

Annual Report 2019

AGA KHAN
FOUNDATION USA



AGA KHAN FOUNDATION

A MESSAGE FROM OUR CHAIRS

WELCOME LETTER



Dear friends,

We at the Aga Khan Foundation (AKF) are grateful that for over 50 years, we have been partnering with you to invest in young people everywhere we work, helping to break the cycle of poverty and create opportunities. That mission is more important than ever, as we all forge a global response to the unprecedented COVID-19 crisis in which we especially need to consider the world's most vulnerable communities. AKF and our sister agencies across the Aga Khan Development Network are pulling together to find creative and effective solutions to maintain our important work to improve quality of life during this challenging time.

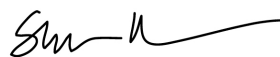
At AKF, we work across sectors and through times of fragility to partner with communities to build strong, healthy, and inclusive societies where everyone has the opportunity to reach their full potential. Here, we focus on our efforts to engage youth toward this goal as a reflection of key advances made by the Foundation in 2019. We put forward Yuva Junction, an innovative model of youth career-skills training, and shared this model with the World Bank's Solutions for Youth Employment (S4YE), a leading public-private coalition that provides leadership and resources to jumpstart the engagement of young people in productive work. We are pleased to feature a story of Yuva Junction's transformative work in rural India in this report.

In the report, you'll see new faces—from East Africa to Central Asia—who bring energy and vitality to creating a better life for their generation and the next. For us, working with young people like Mittal (page 6), Batula (p. 12), and Anora (p. 15) means we seek out their needs and aspirations—and respond to them together. In many cases, their priorities involve meaningful work that helps them and their families improve their quality of life. »

The world has 1.2 billion young people aged 15 to 24 years. They are tomorrow's leaders, yet more than 20% of youth worldwide are without training, education, or employment; over two-thirds of them are women. At the Aga Khan Foundation, we believe that their potential is limitless. Across all areas of our work, from education and economic inclusion to health and civil society, we are committed to equipping young people with the tools they need to thrive.

Young people are essential for achieving the future envisioned in the 2030 Agenda for Sustainable Development. To this end, one initiative we are excited about is Schools2030, a globally informed, locally rooted action research program spanning 10 years, 10 countries, and 1,000 schools. Schools2030 looks to prepare a generation with what they need to navigate uncertainties with knowledge, skills, and values. Stay tuned for more on our progress later this year.

Empowering youth with the tools to become champions of change will be essential for future generations to combat crises like the current COVID-19 pandemic. Thank you for being a key partner in this journey that is so important for us all, now and in the decades to come. ♦



SHERINA EBRAHIM
National Committee Chair



ZAHID RAHIMTOOLA
National Committee
Vice Chair

STUDENT CON

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AT THE CROSSROADS OF HOPE

Connecting Rural Youth to 21st-Century Jobs in India

PROJECT

Yuva Junction

COUNTRY

India

PARTNERS

Axis Bank Foundation, Government of Gujarat, Microsoft, Nokia, Quest Alliance, Tata Trust

LAUNCHED

2007

To date, Yuva Junction has trained over 30,000 young people—40% of them female.

Mittal Vasava, age 20, was living in rural Gujarat when she learned from a friend about Yuva Junction.

Mittal's family belongs to India's semi-nomadic "scheduled tribes," among the country's most marginalized groups. With no business connections and no high school education, Mittal had dim prospects for a 21st-century job. But she was eager to learn and try.

In India, over half of the country's population is under age 25 and faces high unemployment. Job prospects among rural youth—like Mittal—are especially limited. According to the World Bank, over half of India's secondary school students lack the basic digital skills needed for 21st-century work. Even worse, opportunities to gain skills to prepare for jobs beyond traditional farming are slim.

When her parents asked around about the job classes at Yuva Junction, an innovative training program preparing rural youth for 21st-century careers, they heard the program had a solid track record—including eight years of training young people and placing two-thirds of them in meaningful jobs. They also knew the Aga Khan Rural Support Program, AKF's implementing arm in India, had a good reputation. Mittal's parents are farmers. They didn't have much to spare but they agreed to pay her tuition of 1,600 rupees (about \$22 USD).

