

The MasterCard Foundation seeks a world in which everyone has the opportunity to learn and prosper. Here we present the stories of people in Africa who, with help from The MasterCard Foundation, are building a better future and lifting their communities to new heights.



CHANGE THAT MATTERS

Through scholarships, training programs, and financial inclusion, The MasterCard Foundation is helping to prepare African youth for the challenges of tomorrow

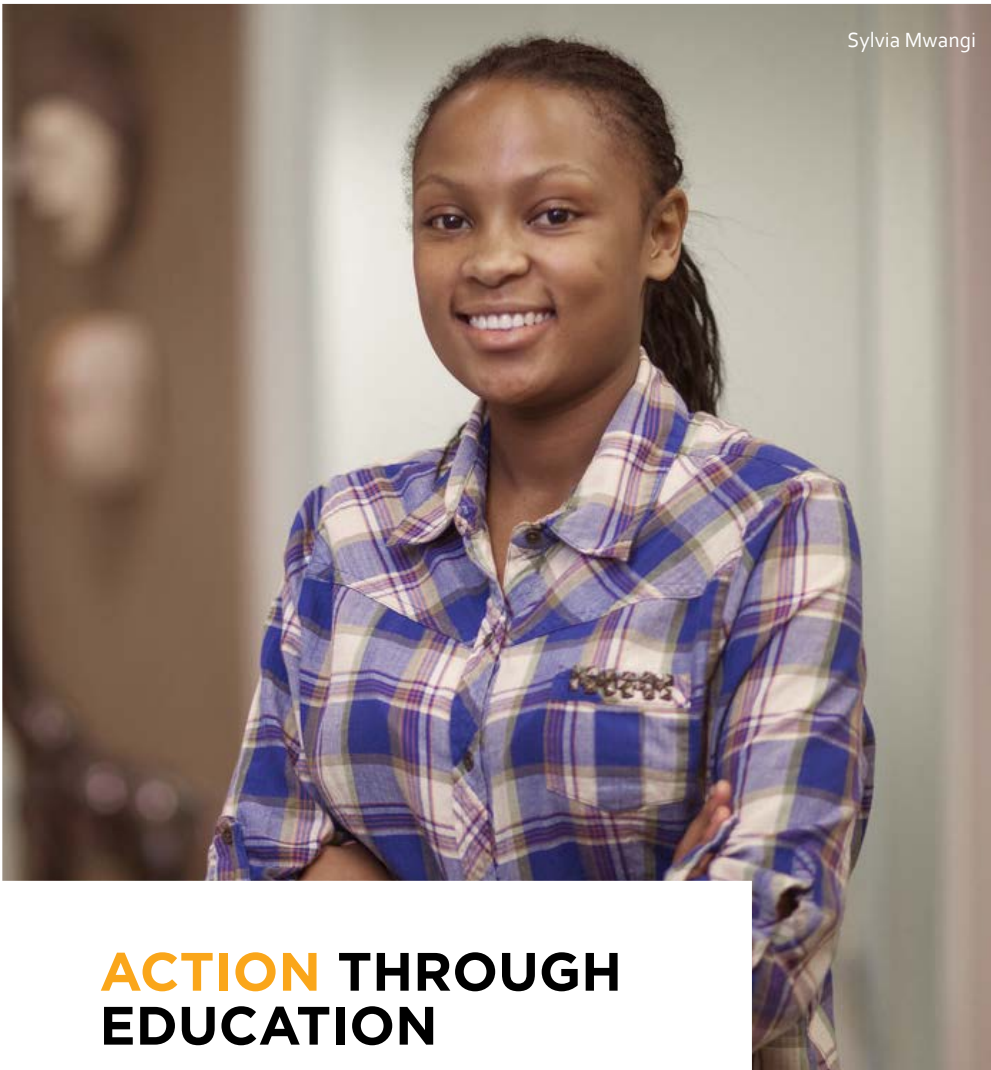
Home to some 600 million people under the age of twenty-five, Africa now has the youngest population in the world. And by 2035, the continent will have the largest workforce in the world.

Poverty is still a major issue in sub-Saharan Africa: approximately 70 percent of people in the region live on less than \$2 a day. Some parts of Africa have witnessed tremendous economic growth, but the benefits have not been shared equitably. In some areas, more than 60 percent of youth live below the poverty line, and most of these young men and women don't have the skills that employers want. The MasterCard Foundation sees an opportunity here as well as a challenge.

