari herself has a worldwide platform around the fragility of our planet; the link between poverty, the environment and peace; the power of women at the grassroots level to help change the world. Increasingly, I'm convinced that citizen leaders like Wangari Matthai and this year's Nobel Laureate, Muhammad Yunus, are key to imagining and creating a better future through which the world has a much better chance of thriving.

Though today is Sunday, ABE brings its staff together for us. We drive to its new factory – Botanical Extracts EPZ, Ltd. – one of the ten or fifteen companies located in the Export Processing Zone. Kenya hasn't been able to take full advantage of the zone for a number of reasons. There was too much a focus on textiles, and most of those companies have now gone under. We did pass a company that warehouses high-protein biscuits to send to Darfur and other emergencies. Botanical Extracts is a breath of fresh air – a large manufacturing processing company that will eventually hire a hundred employees and could become the world's largest producer of artemisinin.

Sunday morning, and the road is still full of trucks. We pass a shantytown in the process of being bulldozed to make way for a road, a source of great social friction. As with so many other places in the world, the issue is not that the poor are getting poorer. It is that the gap between rich and poor is so wide. And it continues to increase.

The last time I visited, the buildings were not completed and the ground was covered with pipes. The factory, which is now expected to start operating in early January, will be able to produce 80 million treatments in a year, with the ultimate capacity to produce an additional 40 million treatments. At the same time, the quality of leaf is improving, so this may be a better way of increasing overall revenues.

We all sit in a room at headquarters, the Google/Acumen team around a table and the Botanical Extracts EPZ staff on chairs in the back. The men wear white coats and look very serious. Evans and Joseph do most of the talking, excited by the possibilities of improving leaf quality, increasing output and becoming more productive – and profitable. This team has clearly thought through quality control and quality assurance, building efficiencies, creating the right distribution channels. What they have done is truly impressive, as is the obvious commitment of the people here.

Security is a big issue, especially given the high cost of artemisinin. There is a ready market for people to use the crude artemisinin for curing malaria. How to ensure there is no leakage is something the company is taking seriously. Running an effective business in Africa means a good manager must contend with security, customs difficulties, low-skilled workers, quality issues and corruption. Doubtless, successful African businessmen are some of the best on the planet.

ABE already has stores of leaf ready in storage at the site. They have commissioned testing and are ready to start production in January. Challenges have included leaky pumps, difficulties in bringing the final machines into place, and hiring staff. At the same time, the quality of the management team is high – and it is also mostly African, which is thrilling. Small steps are the way to build role models, skills and, eventually, more entrepreneurs.

The company's worries? "Simply getting everything up and running," Patrick laughs. There will certainly be some start-up issues and concerns about making deliveries on time. They will have to train and hire the right people as well. They are looking for engineers, chemists, all sorts. Given what they have achieved to date, all evidence points to success.



The business model for public health products is nonetheless always a complicated proposition. The sector doesn't really differentiate between need – based on the number of people exposed to malaria; demand – the number of people who would actually purchase the drug; and the real shortfall. Determining the right blend of public and private financing for the sector then becomes another highly imprecise art that enables huge market distortion and wasted resources. As with A to Z (Acumen's investment in bednets), ABE is exploring how to build private distribution channels while driving the price down to less than a dollar so that consumers can make their own decisions and the company can rely on a more stable source of demand.

We all don white coats and green hard hats to explore the factory. We are allowed to bring neither cameras nor cell phones into the area, given the need for hexane in the production process. The team could not be prouder to show us what they have accomplished – and the feat is certainly an extraordinary one. Later in the evening we will sign our first agreement with ABE, and we are excited to be partners.

The progress is impressive, made possible by the dedication and the perseverance of the ABE team. I remember when the first bednets rolled off the lines at A to Z in Arusha three years ago. Today, the company is producing millions every year and employing 3,000 women. I predict the same kind of growth and contribution for ABE. And I'm proud that Acumen Fund is part of it.

Nik Nesbitt, my classmate from Stanford, hosts all of us and about a dozen of his friends and family members at the Muthaiga Country Club. We are treated to champagne and dinner in this 100-year-old club, which is a step into another time. The group is fabulous – people who work on HIV, entrepreneurs who run pharmacies and technology companies, a sister-in-law who works for the International Finance Corporation. My grandmother used to tell us that if we showed her our friends, she would tell us who we were. Nik's friends shine well on him. Most of them were schooled in the U.S. and decided to come back to Kenya to contribute and be part of it. "There is no place like Kenya for us," one of his friends told me. "Everyone knows you here; you are never anonymous and you always have a place." This movement of people to other cultures and back will enable an important cross fertilization of ideas, people and enterprises that bodes well for the future of this country.

Monday, December 11, 2006
Nairobi, Kenya

Early wake-up. My bags finally arrive around midnight! The early morning is joyful as a result. I can finally run and do so for more than an hour, jogging past the apartment building where I used to live (run-down now,

though all the kiosks that used to stand along the road across the street are gone). I run along familiar roads, down to Uhuru Park, which is now so much cleaner and safer feeling than it used to be. I run through the Westlands Shopping Centre and past the Sarit Centre mall too. The city continues to be built up though many of the old shops and stores are still standing where they were, just a little worn and tired. The skies are full and grey today though you can see the blue pushing through. We've been so lucky with the weather, which has been absolutely perfect every day until now.

Muhammad Yunus accepts his Nobel Peace Prize today, speaking eloquently of the link between poverty and peace. The world seems to be stirring slightly from its slumber, for more people than I remember are connecting poverty, AIDS and despair to the potential for civil strife and instability. If not convinced of the moral imperative to create a world where poor and rich are not so divided as we are, then perhaps the security argument will encourage action.

Lillian Gitau, the Training Director of SHEF, joins us in our white van to travel to Embu. A quick water stop at a beautiful grocery store (so many products and I want to wander and look at what is stocked on the clean and organized shelves); and then we start the drive up north to visit rural health clinics in the SHEF network.

Nairobi Monday morning traffic is chaotic and oppressive. It can take forty-five minutes to get into the center of town, a trip that used to take five to seven minutes at most. The traffic thins as we leave town, past the industrial area, past lines of kiosks and people walking into town. Twenty minutes along the main road, we can see Mount Kenya looming in the distance – dark, snow-capped and crowned by clouds. A truck in front of us has the following written across the back: *Women are jealous and meddlesome. Men never are.*

The SHEF clinic stands along the red dirt road of a tiny village called Gichoinjini, near Embu. We reach it after taking the dirt road for a mile or two. Tin-roofed shanties stand in a line on either side of the road for about a hundred meters; there is another tiny road looking just the same and running perpendicular – a bumpy path to nowhere. We pull up to the SHEF clinic painted green and gold, the colors of Kenyan tea packaging. Outside, brightly colored pink and yellow flowers bloom. The fresh paint, the gossamer door covering and the happy lettering of the sign send a message of confidence and safety.

We walk into the front room of the clinic furnished with a cabinet filled with pharmacy goods, a wooden desk and two narrow wooden benches along the walls. A photograph of President Kibaki hangs over a sign that says "A friend loves at all times," which hangs over the door leading to the room where patient care is done. Behind the little room is an organic garden started and cultivated by Cyrus, the community outreach worker who runs the SHEF clinic in partnership with Mary, a retired nurse who is 58 years old. The two make a striking pair. Cyrus wears a white clinician's jacket over black pants and a white Yankees baseball cap on his bald head. Mary is wearing a nurse's dress – thick white cotton with a scalloped neckline and a belt around the waist. Her dainty black mary-jane shoes have a rhinestone clasp but she wears no other adornment.