Every day Mittal made the half-hour trip to the training center in the nearby town of Dediapada. For Mittal, who had never used a computer before, the lessons were challenging at first. "I was hesitant and scared," she said. "I thought I wouldn't be able to learn. But my friends encouraged me." With the course, she became more comfortable using a computer and developed both her skills and her confidence. The best part was the life skills classes. "They taught me how to interact with customers," she says, as well as how to deal with city life elements like commuting and apartment rental.

Mittal's instructors understood her because they had once been in her shoes. They had come from small villages and struggled to find work. Now, as teachers, they helped her learn and get excited for her future. One instructor named Kusum had her own tale of a first job's broken promises and lacking the skills for navigating the work world before participating in Yuva Junction. The experience showed her the value of Yuva Junction-style training and support. Kusum took interest in Mittal's growth and her plan to get a job in the city. After finishing the course, Mittal had help from Yuva Junction to find work.

"Kusum told me about the job" with a pizza company, Mittal says. "She went with me to the place. There were three of us girls." She was thrilled to start the job in Ahmedabad.

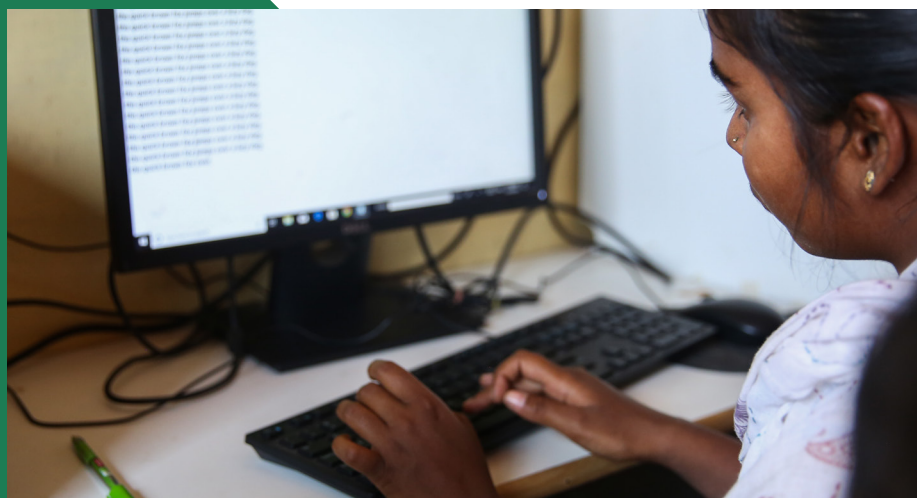
Mittal had never tasted pizza before. "It was strange, but it was nice."

Mittal's parents remained supportive. Her mother reassured her in phone calls while she adjusted to the bustle of city life. "I'd tell her, 'You can stay a bit more there, try doing the job.'"

LEFT In 2019, Yuva Junction was selected for the World Bank Group's Solutions for Youth Employment Initiative. AKDN / Mansi Mishra



OPPOSITE AKDN / Mansi Midha



Mittal's starting salary allowed her to save and even helped her buy a scooter that her brother used in his work. "I bought the scooter for the family," she says proudly.

Mittal gets three days off a month, so she regularly comes home to visit. Her father and brother pick her up from the bus at the main road, on her scooter.

"Before, I was scared. I wasn't sure I'd be able to cope with city life. Now I feel I can deal with it easily. At first I relied on the Yuva Junction staff. Now I feel I can switch jobs easily."

Recently Mittal got a promotion. She still feels connected to her family. Her new job is helping with the costs of new irrigation equipment for the farm, and with an addition to the family home.

Instead of creating a divide between a rural youth and her parents, Yuva Junction helped Mittal and her family strengthen their ability to face the future confidently together.

"Whenever she comes home, it gives us great joy," says her mother. ♦

BELOW Mittal shows her Yuva Junction trainers the new scooter bought with earnings from her job. AKDN / Mansi Midha



Yuva Junction helped Mittal and her family strengthen their ability to face the future confidently together.