"In the early days of the foundation," says foundation president

and CEO Reeta Roy, "we asked ourselves, Where in the world will we have the greatest impact? Clearly, Africa lags behind the rest of the world. But, we see this massive, once-in-a-lifetime youth dividend, and, with it, the chance for transformative change on the continent."

The foundation has invested \$1.6 billion in three key areas — education, youth livelihoods, and financial-inclusion programs — across twenty-five African countries, to enable people on the continent to learn and prosper. The foundation believes that, with the right opportunities, these young people can lift themselves, their families, and their communities out of poverty. Working with its partners on the ground (such as CARE, Save the Children, Habitat for Humanity, and many others), the foundation has embarked on an ambitious campaign to create meaningful change in Africa.



Sylvia Mwangi



WILLING PARTNERS

The twenty direct partners in The MasterCard Foundation Scholars Program include the University of Toronto, McGill, the University of British Columbia, Arizona State, Duke, Michigan State, the American University of Beirut, the African Institute of Mathematical Sciences, Ashesi, and the University of Cape Town, among others. Partner organizations include Camfed; BRAC, the largest NGO in Uganda and also a key player in financial inclusion; and the Forum for African Women Educationalists, which works in thirty-three African countries.

ACTION THROUGH EDUCATION

Through the Scholars Program, 15,000 students from twenty-five African countries are receiving life-changing educations

Sylvia Mwangi grew up on the slopes of rugged Mount Kenya, and though she was a gifted student, her dream of becoming an industrial engineer seemed blocked. University tuition was prohibitive, and no university in Kenya offered the required courses.

Today, the poised and articulate twenty-two-year-old is thriving in her third year at the University of Toronto, where she is studying industrial engineering thanks to a scholarship from The MasterCard Foundation. “The privilege,” she says, “of studying in a global university without my mother or myself worrying about the financial burden fuels my desire to achieve all that I can, not only for me but for many other people — especially girls who don’t have access to education.”

The foundation is in its third year of a ten-year, \$500 million program called The MasterCard Foundation Scholars Program, offering young people in sub-Saharan Africa what many have long been denied: a formal education. Mwangi is one of 270 African students studying at three Canadian universities (the University of Toronto, McGill

University, and the University of British Columbia).

The Scholars Program pays her tuition and accommodation, will arrange an internship with a Kenyan oil company upon her graduation, and flies her back home every two years so she can maintain her connection with her family, community, and country.

Some 15,000 young people in twenty-five different countries will receive secondary or university education through The MasterCard Foundation Scholars Program. As the foundation’s Kim Kerr, deputy director, education and learning, says, “I can’t underscore enough the importance of education for girls and women. Such women see their incomes rise 10 to 20 percent, and the health outcomes for their families improve dramatically. As for getting one of these scholarships, it is, without question, a life-changing moment and a life-changing opportunity. These young women will go home and drive social transformation in Africa.”

As Mwangi puts it, “I am walking a path for others to follow.”

For more scholar stories, visit mastercardfdnscholars.org.

AGRICULTURAL SKILLS AND FINANCIAL INCLUSION

African farmers will one day feed half of the world. To get there, they need access to training and capital, and The MasterCard Foundation is helping to provide both

Africa has many precious resources, including half of the world's uncultivated land. In rural areas, agriculture remains key — not just to families surviving but, with help, to families thriving. Due to an ever-hungrier world needing produce from African lands, the men and women who work the soil are poised to earn more by growing more. But to realize that potential, they need training and access to capital.

The MasterCard Foundation has committed more than \$300 million to addressing those two priorities in agriculture.

According to the World Bank, some 2 billion people in the world have no bank account (down from 2.5 billion a few years ago, so some progress is being made). For African farmers who need small loans to purchase seed, fertilizer, or equipment, distance from the nearest bank is an issue. With its partners, the foundation is testing such strategies as mobile banking, shared mobile phones, connecting rural co-ops and savings groups with banks, and deploying what proves to work best.

In some areas, the mindset around lending and borrowing needs reshaping. Banking officials are beginning to understand that farmers are indeed potential clients, but loan-repayment rules should reflect the realities of small-scale farming. Farmers, meanwhile, must sometimes make quick decisions (which seed to plant, whether to purchase more land), and those entrepreneurial instincts are stunted without access to credit.