We all stand in the center of the room. Cyrus introduces himself and suggests we start with a song and a prayer. He somehow manages to get us singing in Swahili, helped along by Nthenya and Lillian as well as Josephine who is also with us from SHEF. We are then asked to join in prayer thanking God for the day and this visit. Cyrus tells us he was saved, a born-again Christian. We take our seats and he starts to tell his story.

He says he'd worked with a Christian NGO in the Embu area for years, delivering health messages as well as doing evangelical outreach, until the funding dried up and his program was shut down. After a year or so of struggling with other organizations, he and two other friends heard about SHEF and decided to make a go of starting a health clinic with the organization. They saved and contributed Ksh60,000 (about \$850), but found the area too poor to sustain the clinic, though they did manage to repay the loan. The other partners eventually dropped out and Cyrus thought he would have to close the business. At the same time, there was no health clinic within at least a 4 kilometer radius – 8 kilometers in one direction – and this was his dream. And so he reached out to Mary, a woman he'd seen at the bank making regular deposits who was obviously a trained nurse. With a trained nurse, he could provide more needed services, increase the financial sustainability of the clinic and possibly have a viable business as well.

Mary agreed to go into partnership, and the two of them struggled for another year finding a suitable space for the clinic and then refurbishing it to conform to SHEF's requirements – which included government regulatory requirements as well. Frustrating to the two was that SHEF changed its design midway through the renovation process, costing the new partnership money they could not afford. But they carried on, borrowing another Ksh20,000 after investing 18,000 of their own. Now, he is seeing great results and much appreciation from the people. The clinic is recording 20 patients a day. The tide seemed to be turning.

All the time Cyrus talks, Mary sits quietly in the chair next to him, her graceful hands folded demurely in her lap, her eyes cast downward. He seems the boss in the show, the one with the business sense, the more powerful communicator. But African women can fool you, especially when there is a man in the room. It is Mary's turn to talk and tell her story about being a nurse and why she is involved with SHEF. She stands up and starts slowly, repeating some of the renovation story, reaffirming Cyrus' stories. And then we start asking questions and the strong side of Mary appears.

She tells us that she joined SHEF because first and foremost she wanted to help people after her retirement from government nursing. But she is also a businesswoman. Mary owns six buildings that she leased, and she runs several other businesses as well. She loves being active, she tells us, loves serving people and wants to earn a good living too. By now she is almost dancing and has come so fully alive in front of us that I want to stand and congratulate her.

Of course, when we push on the profits of SHEF, Mary gives us the person she thinks she should give us again. She says it is hardly profitable, though they are working hard each day and providing services. Given her business acumen and the numbers we see in the book, it isn't clear if this is the whole story – business actually looks solid and growing. Mary does offer that she and Cyrus typically do a lot of outreach to the local areas. They especially reach out at the nine local churches, each of which has 150 or so churchgoers.

Later in the garden, Nthenya asks Mary what level of income would make the clinic worth her while. She answers that she needs to see at least Ksh10,000 for each her and Cyrus each month – or about \$140 – a very good salary. Knowing when to ask for information is as important as knowing what questions to ask.

Learning to listen. What we see is not necessarily the reality of how things work here. Mary obviously is the powerhouse, the manager who also provides the clinical legitimacy and knowledge. Cyrus sells in the shop and records sales. His side of the business is mostly the toothpaste (Aquafresh and Colgate), the toilet paper and condoms, skin bleaching cream and ointments, Vaseline and emory salts. But Mary is the healthworker, the banker and, it seems, the real manager. This is an enterprise that not only covered costs – it has potential to succeed over time.

The question is how to build more franchises with the Marys of the world, who have both nursing experience and the management skills to build viable enterprises. And how to create the right balance between financial viability and the delivery of critical health services to the poor. This should be the more focused experiment for SHEF in its next five years, now that it has 65 franchises, most of which are at operational self-sufficiency. This is an important though complex model for delivering public health services using a private sector approach. What is most important is that we learn to measure where and how costs can be covered within the customer base itself and where some form of subsidy is needed in order to ensure basic healthcare to all people.

Three hours back to Nairobi and thanks to Linda, we have nutrition bars and nuts and all kinds of snacks. She is a caretaker and for that, we're all grateful. There are not a lot of real lunches on this trip – in fact, we've not yet had one. There is too much to do and the distances are great. As we near Nairobi, we pass an eighteen wheeler wrapped around a small sedan. It isn't clear whether everyone survived and the truck looks destroyed in its twisted metal frame so that it almost takes on a sad, sad personality.

The van starts descending into the Kibera slum, one of the largest and poorest in Nairobi. For miles all we see are little shacks cobbled together over years with mud, sticks, tin, plastic, nearly every material you can imagine. The unpaved roads are lined with rocks and children waving and yelling in sweet, singsong voices, "How are you?," with a definite emphasis on the "you." The little shacks advertise everything from discos-for-hire to the Lady of Mercy Hair Treatment. There is raw sewage, though I see a lot more water pumps than I remember ever seeing before. Trash is strewn everywhere but it would be too easy to write this place off as lost, a place of despair and hopelessness. In fact, quite the contrary: you can't help but find hope and life and extraordinary potential in the open faces of the people we see on the street, and more important, the people we meet.



Near the top of a hill stands another SHEF clinic. The white exterior is bright and clean, another beacon for pride and service. Inside, we meet a 35-year old nurse franchisee named Dora. She is very attractive with hair that nearly reaches her shoulders, almond shaped eyes and a toothy grin. She wears a bright red sweater under her white coat, a wedding ring on her finger and sensible, though stylish, shoes.

She worked as a nurse in the public sector and then ran a nursing home for ten years before hearing about SHEF and deciding she wanted to take the chance to run her own operations and provide services to the people. She lives about 20 km away from the clinic but is there every day but Sunday from at least 7 a.m. to 7 p.m., usually longer because it is too difficult to leave patients in need. This theme that women are willing to stay as long as customers need them in the evening has come up not only in East Africa but also in India (Drishtee found the same with their female franchisees) – ironic given that women also are the primary caretakers.

Dora's husband is proud of her but doesn't understand her choices and is therefore unwilling to subsidize her work. Again, it is difficult to know the real story behind what she spends and what she earns in the clinic, but to date she finds it worthwhile and is able at least to cover costs. She spends about \$100 a month for rent and must pay for security as well. She charges adults Ksh300 (about \$430) for consultations and children, ksh100-150; though there are some children who can't afford to pay and she doesn't turn people away. She sees about forty patients a day and thinks that is probably capacity for each health worker. We ask her why she works in this area, still a trek from her home, when she could earn more elsewhere. She answers that you cannot pay for job satisfaction. "I know I've done my job and I've done it well."

Late that night – close to midnight – Omer and I meet again with Patrick so we can sign the documentation for a short-term loan before we commit our equity investment. It has been a real journey to get to this point and now we are officially partners. We'll be looking to help ABE identify other investors. We are on our way.