GROWN LOCALLY

Supporting Girls to Stay in School by Building Capacities of Local NGOs in Kenya

PROJECT

Yetu Initiative

PARTNER

U.S. Agency for
International
Development (USAID)

LAUNCHED

2014

COUNTRY

Kenya

In 5 years, Yetu has
helped local partners
raise nearly **\$2 million**
USD in Kenya.



Batula Fayo Rasa, a young woman in northern Kenya, is the sixth child in a family of 11. Her parents are local farmers whose financial hardship made it unlikely that she would have a chance to go to school. Their community does not prioritize girls' education. When Batula completed Grade 6, it felt like a miracle to her.

But at age 16, Batula faced a dead end. She would have to leave school and get married. In her community, like many in northern Kenya, girls typically leave school when they enter puberty, and many girls marry at an early age.

Then came good news: Thanks to her stellar grades, she was awarded a scholarship for secondary school studies from the Merti Integrated Development Program, a local NGO.

"I was so happy!" Batula said. "For the first time, I had hope I could be in school for a whole term without being sent home for lack of school fees." As one of many girls receiving tuition scholarship from Merti, she doubled down on her study efforts, working for a better life. Merti has awarded scholarships to over 350 vulnerable girls in northern Kenya.

For years, Merti has supported girls' education from secondary school to university. Then in 2017, the group faced a funding crisis when key international donors ended their donations. The organization would have to close its doors, and hundreds of girls would face a harder future.

As a last-ditch effort, Merti's leaders took part in a training where they gained hands-on skills for raising resources locally. The training by the Yetu Initiative, a partnership between the Aga Khan Foundation and USAID for building capacity of local organizations to raise Kenyan resources for Kenyan needs, marked a turning point.

"The training was an eye-opening experience. We are now able to raise resources from within the community to sustain our project," said Jedidah, Merti's Program Officer. Now Merti can support young women's schooling for many years to come. »

“I’m so empowered by the education. Education has changed me.” BATULA FAYO RASA



LEFT AKDN / Yetu Initiative

Batula now teaches at a local primary school. “I’m so empowered by the education,” she says. “Education has changed me.”

With support from Yetu, Merti has grown deeper roots locally and young women like Batula can lead their communities toward a brighter future. ♦

BANKING ON

BRIGHTER FUTURES

Young People Gain Access to Financial Services in Tajikistan

PROJECT
Thrive Tajikistan

PARTNER
U.S. Agency for International Development (USAID)

LAUNCHED
2018

COUNTRY
Tajikistan

AKF-supported community-based savings groups in Khatlon serve over 3,000 members—80% of them women.



Anora, age 20, lives in a small village in the Khatlon region of Tajikistan. In early 2019, she gathered with other participants of the village's mahalla committee, a form of village-level governance, to establish a community-based savings group (CBSG).

Like many young women in the region, Anora lacks access to savings and credit, leaving her vulnerable to financial shocks like medical emergencies or natural disasters. The savings group addressed this gap by improving Anora's and other members' access to locally managed financial services.

In 2018, USAID and the Aga Khan Foundation launched Thrive Tajikistan, a five-year program to improve quality of life for people living along the Tajik-Afghan border. One of the program's components establishes CBSGs that train women and men on basic financial literacy and cash management skills. CBSGs also provide an important social platform for discussing local issues. Across Tajikistan, AKF has helped to start 2,600 CBSGs over the past two decades, greatly improving young people's ability to start their own enterprises. In Khatlon alone, AKF has helped communities create CBSGs that serve over 3,000 members, 80% of whom are women.

In 2019, Anora's group paid out loans to members totaling \$982 USD. This is a powerful resource in a place where only about one in three low-income households has a bank account.

For CBSGs, AKF's training provides tools for bookkeeping and financial management best practices, taking out loans, and management of a social fund, a small pool of cash reserved for the village's poorest families in times of need.

CBSGs show young women they can take hold of their financial futures and improve their quality of life.

The groups encourage trust among members with their built-in accountability mechanism where three members hold separate keys to a cashbox containing the group's contributions. All three keys are needed to access the pool. The group helps to create a safety net for both its members and the broader community—improving their financial well-being and protecting them and their families from additional economic hardship.

Anora is now studying to teach English and attends school part-time with support from her CBSG. She took out a loan to continue her studies at the University of Bokhtar—with plans to graduate in two years.

