

Making a Real Difference

MyKasih Foundation is drawing in many corporations to join its cause in helping the poor and needy break the poverty cycle, thanks to its high level of transparency and accountability.

MyKasih Foundation, fast establishing itself as a non-profit organisation (NGO) with a difference, is drawing in many corporations to join its cause in helping the poor and needy break the poverty cycle. MyKasih's 'Love My Neighbourhood' programme has grown by leaps and bounds since its pilot in December 2008 involving 25 families. Launched commercially in April 2009, MyKasih now takes care of close to 9,463 families in 98 communities nationwide under its 'Food Aid' programme. Recipient families also benefit from various skills workshops and tuition classes.

The foundation's notable donors include AmBank Group, which has supported it from Day 1; Petronas, which supports about half the recipients under the programme; and more recently, Sime Darby and MISC.

According to MyKasih Chief Executive Officer Jeffrey Perera, corporations are drawn to what the foundation offers – its innovative way of disbursing aid and its high level of transparency and accountability, including detailed monthly expenditure reports on each adopted recipient family and progress in skills training they are participating in.

'At the rate we're going, we'll definitely see more corporates coming on board. Corporates that are traditionally putting their money on ad hoc Corporate Social Responsibility (CSR) programmes will find

MyKasih a more sustainable way to do CSR where they can also brand their efforts and own the programme,' he says, adding that Petronas, for example, supports the families under its own-branded *Sentuhan Harapan* (touch of hope).

Another key to MyKasih's attraction, which has drawn not just corporations but individual philanthropists as well, is this – it is probably the only NGO of its kind promising that every single sen contributed to its Food Aid programme for the needy will indeed reach the recipients.

Unlike other NGOs, MyKasih takes nothing out from the fund for its administrative and other expenses. The family of founder and chairman Ngau Boon Keat takes care of its expenses – which comes to about RM500,000 per annum.

With its processes automated, MyKasih's

overheads are low, says Perera. 'The only expenses we have are salaries for our eight full-time staff, and out-of-pocket expenses.' Perera himself is a 'volunteer', being under the employment of Dialog subsidiary ePetrol Holding Sdn Bhd where he is managing director. Ngau, who is also the executive chairman of Dialog, reckons that the group's contribution in kind – in terms of hosting the foundation within its premises and sharing some personnel – accounts for some half a million ringgit in total. ePetrol is the technology arm of Dialog and the technology provider for the system MyKasih uses, which was incidentally developed for the national fuel subsidy scheme which was shelved.

'Before we started, we found that many corporations were scaling down their contributions to charitable organisations simply because they don't know who is getting what. Most charity foundations do not account for how the money is used. To run a successful charity programme, we have to overcome these shortcomings,' Perera says.

MyKasih pioneered a new way of getting food aid to the poor and needy leveraging on the security and convenience of the national identity card MyKad. Using an electronic payment system developed by ePetrol Holding, recipient families are now empowered to make their own purchasing decision and pay for them with a swipe of their MyKad at participating retail outlets (pin-based validation). Each family gets an allowance of RM40 every two weeks and can choose any item from a list of

products from 10 essential food groups, with a choice of two or three brands for each item.

The choice is part of the rehabilitation process. 'We want the mothers to regain their self-esteem. They can go to the store and shop like you and me,' Perera says, adding that the system also prevents the purchase of items not on the list, thus eliminating the abuse of aid money for items such as cigarettes and alcohol.