Tuesday, December 12, 2006
Nairobi, Kenya

Another early morning run and the roads are eerily empty. Today is Republic Day in Kenya and no one is working. Jamii Bora nonetheless has organized a day for us to see its operations – at least some of its members will have given their day to us. The generosity and patience of people is extraordinary.

A short drive to the head office. We are greeted by twenty Jamii Bora members, singing and dancing to welcome us. "Keep moving forward and never look back," the women and men sing to one another. They hold our hands and we dance and allow ourselves to bask in their warmth. There is something about song that touches something in us that goes much deeper than words. This is a good way to start the day.



We dance our way into a big white-and-green tent and everyone takes their seats at a long white table. Ingrid Munro, the formidable, wonderful and irrepressible founder, begins the discussion. I met Ingrid twenty years ago when she was forty-five and I was twenty-five. I thought she was tough, wise and wonderful then. I remember her frustration that the United States would not sign onto the notion that housing should be a human right.

How quickly the past twenty years have flown. Ingrid's Swedish beauty comes through the sparkle in her clear blue eyes and white hair pulled back loosely behind her head. She wears a sea green shirt and a long black skirt and no adornment save a simple cross around her neck. It is clear from the moment she starts talking that Jamii Bora is her life.

Ingrid begins with the story of starting Jamii Bora. After eleven years leading the Housing Fund at the United Nations, she retired in 1999, thinking she would rest and think about retirement for a while before doing anything. Within the first week, however, she was approached by a number of beggars who she'd met through the UN. They wondered what she could do now that she was no longer at the Fund. By then, she didn't believe in traditional charity: "You can help someone get up the ladder with charity but the minute you let loose, people who have become dependent on you fall down." She told the beggars that she would help them only if they helped themselves.

And she presented them with a challenge: for every shilling each person saved, she would find a way to match it 2-1. A few of the beggars began to save shillings when she started in September, but most were too used to

asking for things and not simply saving. The beggars told her, "How can we save? We are beggars. The only safe way to save money is to eat it. You save it by putting it in your stomachs so that no one can steal it."

Ingrid listened but refused to acquiesce. She instituted a system whereby if you saved 50 shillings per week (or about 75 cents), you would be eligible for free maize and beans. Within a week, the numbers of people saving soared, and individuals took buses in to collect their maize and beans in exchange for proving they were saving. By the end of the year, the group had managed to save 4,000 shillings, which Ingrid managed to match with friends' contributions, as promised. In total, then, the group had amassed Ksh12,000 or nearly \$175. Ingrid raised an additional sum for lending and they were in business.

The approach was simple: save Ksh1,000 and each person would be eligible for twice the amount as a loan. Interest on the loan was half a percent per week and you were given a year to repay but could pay it off as quickly as you wanted. Once the loan was repaid, you could take another loan, depending on your level of savings. Help for people who help themselves. And the sky was the limit.

Seven years after starting, today Jamii Bora counts 130,000 slumdweller among its members and it is the largest microfinance organization in Kenya. Original borrowers run the organization and thousands of profitable businesses have been created. The organization not only provides loans but also business training, health insurance, life insurance and a heavy dose of mutual support. Ingrid says Jamii Bora is a movement. It is equally a way of life for more than 130,000 families who, as one woman told us, are finally seeing themselves as people, as whole, as worthy.



Jamii Bora's philosophy rests on the belief in human equality, on the belief in human strength and the beauty that lies in every person. And there is not a small dose of faith in the organization. Ingrid reminds me of my first grade nun: "We are all given talents and God expects all of us to use our talents."

And then come the testimonials.

Wilson Maina, skinny, smiling, with a narrow face, high cheekbones, big ears and hair closely shaved, stands up. He is wearing a white track suit with racing stripes, and his smile is boyish and wide. Ingrid introduces him as someone who "used to be a bad person but who is now a good person."

Wilson starts by recounting life as a young boy in Mathare Valley, one of Nairobi's biggest slums, where options were few, especially for boys like him. He couldn't find a job and began to find it easier to earn money by snatching handbags and through petty crime. Wilson ended up in jail and praises the day he got out and was approached by a primary school friend, Jane, who introduced him to Jamii Bora. He thought she was crazy at first and didn't like the idea of saving but he soon found himself as a delivery boy, carrying large sacks for women at the bus stop, earning about a dollar a day (his skinny frame didn't allow him to carry the largest bags, he tells us, so he never made as much money as some of the boys did). For nearly six months, he saved seventy cents a week – until he'd saved 1,000 shillings (\$15) and became eligible for his first loan of \$30.

He used the money to start a small grocery with his mother, selling onions and tomatoes and sukuma wiki, the traditional staple of fried spinach, onions and tomatoes. They were able to repay the loan in six months, so Wilson took out a second loan, this time for 3,000 shillings (\$45). For the first time in his life, he and his mother were eating three meals a day. By his fourth loan, he had started a second-hand clothing business that was separate from his mother's grocery; he's now on his seventeenth loan – for 100,000 shillings. Wilson is now "a family man" as well, with three children, three businesses and a house with two extra rooms that he rents out for additional income. He also volunteers counseling young men to leave their lives of crime.

When he first became a member of Jamii Bora in 1999, Wilson couldn't speak a word of English, but he studied with one of the staff members and now speaks fluently – so much so that last year, he gave a speech and received an ovation in Norway. He spoke of flying over the clouds. The power of dreams combined with focus, hard work and the mutual support of a lot of people in your life...

Joyce Wainana speaks next. I love this woman. She has a frame like my grandmother – big, sturdy, a worker's hands and a very kind face. She wears a big pleated skirt, a violet top and a white turban around her head. Joyce had been a victim of ethnic clashes in the early '90s and was left with nothing, living on the streets as a beggar. But she wouldn't let anything in life keep her down.

She heard about Jamii Bora and started saving. As she speaks, Joyce uses her hands to emphasize her seriousness as well as her joy. "First, I borrowed 2,000 shillings to start a tea café." She didn't go for her second loan until she was ready – and then had saved enough to borrow 20,000 shillings to start a second restaurant. Her third loan was for a video shop. After this third business, she says, "I began to feel like a respectable person again." And then she looks at us slyly, "And you know, I used to be thin. But now I am beautiful."

And she is. Today, Joyce employs forty-five people in her businesses. Her most recent ones are a delivery service to bring healthier food to the schools as well as a juice factory. "I don't think of the land I lost," she says. "I just look forward. And you know I'm a managing director now, because of all of my businesses. That is why I'm becoming proud."

I am struck by how many of the people we meet remember the time they started feeling respectable, worthy, able to hold their heads high again. One woman tells us she just wants others to see her and the members of Jamii Bora as people. And here they are telling us stories of remarkable perseverance despite deep suffering and seemingly insurmountable challenges. What is wrong with a world where the Haves too often see the Have-Nots as lazy or incompetent or just invisible when all that is needed is to remove the constraints that get in the way of people's own progress? Of course, one of the biggest constraints is one's own self-perception, one's own self-esteem and this isn't to be underestimated. Through a combination of opening markets and opportunities along with creating the right support systems, "even the sky is not the limit," as one of the Jamii Bora members says to us.

Of all of the extraordinary stories, however, I don't think any affect me like that of Beatrice. She wears a white Jamii Bora t-shirt over a long skirt and her hair is done neatly in a bun. Beatrice has a wide, square face and is a little bit older than most of the others. She explains that she is an AIDS grandmother. She had eight children and raised all of them in Mathare Valley. In the 1990s her children started dying. Her eldest son and his wife died of the disease, leaving her with four children. Then a second one and his wife died, leaving her with two more. By the year 2000, all eight of her children along with their spouses were dead. She found herself with twelve grandchildren, no husband and no income.