Another major priority for The MasterCard Foundation is youth livelihoods — providing practical employment skills to disadvantaged young people. Many young men and women in Africa have had no formal training to enter the workplace. They have not been taught “soft skills” — how to communicate effectively with an employer or the importance of work ethic and leadership. Sometimes the issue is technical knowledge — how to launch a small/micro business and



keep it going or how best to make use of basic technology. The foundation is funding twenty-five different youth-livelihood programs across the continent with an emphasis on entrepreneurial skills and flexibility in the face of constantly changing and rapidly growing African economies.

Ann Miles, director, financial inclusion and youth livelihoods, points to financial-inclusion program partner One Acre Fund as an example of an extremely successful initiative. Proposed by Andrew Youn, a Yale graduate who was travelling in East Africa several years ago, the fund offers loans, as well as seeds, fertilizer, tools, training, and education, to smallholder farmers to increase their yields. One Acre also teaches farmers simple ways to improve their farming techniques in order to enhance productivity. “There is no monthly repayment schedule,” says Miles. “The farmers, many of them women, pay off the loan at harvest time. We want banks and governments to adopt innovative models like these.”

Financial inclusion, says Miles, means that “all people have access to a range of financial services to meet their needs, all delivered in a responsible manner. Farmers may want to save so their children can go to school, send money to parents, or buy crop insurance. They need a vehicle to do all that. It’s especially challenging in Africa, where the population is so dispersed.”

The MasterCard Foundation is particularly interested in addressing that challenge.

BREAKING THE CYCLE

Africa has the youngest overall population in the world, and its high youth-unemployment rate has been called a “ticking time bomb.” The figure currently hovers around 12 percent, higher among women, and the UN expects it to double by 2045. Studies in countries like Senegal show that more than 40 percent of young Africans who join rebel movements do so because of lack of jobs. The MasterCard Foundation focuses on comprehensive training programs that break the cycle of low education, low wages, and low self-confidence.



A DIFFERENCE THAT LASTS

The MasterCard Foundation is working to effect lasting change that will spur prosperity in Africa

Three things distinguish The MasterCard Foundation, says president and CEO Reeta Roy. One, it's people centred: "We try to get into the heads of people so we can create tailored solutions." Two, the scale: "We have the ability to make substantial contributions to programs over a long time — five to ten years." Finally, Roy says, "It's our focus, the way we work. Ours is a highly collaborative approach. Organizations that typically compete, we bring them together. We engage, we co-design, we work together."

Launched in 2006 and based in Toronto, The MasterCard Foundation is an independent organization with more than \$11 billion in assets. Its vision is to make the global economy work for everyone through microfinance and youth-education programs.

As an example, Roy cites The MasterCard Foundation Youth Think Tank. In 2010, staff toured several African countries talking to young people, some of whom had benefited from foundation programs. "We asked them," says Roy, "to critique our strategy. We also asked if they would take on an assignment: talk to community leaders and teachers and other young people and see what's working. What a tremendous source of innovative ideas that think tank has been. When you listen, you find very creative ways that poor people use to make ends meet. The question we continually ask ourselves is, What would make a difference in their lives?"

Roy mentions one of the most innovative foundation partners, the African Leadership Academy, located in South Africa. The academy was founded by Fred Swaniker, a Ghanaian-born entrepreneur and educator who attended the Stanford Graduate School of Business. He sought to inspire

a commitment to ethical leadership. The academy is the continent's only pan-African high school, from which more than 700 graduates from forty-five countries have gone on to the best universities in Africa and abroad.

Wings to Fly, another foundation project that Roy admires, is operated by Equity Bank and aims to identify top students from marginalized areas in Kenya. The program uses bank managers who mobilize hundreds of volunteers — chiefs of police, imams, business leaders, and district education officers — to find top students.

The result is a fertile sharing of ideas. At a conference held in Cape Town, South Africa, in late October of this year, delegates included government officials, policy makers, non-governmental organizations, academics, men and women from the private sector, and fifty young people. "I told them we must work together to catalyze higher orders of change," says Roy. "My talk was a call to action."

While the foundation has had a tremendous impact over the last nine years, what it does not have, Roy says, is all of the answers. "We have to approach this with a huge level of humility," she says. "We always have to be curious and ask good questions. Listening is part of the journey to insight."

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