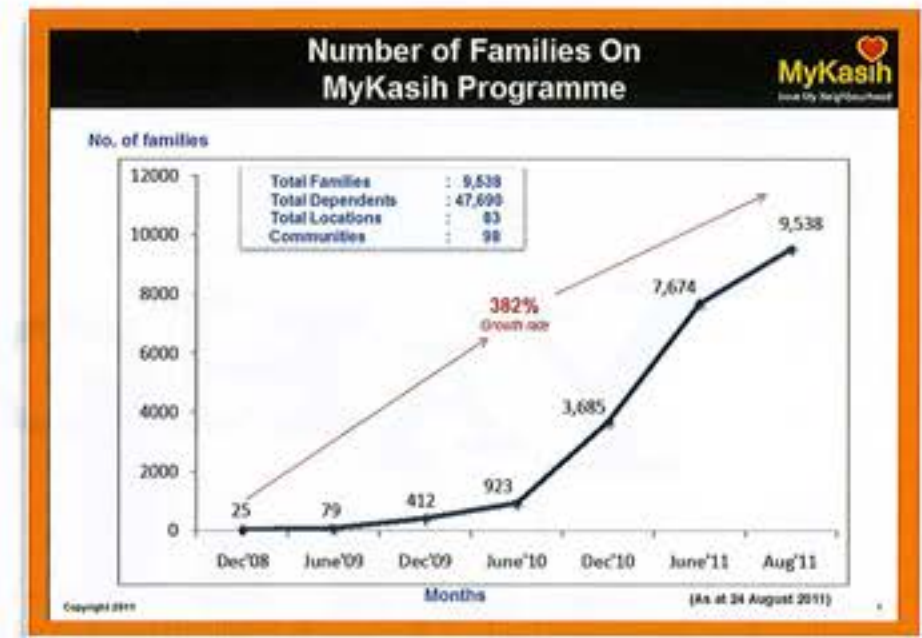
Recognising that food aid alone is not sustainable in helping the poor break the poverty cycle, MyKasih's outreach also incorporates education components. Working closely with other NGOs and universities, MyKasih organises financial literacy and budgeting skills workshops, and skills training for the adults; and education workshops and tuition for the children.

'Food is a motivator. If we tell the families they will get food if they subscribe to the education programme and training, they will do it. The thing about the poor is that you'll have to nudge them a bit. If you don't, they become complacent. What we do is provide them a lifeline to come out of poverty,' Perera says.

He says it costs RM3,500-RM4,000 to put a mother through a skills training – which currently covers skills such as cooking, baking, sewing and flower arrangement – which typically lasts two to three months. Working with Amanah Iktiar, MyKasih further assists those who have graduated in the skills training and have the aptitude to start their own businesses to secure micro-financing of about RM2,000-RM5,000. They will be handheld for the first 12 months, the most vulnerable period, of the business. To date, 32 mothers have graduated from various courses and are running fairly successful businesses, adding to their household incomes.

Ngau stresses that MyKasih is not replacing other charitable organisations but wants to work with them. Collaboration is key. 'All our partners have a common objective of helping the poor so we pool our resources together to achieve our goals.' MyKasih, he says, reaches out to the borderline desperate, before things become too dire, such as when single mothers have to give up their children to orphanages.

MyKasih reaches out to the poor



regardless of race, religion or creed. The main criteria is a household income of RM1,000 and below. This includes all the hardcore poor (RM440 and below), all the poor (RM440-RM750) and part of the vulnerable group (RM750 - RM1,500) as per the government's definition. Other qualitative aspect includes number and ages of dependents and medical conditions, and the system is very sympathetic towards single mothers.

Ngau's passion in helping the poor stems from a personal experience of hunger and desperation in his childhood. 'I help because when I was desperate and hungry, people gave me food and I survived; or else I would not be here today,' says the now billionaire.

According to Perera, each recipient family that sits on the MyKasih system has gone through layers of extensive validation so that only the deserving get the aid. The prospective recipient family goes to an elaborate vetting process with the donors themselves doing a final selection of whom they want to support. Each registered recipient, typically the mothers of the families, also goes through chip validation and biometrics validation before being added into the system.

Ngau reckons MyKasih will probably keep the number of recipient families under its Food Aid at about 10,000 for a while and 'do a very good job in training them' before growing the number.

'With more big corporations coming in, that will also foot the administrative costs for their part of the aid disbursement,

such as what Petronas is doing, then the programme will be able to support more recipients,' he says.

Ngau notes that increasingly more of the larger donors are sharing the out-of-pocket expenses for the training programmes. Also other NGOs, such as the Lion and Rotary Clubs, donate not their money but time, and at their own costs.

The system itself is highly scalable. 'Our system supports 10,000 families today. To support one million families, say in five years, the incremental effort is very little,' says Perera.

The system can also accommodate other chipcards because it is 'card agnostic', he says, 'for example, if you want to do a programme for the refugees in Terengganu or disburse relief supplies to flood victims, all you need to do is give them a card.'

The technology-driven system can be extended to support welfare programmes for communities anywhere in the world as long as there is a phone line or satellite connectivity. In places with no phones or satellite coverage, it can still operate 'offline' and records be uploaded later when there is connectivity, he adds.

Mindful of the sustainability of MyKasih and to provide for its costs as it grows bigger, Ngau has decided to build and gift to the foundation a five-storey annex building next to Dialog's new headquarters in Damansara Mutiara. The building, currently being constructed, is expected to be completed by 2013 and yield for MyKasih a regular rental income.