"I was so desperate," Beatrice tells us, her hands clasped in front of her. "I thought of making a porridge and putting poison in it to end the lives of all of these children and myself. I could think of no way that I could take care of everyone and I had run out of all of my money." But she didn't even have enough money to make the porridge in which to mix the poison powder. Friends helped her with their own savings so that she could borrow from Jamii Bora. Beatrice started selling French fries. She then sold water in the slums. She added rooms to rent to her house and she started a butchery, a hair salon and a restaurant. Today, she has eleven employees and twenty-one rooms, most of which she rents for income. Her eldest grandson is training to be a lawyer and three are in high school. The smallest, age 7, is also at school. All of them work at times with her and all of them know how to survive but do not fear being left without skills and a future. Beatrice knows how hard life can be and at the same time, thanks Ingrid and Jamii Bora for saving her life and for letting her see how bright a future she could create for herself and these children, though this is not the life she had imagined for herself.

There are women and men like Beatrice the world over – people capable of doing anything they want to do, but who are oppressed or stuck in untenable situations that keep them deferring or more often, extinguishing any dreams they may have dared have in their youths. How can we help get Beatrice's stories out to a world in such a way that the world can relate to her and understand that it will not take big governmental programs providing hand-outs to change the lives of the Beatrices? It will take only giving them a real chance to change their own lives.

More testimonials until the final one from an 82-year-old woman who fought with the Mau Maus for Kenya's independence in the late 1950s. She calls Jamii Bora's meetings the "Parliament for the Poor." She says that poor people have a common aspiration to get out of poverty; and at the same time, no one can succeed on their own. She calls us children and tells us to listen carefully to her, for she has worked with Ingrid since 1987 and there is much to learn. "Success," you know, "can be measured in many ways."

When Ingrid first started telling her story, she referred to herself as Mother or "the mother." Though I know that Kenyans often use the term Mother as a reverential one not only for one's biological parent but for important



women in one's lives, still, I feel slightly uncomfortable hearing Ingrid refer to herself in that way. As the members of Jamii Bora tell their stories, however, I realize that Ingrid has earned this title. She understands who poor people are and she is building one of the world's extraordinary organizations *with* them and not *for* them. The poor with whom she works are the workers and the managers and the clients as well. They determine the organization's direction and they hold the organization's message and its heart as well. And the day is just beginning.

After tea and biscuits, we gather for another song and then the women put a t-shirt on each of us so that we can all be members together. We dance some more and then head off to Kaputei to see the dream they have asked Acumen Fund to support – a new community with housing for 2,000 families located about an hour outside of Nairobi.

Kaputei

We drive south and take a right-hand turn along a narrow road winding through an open field. In the distance, we see a tiny tin-roofed chapel that marks the beginning of the town-to-be, Kaputei. We stop at a makeshift factory where the roofing tiles are made. Twenty or thirty Jamii Bora members are waiting to greet us. More singing and this time we form a line and dance as members sing the Jamii Bora theme song about looking forward and not looking back. They then take us through each step of what it takes to make tiles for the roofs that will be used on the homes the group will construct.

To date, the group has made enough tiles for most of the houses. It is a fairly slow, labor-intensive process. Women must first sift the materials for the tiles, grind them and turn them into a mud-like batter. They then mold each tile and leave the molds to dry, after which time each tile is tested for strength and for how porous they are. Outside the tiny factory, fields of red tiles spread out, creating a beautiful pattern beneath the blue sky. Beyond the tiles, other members work on making cement bricks for the houses.

They already have made enough bricks for more than the 2,000 houses to be constructed, for they also are preparing to build schools and clinics – everything needed for a town to flourish. The members not only will live in Kaputei, but intend to work here and so will create mini-dairies and other enterprises where they can thrive individually and as a community. Ingrid was a city planner and so the plans for the community are also very sophisticated and clear. There is a water reservoir and complete recycling system; elements of green housing and alternative energy supplies; parks and family gardens and a dream for everyone of a better life together. Everyone is looking forward and not looking back.



One challenge is a legal suit scheduled for court on January 15. Several environmental groups claim that the settlement is in the path of a migratory route for the animals coming through Nairobi National Park. Building cannot start until the suit is concluded. Ingrid says that the suit is mainly political in nature, that there already are many "obstacles" that have gone unnoticed by those same groups but that are in the same path. She believes – and is apparently supported by many environmental groups – that the reality is there are no migratory animals left in Nairobi National Park. When I lived in Nairobi, there were elephants and lions, rhinos and wildebeest in the park. Today, animals are scarce and those that are in the park tend not to migrate. Ingrid insists that a better way to care for the animals is to fence off the park and create migratory paths for the animals within the park itself.

Acumen Fund's support is contingent in part on the outcome of the trial. We've also been working with Jamii Bora on their strategy and business plan. The group is raising nearly \$10 million in equity (of which Acumen Fund is considering about \$1 million). Ingrid is clear that she will allow only those she trusts and in whom she believes to invest in and support Jamii Bora. She tells me that is one of the perquisites of being older – "you can say what you mean and mean what you say." I like her approach.

There are a lot of lessons inherent in Jamii Bora's model. The first is the importance of building long-term relationships and trust in a community. Ingrid has been working with some of the Jamii Bora members for twenty years. She adopted and raised three street boys herself and she is unfailing in her commitment to slums and slum dwellers. Second, Ingrid sees beauty in people and in the slums as well – and people can sense this even more. Third, Jamii Bora helps people help themselves. There are no hand-outs but there is a lot of support and esteem building. Jamii Bora has a business academy to help people with skills and training; health insurance so that people can meet their obligations and also take care of their families. In this way, the Acumen model is similar – we only invest loans and equity, but a lot of our value comes in the form of technical and managerial support, which is critical to help groups serving the poor become strong enough as institutions to repay their loans and, eventually, access more mainstream capital.

The bottom line is that both Jamii Bora and Acumen Fund use the mechanisms of capitalism and combine it with a humanitarian ethos focused on providing people with the skills and tools they need to access the opportunities that capitalism can provide. And though the latter may be the most important part of our work, the former creates power, assets and a greater sense of credibility and ability to leverage other resources.

Linda asks Ingrid what she needs to grow Jamii Bora to scale. Her answer is not direct, but between the lines she essentially says she intends to grow Jamii Bora organically based on the growing capabilities of the organization as well as its successes and networks. She, like we, believes that Jamii Bora is an important model not only for the poor in Kenya, but for the entire globe. And she intends to reach 25 percent of the poor in urban areas in Kenya over the next years. To help Ingrid and Jamii Bora realize their goals inside Kenya and beyond, Acumen Fund can best be of service in continuing our work on developing and strengthening the business plan and expansion plan; providing smart and patient capital; working with the group on measuring change; and communicating the lessons and frameworks of success to the world. In the meantime, the people of Jamii Bora and Kaputei will keep on keeping on and making change in their lives, with us and others or without us. Nothing will hold them down now; it is just that working with external partners like Acumen Fund who also want equal partnerships, this extraordinary organization will realize its dreams just a little bit faster – and more of the rest of the world will benefit from it.

