

## PROGRAM AREAS

### TWO FOCUS AREAS: MICROFINANCE AND YOUTH EDUCATION

#### Microfinance

We believe in the power of microfinance to transform lives, enabling people living in poverty to increase their incomes and build assets, while stimulating economic and social development in their communities. Our goal is to expand access to and increase the reach of small-scale financial services to help people lift themselves out of poverty.

The Foundation focuses on three program areas within the scope of its microfinance work:

- Expanding microfinance in Sub-Saharan Africa
- Enabling youth to access microfinance
- Strengthening the microfinance sector

#### ***Expanding Microfinance in Sub-Saharan Africa***

Sub-Saharan Africa is the region with the highest rates of poverty worldwide, and where the need is as great as the potential for microfinance to transform lives. Over the past decade, there has been visible progress toward political stability, strong governance and steady economic growth in several countries. Most of the individuals living in poverty are engaged in agricultural and rural livelihoods. The low population densities and limited infrastructure in the region have created high operating costs for microfinance institutions that want to serve people living in poverty. This means that there is both a significant need – and opportunity – to expand access to microfinance in Sub-Saharan Africa through innovative and cost-effective solutions. Following are sample programs:

- **BRAC:** Providing economically active women in Uganda with loans, training and technical support to enable them to improve their livelihoods, particularly in the agricultural sector
- **CARE Canada:** Generating new knowledge on cost-effective ways to offer financial services to remote poor in Rwanda, using the village savings and loan associations model

### **Enabling Youth to Access Microfinance**

Worldwide, there are 800 million youth living on less than \$2 a day. Most are economically involved and are actively supporting their parents and siblings. Microfinance, combined with access to mentoring, training, life skills and other education, may facilitate the transition of youth into adulthood and dramatically improve their livelihoods.

Following are sample programs:

- **Making Cents International:** Building youth financial services through training materials and training-of-trainer courses
- **Mennonite Economic Development Associates:** Providing innovative, targeted financial products for young people living in rural Egypt and Morocco
- **SEEP Network:** Devising new approaches to delivering financial products and services to young people living in poverty

### **Strengthening the Microfinance Sector**

The MasterCard Foundation is working to strengthen the microfinance sector in three areas: building the leadership, managerial and technical skills of microfinance practitioners; supporting management information systems to increase the efficiency of microfinance providers; and promoting global standards to measure performance, protect clients and ensure transparency. Following are sample programs:

- **Catholic Relief Services:** Helping microfinance institutions in Africa and Latin America use Social Performance Management (SPM) to set clear objectives, monitor progress and design operations that balance benefits and financial sustainability
- **MasterCard Foundation Scholars Program:** Professional development for microfinance practitioners provided by the following institutions:
  - The Boulder Institute of Microfinance, USA
  - The Coady International Institute, Canada
  - Frankfurt School of Finance and Management, Germany
  - Harvard Business School and ACCION Program on Strategic Leadership for Microfinance, USA
  - Microfinance Centre for Central Asia and the Newly Independent States, Poland
  - Microfinance Management Institute, USA
  - School of Applied Microfinance, Kenya
- **Women's World Banking:** Training the next generation of microfinance industry leaders, a significant portion of which will be women

## **Youth Education**

Our Foundation defines the term education to encompass learning that takes place in a variety of settings, in and outside of the formal school system. We are focused on enabling young people to make the school-to-work transition successfully. This includes access to knowledge, skills, networks, and technology to succeed in the global economy.

We will explore synergies between microfinance and youth education. Currently, we are consulting with a broad range of stakeholders in the development of this program and plan to launch it in the second half of 2010.