Wednesday, December 13, 2006
Arusha, Tanzania

Early morning run in the cool December mist of Arusha with Brad. We do a quick tour of the center of town and then run along the tree-lined roads of the neighborhoods. I am disappointed that Brad cannot see Mount Meru rising. The clouds' thickness doesn't bode well for seeing the mountain at all today. I am struck by Brad's thoughtfulness about what he's been seeing and the importance of taking things slowly and not just rushing in with solutions. He says some of the women we met yesterday remind him of his mother-in-law, Jeanette, given their strength, humor and way of just getting on with getting on. I feel the same way about my grandmother – I so often see her in the faces and fortitude of the women here.

Our conversation leads to a discussion on journaling and metrics and the importance of observing everything from three perspectives: the substance of the issue and the intellectual frameworks; the human sides as well – understanding how people make decisions and how they see themselves in the world; and the political/historical context for how things happen. Just focusing on one will shortchange the wisdom needed to participate effectively in the long, complex processes of change.

Back to A to Z. We've been partners now for nearly five years. Conversations are still not always easy and I'm learning that it is in large part due to both Anuj Shah, A to Z's CEO, and I having entrepreneurial personalities. We're each focused, persistent and stubborn, and it serves us each well, but means that we sometimes bump into one another without intending to do so. Now we can laugh when we see ourselves doing it. Real relationships take time and honesty, which is not easy. But nothing important ever is.

While the team visits the old factory, Anuj, Rustom Masalawala (Acumen's first health portfolio manager who now works directly with A to Z) and I meet to discuss the status of our Phase II work to develop private channels for bednet distribution. A to Z already has exceeded our expectations for using the funds granted by Ray Chambers in experimenting with different price points for sales in private markets by selling 66,750 nets at a \$3-4 price point. At the same time, we've learned a great deal about different approaches and market segments.

The “Tupperware” model of using women to sell nets on a door-to-door basis hasn’t been as effective as we’d hoped. Only 6 percent, or 3,857 nets, were sold by the women themselves. As we learned with Scojo in India, especially when dealing with low-income women who have fairly limited circles of mobility, the areas where they will sell are small and quickly saturated. Women create social networks around them and the factory women had a fairly easy time selling to their inner circle of friends. Much more difficult was extending the circle to other unfamiliar areas, especially for women who haven’t ever traveled beyond their own villages except to come into Arusha. Moreover, husbands who make financial decisions are typically not home during the day. Recently, the company responded to the slowness of door-to-door sales by opening a retail outlet outside the factory and found it much easier to sell – in just a few weeks, 2,361 nets have been sold.

Hospitals and churches were also extremely slow in responding, representing only about 2 percent of sales. In the case of hospitals in Eastern Africa, there is typically an assumption of “profit sharing” so very few hospitals and clinics agreed to partner with A to Z despite the fact that malaria is the number one killer of their patients. In the case of churches, people rarely attend with money in their pockets. Building a retail distribution network will thus require more innovation than we’d originally anticipated.

One promising channel is including bednets on A to Z’s existing rural truck delivery routes. By reaching out to the poorest of the poor in rural areas off the backs of trucks, the company has sold nearly 4,000 nets in recent weeks. People expect the trucks to arrive at a certain time so are prepared with cash in hand when they do. And the prevalence of malaria in rural areas can be great and disabling. The company believes it could sell many more nets at a much lower price point and thus increase coverage of the nets in areas most in need of curbing malaria.

Corporate sales have also flourished – though it is important to understand that these sales are to the employees of companies and not to the companies themselves. The corporations simply provide a venue with a captive audience and, in some cases, a built-in installment plan for repayment (some companies will agree to deduct a certain portion of employees’ pay each week until the nets have been fully purchased). Eighty percent, or 54,000 nets, were sold through these channels. A to Z also sold nearly 2,000 nets through payroll deduction to their own workers.



Our initial plan had been to approach corporations with a presentation demonstrating the efficacy of investing in providing a free bednet to every employee. On average, companies in areas with high incidence of malaria lose 10 percent or more in productivity due to illness and death among employees. A \$6 investment per employee thus would save the company money in the long term, especially since these nets last for five years. Amazingly, most corporations have refused to do this, though they have allowed A to Z to sell directly to their employees. With companies like Coke and DeBeers operating prominently in Tanzania, there is an opportunity for a more visible campaign to convince both major multinational and smaller African corporations to start giving back to the community – by caring first for their employees. The resulting goodwill in addition to better health and productivity among employees will far outweigh the cost of a \$6 investment per employee.

Our assumption is also that employees will end up purchasing an additional net for their family – and this has been borne out anecdotally, at least, through A to Z’s own experience. It must be said that A to Z doesn’t provide a free bednet to employees either, but instead requires that every employee purchase one at cost. Most employees have purchased more than one net for their families, as each net only really covers two people. People will pay for products they value provided they can afford them. We learn this over and over again. We also know there may be different price points that are acceptable to different market segments – and that there may always be one segment that cannot afford anything at all. To ensure an effective approach to healthcare delivery, however, segmenting the market to create models that are sustainable in the long term is critical.

Phase I of the experiment around creating private distribution channels for the Olyset nets has taught us a great deal. Whether and how we move into the second phase depends on our assumptions for moving even closer toward policy recommendations. This clearly seems an experiment worth continuing, though it is important to determine jointly which channels we will cut off, at least in the short term, and where we will redouble our efforts to provide the best chance of success. It is also imperative to refine the contours of the debate around how bednets should be approached if our goal is to reach as many people as possible for the long term.

The current debate around selling nets in private markets too often is caught between the belief that we have to give nets away for free on one hand and the other hand that believes people will only value things for which they pay. This is the wrong discussion. People will use goods and services even if they are free provided the goods and services deliver real value to them. Top-down strategies too often don't consider the perspective of poor people to whom they want to give things, and that is the real reason that people don't use giveaways.

The critical question for effective bednet distribution is not free v. selling. Rather, the question is how to get the most nets to the most people at the lowest possible cost in a way that can sustain itself long into the future. This may actually require several different approaches. It most definitely requires constant innovation, measuring results and sharing what we are learning, in terms of both successes and failures. It is this innovation, measuring and reporting process that is sadly missing from too many of our public policies, especially at the global level.

The first stage of our experiment with A to Z has taught us a few very important lessons. First, there are indeed different market segments willing to pay for bednets provided the price is subsidized. Second, through these subsidies, it is possible to build indigenous distribution systems that may be used for other critical goods and services as well. Third, not all channels make sense, at least in the short-term, but some show real promise for extending opportunity to people beyond those targeted by the UN and other international agencies. Finally, and importantly, using private channels for distribution – even at a \$5 subsidy level per net – will allow distribution costs at approximately half that of what the UN is currently paying. This means that twice as many people can be reached for the same amount of money.

This last point is the critical one, of course. Currently, the standard bednet sold by A to Z costs \$6. It is estimated that the UN must absorb another \$5-6 to distribute one net which will be given to a poor person for free. The total cost of delivering each net, then, is about \$12 on average. In selling the 65,000 nets through the private markets, we determined with A to Z that their all-in operational/overhead costs for doing this averaged \$1 per net. This cost is expected to fall as sales rise due to economies of scale.

Charging a poor person \$1 to purchase a long-lasting bednet will thus require a \$5 subsidy and A to Z will have to pay an additional \$1 to cover distribution costs. The *total* cost for an organization providing the subsidy, combined with the cost to A to Z, therefore, is \$6. Acumen Fund's Best Alternative Charitable Option (BACO)¹ is around \$12 under the current system. So, from a public policy perspective, it makes sense to see how many nets we can move through private distribution channels – with the expectation that this will also lead to private industry and jobs over time – so that we can also better determine which segments of the population cannot afford to pay at all (e.g., orphans and the extremely destitute) and which can pay at cost or above (corporations and wealthier urban markets). In this way, as a world, we should have a better chance of solving the overall problem of how to get long-lasting malaria bednets to the most people possible.

Our other option is to stay stuck in a battle of opinion around what is more ethical – free or pay. And those who argue for free only will have to contend with insufficient supply, lack of distribution channels and doing the whole campaign over in another five years at exorbitant cost, while those who argue for pay only will reach just a minuscule segment of the market. Instead, we need to create a more nuanced conversation that reflects the complexities of the issue with all eyes focused on a common goal. Sounds easier than it seems but the objective is by no means unobtainable.

Keely Stevenson, our intrepid fellow who only arrived at A to Z three days prior to our visit, will work closely with Anuj and the team on this experiment. In the meantime, Rustom, our Chief Investment Officer Brian Trelstad and I will consider how best to extend the experiment to the next phase.

Anuj, his nephew Binesh (the COO and another great friend to Acumen Fund) and Divyesh (head of Marketing) take our group to see both the old factory as well as the new one. We drive for about 20 minutes to reach the site of the new factory. The last time I visited here was in June, when the company was just breaking ground. This time, as we approach, we see the big blue factory on the hill from the road. We turn left and drive up the dirt road to find a massive facility that will have a throughput rate of seven million bednets per year once it is fully operational in the first quarter of 2007. The company will have a total of 5,000 employees then and be one

¹ Acumen Fund has developed the BACO method to evaluate the potential social impact and cost-effectiveness of our investments. By comparing each investment with a real or hypothetical charitable option, Acumen Fund seeks to quantify, at least to an order of magnitude, how our social impact, for each net dollar invested, compares with what is available to donors in the "charitable marketplace." In other words, BACO asks the question, "How much more (or less) of a good or service will our investment deliver over a five-year period, compared to Acumen Fund (or one of our donors) distributing a grant to the closest comparable group on the ground?"

of the largest producers of Olyset nets in the world, as well as the third largest employer in Tanzania. Talk about your field of dreams...

And Anuj is just getting started. He has planted jatropha – a plant used to produce biodiesel fuel – on the grounds and has secured 20,000 acres to move toward large-scale production. He is contemplating a wind production facility as well given that the factory has a wind tunnel that runs through the area. He's also planning on building dormitories to house the approximately 10-15,000 people who will live on the factory premises, and he intends to do so in such a way as to provide housing, energy, food, healthcare and education for an all-in price of about \$30 per employee. This will mean a potential savings rate of \$30 and more – for the first time in people's lives. Though this project is just starting, we're interested to learn more.

Anuj is also interested in creating an Opportunity Zone akin to an Industrial Zone in the area where they've built. This is of real interest to Linda and it gets us all thinking about the different needs of enterprises in East Africa and what different groups can provide in terms of resources. Over the past five years, Acumen Fund has learned how to make effective investments and build strong relationships with companies that provide critical products and services and also create jobs. ABE and A to Z alone now account for nearly 9,000 jobs (more accurately, 8,000 today and 9,000 when A to Z is at full production by the end of the first quarter of 2007). That is a big deal and one we want to understand more fully. But investing isn't enough. It warrants a lot of thinking about what other resources could effectively be brought to bear on encouraging and supporting an entrepreneurial class that creates jobs on a large scale and contributes to the local – and global – economy. This might be an area where Google could make a major contribution.

After the new factory, we visit Usa River Village to see people actually using the nets. As always, we visit my friend Eliarehu, the man with the pitchpatch pants and tiny shack that contains little more than his bednet and a few articles of clothing. But now, he has a huge garden filled with maize that towers over our heads. Indeed, he has so much that he's constructed a thorny gate to keep animals from eating his "crop." He carefully unwraps photos taken the last time I was there and shows me pictures of me and my nieces with him. The care with which he handles the photos draws more emotion.

Rachel from Google generously brings her red sun hat as a gift and we present it to Eliarehu. He looks so proud in that red hat and it suits him perfectly. He puts it away for special occasions and the gift brings joy to everyone. Linda gives him chocolate-covered espresso beans and I tease him not to eat them all at once, knowing that he would likely eat only one a day, savoring each and deriving more pleasure than any of us could imagine.



Thursday, December 14, 2006
Johannesburg, South Africa

Basically a travel day, we fly to Johannesburg and meet up with Alex Fayne and Wendy Townsend from BroadReach. After a quick driving tour of Soweto, we join the amazing Ernest Darkoh, chairman of BroadReach, for dinner. We discuss the BroadReach model, which provides education and ARV medication to poor people with HIV/AIDS by leveraging the excess capacity of private healthcare providers. We are all exhausted, but looking forward to seeing the company's work on the ground tomorrow.

Friday, December 15, 2006
Durban, South Africa

Four-thirty wake-up to catch a 7 a.m. flight to Durban. The Google/Acumen team is bone-tired. We all agree nevertheless that the week has been rich, inspiring, challenging – all good things. Ernest and his team meet us and we pile into two vans and drive about twenty minutes to the Inanda township where we meet Gertie,

a powerful Zulu woman dressed in a bright blue t-shirt with a blue, white and black-striped skirt, a beaded headband and a beaded bracelet. Her t-shirt, one we will see on many women, shouts:

*Know your Status
Break the Silence
Fight Stigma*

Gertie hugs each of us warmly and invites us into the tiny chapel where she does much of her facilitation work.

The church is a simple concrete structure. Inside, the floor is tiled and plastic chairs serve to seat the congregation – much more flexible than wooden pews. The altar spans one side of the room. A simple wooden cross hangs on the wall above the lectern and a long table draped in red velvet cloth spans across the church, separating priest and people.

Gertie has been working in this community since 2004. At first, she says, no one came, but the center is now full. Once BroadReach arrived, people could see that their neighbors were changing physically right before their eyes. “Many had given up and accepted that they were going to die. But with BroadReach’s help, in one month’s time, they see themselves gaining weight and feeling strong. They start making themselves look beautiful again, and most of them go back to work.”

The most important input to the process, she believes, is counseling. People need time to talk, to understand, to find a way to feel accepted. Second, they receive free medication; and third, once a month, they receive a parcel of food to keep them focused on the importance of good nutrition. The group also encourages people to think about things beyond HIV and helps them get involved in projects like sewing and vegetable growing so that they can learn, but also so that they can support themselves.



I ask Gertie about volunteering her time. She spends five hours on Monday and again on Wednesday with the community as a volunteer. “I love people and want to help them. It makes me feel good. It would be nice to get some extra money but that is not why I do this.” I’m inspired by her spirit. She earns a little bit of money through tailoring but is by no means wealthy – indeed, she is poor by income standards. But she is not so poor that she cannot give to others. And in this giving, she becomes bigger and more beautiful. The question is how to share this secret with so many wealthy people who struggle with feelings of depression and sadness and wondering what life is about despite the material comforts in their lives.

Whether or not to pay community volunteers like Gertie is unclear. Ernest and I speak about the trend in so many NGOs where the groups pay inflated rates to people and then everyone competes for these NGO jobs and the spirit of giving gets lost while the organizations become unsustainable. At the same time, this treasure of a woman would be an asset to any organization. Maybe the answer is to identify some of the strongest volunteers and slowly transition them into the formal structure of the organization itself.

We drive to another community center to attend a support meeting. One of the BroadReach staff was mugged at gunpoint a few weeks ago so we bring security with us. At the center, we enter a small, narrow room, about five or six feet wide. Mostly women sit in plastic chairs along the walls, leaving a tiny corridor between their knees. At first there are about a dozen patients, ten of whom are women, and another four women arrive during the meeting itself. Their ages range from mid-sixties down to ten years old. The little girl looks much younger and wears a pale pink top with matching shoes and white capri pants. She has the beauty of all little girls though she faces a life of tough medical regimes and social stigma. She holds onto her grandmother’s arm as if her life depends on it as she hears the adults talk about sex and nutrition and what healthy living means. I wonder when there will be sessions just for children, though I know this is at least a start.

The meeting starts with a song and a prayer. A woman in a brown dress with gold hoop earrings and an AIDS ribbon on her chest leads the group. The song is slow and mournful, filling the room with a rich harmonic that captures humanity’s suffering. I fight tears for I don’t want to be disrespectful in this room of survivors who have chosen to battle the disease, but I want to weep for the world. Lucky, the facilitator, a young man in his twenties wearing a white jacket, then prays in a deep, authoritative voice that stands in contrast to the round softness of the song.

After the prayer, he asks the women about their CD4 counts, about hygiene and depression. Lucky speaks only in Zulu for ten minutes or more – until he is stopped by the women who confront him, saying that there are foreigners here to listen to what they are saying so why isn't he having anyone translate for us? I love their strength and forthrightness, to say nothing of their generosity.

Lucky continues to focus on healthy living, on the fact that no one is guilty, and that God doesn't differentiate between positive and negative status. He explains the need to receive CD4 testing and asks a series of questions to bring the women into the discussion. He asks about side effects. The most common is a distended, hard stomach coupled with wasting of the extremities. Known as lipodysfunction, the effect is correlated with one of the ARVs that was recently introduced. A second complaint was the loss of hearing and smell in some. Some women have had no side effects. Ernest is a great listener, which in large part must be one key to his success in these communities.

At the end of the training the facilitator takes a hat off the grandmother who came with her ten-year old granddaughter in tow. They pass it around and people throw in whatever amount of small coins they can muster. We all toss in twenty dollar bills as one small way of showing solidarity. We don't have enough rand to substitute and hope they can change the \$100. The women are not uncomfortable doing this – provided that the doctors help them exchange the money – otherwise, they all fear the bank will question how they got the money in the first place.

After the training, we return to the church/community center to talk directly to the patients themselves. Outside, someone is mowing the grass using perhaps the loudest mower that has ever been manufactured. We all try hard to shout above the sound though we let the guy go about his work of beautifying the exterior.

We sit on the white plastic chairs and introduce ourselves.

My name is Promise
My name is Princess
My name is Patience

The hope that parents embed in their children's names is lovely. Of course, I did meet a Santa Claus on my last trip...

A woman named Eunice tells her story. She is in her mid-twenties, of stocky build and wearing the "Know your Status" t-shirt. She talks about the first time she thought she might be HIV-positive. She had no money and no food, so she walked a long distance to a public health clinic but found it to be more like a bazaar – complete chaos and long lines that never ended. She was then sent to a traditional healer who told her not to touch her children for fear of infecting them. She confided in another woman who told her she was dying anyway so she should wait for death.

"One day," she said, "Gertie who was the one to give me love told me about BroadReach but I was ready for death." BroadReach spoke to her about CD4 testing and viral loads. "They gave me the low-dose pills. And I couldn't even sit down or go to the bathroom – it was too painful with all of my sores. So I told them I didn't need the pills because I was going to die. But they told me I would be all right. So I went home with my pills and I talked to the virus as if it was something separate from me. 'OK, HIV,' I said, 'I am going to try to take care of you if you take care of me.' And I prayed to God before I took the pills and I asked Him to take me if it was time to take me and I was very afraid. I took the pills at night and by morning, already some of my pain went away. And in the morning, even more strength was coming back."

She smiled and took a breath. "Today I am alive and now I say yes and yes and yes. I'm still alive and I'm so happy. Pity for my family that they don't want to see me, they don't want to know that I'm alive. I have to live in a shack because I'm alive even if no one wants me. I'm alive thanks to BroadReach."

"And all of this gave me the courage to disclose to everyone in the community. And when people don't like me because of my status, it is just the way it has to be for them. But there are so many good people, too. And I'm alive and I'm trying to help others."

Each story twists my heart like a vise melding injustices and agony with fierce strength and hope. I flashed back to the women of Jamii Bora: "We want to be seen as people too." Again, the fear of the Other. We stigmatize, push away, pretend not to see all that invokes fear in us – a fear from what we know we could be if only we were born somewhere else. But until we walk into understanding and really open ourselves to the other, until we really engage, all the money in the world is not going to solve the fundamental problems of poverty.

Princess sits next to me in a green sweater and a colorful striped skirt. Her straightened hair is pushed back and she has smallish eyes that make her look tired or just reflect a sense of exhaustion. "I am all alone," she says and tears start falling. She lost her child before she was six months old and didn't have money to bury her. When she herself discovered she was HIV-positive, she was rebuked by many and supported by none. "Yesterday," she says, "at two o'clock, my own brother died of AIDS." But she is carrying on, coming to the center and the church and counseling others who find themselves in similar situations.

Her brother died because he waited too long to get tested and,, in Princess' view, because he went to the government hospital instead of a private clinic like those supported by BroadReach. "He died lying in the waiting room where he was for hours getting weaker and weaker until he was gone." I ask her the difference between the public and private clinics. She and the others clap their hands. The difference is enough that they are willing to find money for a taxi each way to get to the private clinic. The main reason is the treatment people receive from the doctors. "The nurses at public clinics treat us like animals. They are afraid of us and won't touch us. The BroadReach doctors touch us and hug us and remind us we are human. We need more of them."

How big is the difference between public and private?

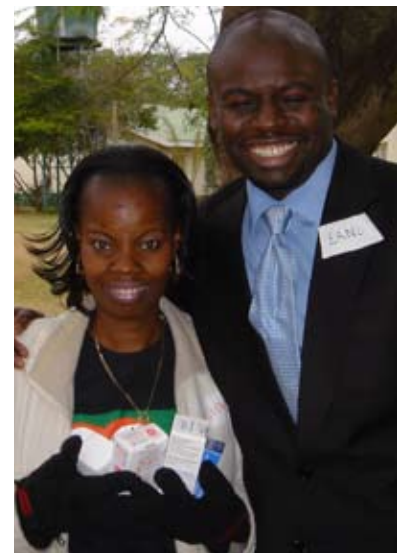
Princess says it best: "Big, big, big – one hundred times big".

The patients turn to Ernest to ask why more people can't get onto the ARVs at private clinics through BroadReach. He explains that two months ago, the South African Government ruled that the private doctors receiving public support could not treat patients at private clinics but instead would have to go to public clinics and treat them there. I suppose the rationale was to create more uniformity in public services, but the truth is that the public clinics and hospitals are overcrowded, overburdened and dysfunctional. There is no room for the patients. The private clinics should instead serve to release some pressure from the system. Instead, everyone is caught in a political fight, always to the detriment of the patients themselves.

Lucky, the morning facilitator who is also HIV-positive, says that the government needs to see and speak with people like him, people who live in the community and can tell the story of how many people are desperate for treatment, how many lives could be saved if only the government provided solutions that met the people's needs. "If they hear our stories, then maybe they will act," he says. Angela Blackwell's PolicyLink connects grassroots voices to policymakers in the U.S. We need something similar here in South Africa, even if the process takes longer. People ironically are calling for voice in this democracy where their leaders in the realm of HIV/AIDS have completely let them down.

Dr. Mickey Nadesan, one of the BroadReach doctors, shares his own passion and anger about the government's part in allowing the disease to run unabated for too long. He says he would want to see three major changes. First, the government leaders need to begin acting like statesmen and speak with one powerful voice on HIV/AIDS. It is a travesty that South African leadership continues to bring forth confusing messages that encourage people to ignore the truth about the virus. Second, he says, we need to bring the entire medical community more squarely into the center of the debate. Currently, everyone feels they are an expert and this has led to more misinformation and poor understanding and, consequently, too little behavior change. Third, we need to do something to change the terrible stigma that still exists, though in communities like these areas around Durban, rates of HIV/AIDS among adults can exceed 40%. Once we get these behaviors and attitudes into line, then we can tackle the money and organization needed to stop AIDS.

Dr. Nadesan, a slight man with a delicate face, is angry, passionate and powerfully articulate. He got involved in treating communities with HIV/AIDS a few years ago after his family's maid came down with the illness. She had been working with the family for twelve years and was part of everyone's lives. Dr. Nadesan got her on the ARVs right away, but three months after she started treatment, she committed suicide in his house. Nadesan believes it had to do with anger or shame invoked by her boyfriend. The experience devastated Dr. Nadesan, even more because it took a personal experience to wake him up when there is death all around him. He now spends 50% of his practice serving poor clients with HIV. "I couldn't do this without BroadReach," he says. "They make this work possible and it is the most important work of my life."



"The world is seeing a genocide in South Africa but we are not doing anything about it. We focus on Darfur and other places where we see humans physically killing each other. But we are watching 5,000 people die every day from AIDS. When will we get serious and stop the killing here?"

The international community needs to get better at shaming governments like South Africa when they thwart actions to prevent HIV and AIDS. As I listen to Dr. Nadesan, I think again about Google's extraordinary power to bring forth information, as well as its convening power. If Google decided to focus only on AIDS, the organization could lift information around the cost of drugs in South Africa (still much higher than in most countries because of a smaller percentage of generics available here); and the inaction and misinformation from government (the Health Minister has publicly told people that healthy diets full of spinach could prevent the virus from manifesting itself). Young people should know and understand that U.S. funds for condoms, for instance, often must be tied to purchases from the US itself; therefore, Africans are denied much cheaper condoms from China.

Google could also use its vast reach to encourage people the world over to get involved. The cost of treating one patient in South Africa for one year is about \$1,500 - \$2,000. Imagine being a serious Health Minister in South Africa -- \$2,000 millions of times over year after year for the rest of the lives of everyone with HIV (currently, there are 5 million South Africans who are HIV-positive). Until governments are really serious, there may be ways to raise funds from individuals who could feel more connected, especially if the drugs went through channels like those of BroadReach with much greater accountability and results. We wouldn't need to solve the problem immediately, but could create a blueprint for how to do things right.

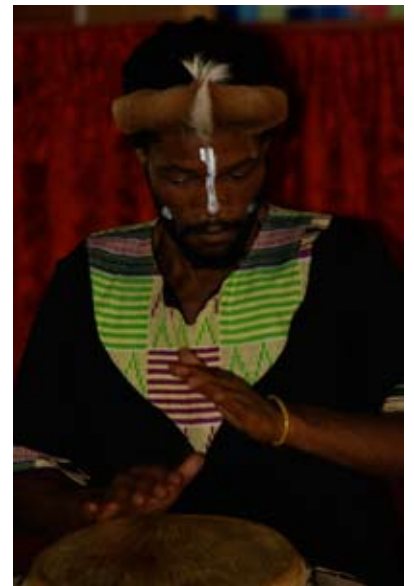
This is our generation's challenge – to listen again to FDR's words and realize the only thing we have to fear is fear itself. We cannot fear upsetting government and corporate interests. The solutions of the future will be those where the different stakeholders will be able to align their interests with making effective change. We need both governments and major corporations to work with citizens to solve problems. There is no room for tentativeness.

Our day with BroadReach ends with drumming and a dance by young people in the community. The boys wear black shirts with embroidery; the girls, short black skirts and tight black tops. All of the young people wear white face paint -- some have crosses on their forehead and lines across their cheeks. Especially for the girls, the paint is a signal that they are eligible for marriage, ready to step out into the world. All of them are beautiful, full of life and music and joy and pride. And again, the power of music to open a heart...

I weep thinking about their talent, their own hopes and dreams and the insanity that we as a world are wasting so much human potential every day – so much insight, generosity, patience, productivity, invention, poetry, innovation, dance, greatness. As a world we have to decide whether we want to allow all of these talents, all of this potential to lie fallow or whether we are ready to release the human energies bottled up all over the world.

Watching these young people makes me want to do more, work more, be a better person. The question is, how do we bring those voices to the rest of the world in a way that people can hear them? And how do we extend the opportunities of the wealthier world to people like these youngsters who are not looking for handouts but a chance to do the hard work and realize their dreams?

It has been a powerful trip on so many levels. I have enjoyed traveling with the Google team, considering different perspectives and brainstorming how different institutions bringing different capacities and advantages to solve problems could lead to more effective collective action and change. Acumen Fund has a track record, a network of entrepreneurs and investors, an understanding of how to invest and build scalable enterprises in developing countries. We are learning to remove constraints that cause good people, trying hard, to remain stuck in poverty. But investing is not enough. Good governance, transparency, the rule of law – an enabling environment for business to flourish – all this is needed to give the poor a real chance. These are areas where large foundations with voice, connections and power – like Google – could have enormous impact, especially when working with partners who can serve as laboratories of innovation for how best to identify and strengthen models for change.



I have also learned more about each of our investments and leave more convinced than ever that the combination of smart investing with thoughtful management assistance – and the building of trust over time – is a powerful way to create blueprints for change while opening markets for the poor and creating jobs for the unemployed. And, as always, I go home invigorated (though physically tired) and inspired by the many who do so much with so little to better their lives and are only looking for a chance to be what they can be.

We all want the same for ourselves and our children and nothing enables us to flourish as human beings like a sense of purpose and belief that we are strong enough, healthy enough and prosperous enough to do good for others as well. On this trip, we met some of the people considered the poorest of the poor who were giving of themselves – and so we also have to make sure we don't confuse the state of being poor with the state of poverty either. It doesn't take much to allow a person a greater sense of dignity. It takes seeing them as fully equal, capable and deserving of the opportunities that should be available to every person on earth. And for this to happen, we all need to change, rich and poor alike.

Jacqueline Novogratz
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