"I have many hopes for my future," she says. "I want to become an interpreter one day."

The CBSG is helping to make Anora's dreams for the future real. It also shows other young women they can take hold of their financial futures and improve their quality of life. ♦

LEFT: AKDN / Liz Montague



LOCAL ACTION, GLOBAL IMPACT

Supporters Elevate the Stories of Our Impact Every Day



Our work is only possible with partners and supporters like you.

In 2019, you contributed over **\$13.7 million** because you believe that the communities we serve deserve a better quality of life. Over 25,000 of you showed your support for AKF's mission by attending our events, volunteering, and donating. Many of you chose to make the very special commitment of becoming a monthly donor—growing our community of monthly givers in 2019 by 33%!

2019 also marked the first full year of AKF's Planned and Legacy Giving (PLG) initiative, which offers donors a range of ways to make legacy gifts through their wills and trusts, retirement accounts, and insurance policies. This is the first and only program of its kind for the Foundation. In 2019, the program raised over **\$40 million** in anticipated donations.

Our dedicated supporters know the importance of sharing our work through a good story. That's why, in 2019, when **AKF's West region volunteers** organized a dinner and fundraiser in San Francisco, they invited Barbara Nasila, a senior at the University of California, Berkeley, to share her personal story with AKF. She highlighted the transformative power of the Aga Khan Development Network to unlock opportunities for aspiring youth like her to learn, achieve, and build a brighter future. Here's an excerpt from her talk that night.

“ I was born and raised in Mombasa, Kenya by an inspiring single mother. I'm still in awe that I stand before you today, a senior about to graduate from one of the top public universities in the U.S. Ten years ago, I struggled to stay in school for lack of school fees. My mother was raising four kids on her own, working tirelessly to keep a roof over our heads and educate us in the process. Before the Aga Khan Academy, I had attended 12 different schools across Mombasa. I was constantly sent home for lack of school fees. My family was forced to move several times when we couldn't pay rent. Growing up, I found stability in books and in my studies. My mother drilled into me that every day of school was getting me one step closer to a brighter future. She believed that education is a catalyst not just for economic change but also for social change. »

Financials

The Aga Khan Foundation USA's overall FY 2019 financial performance continued to be strong. Operating expenses are funded by grants from His Highness the Aga Khan and sponsorships apart from those recovered from federal grants. The financial results reflected here are derived from the AKF USA audited consolidated financial statements.

NAZLIN PEPERMINTWALA

Associate Director, Finance

AKF USA is a non-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Service code.

NOTES

1. Donations made to AKF USA are generally tax-deductible.
2. AKF USA accepts unconditional donations. Decisions about allocation of resources are made by the Foundation's Board of Directors.
3. Operating expenses are funded from grants from the Foundation's affiliates and other sources of income. Donations are not used for this purpose.
4. In conformity with accounting principles generally accepted in the United States of America, this report includes contributions pledged by individuals and corporations but not yet received.
5. AKF USA's financial statements are audited by BDO USA, LLP, which is available for review at AKF USA's office or AKF USA's website.

The Academy awarded me a scholarship and taught me to dedicate myself to my community, to explore my interests. It gave me friendship and an immense network of supporters, an open mind to embrace diversity in the world, a thirst for knowledge, and an appreciation of self.

Today, as a recipient of the MasterCard Scholars Award, an Academy graduate, and a beloved daughter, I believe my main impact on my community is still to come. I hope to return to Kenya and use my design skills to create sustainable, human-centered, and culturally conscious design for vulnerable communities in Kenya and beyond. With the immense support of the Aga Khan Foundation and my community, I'm on a path to realize that goal. ”



LEFT Courtesy of Barbara Nasila

You Make the Difference

Discover more stories from our incredible network of supporters: [AKFUSA.ORG/OURWORK/OUR-STORIES](https://akfusa.org/ourwork/our-stories).

For a list of all our valued supporters, visit our website: [AKFUSA.ORG/ABOUT-US/SUPPORTERS](https://akfusa.org/about-us/supporters).

As of December 31, 2019 and December 31, 2018

Dollars in thousands

ASSETS	2019	2018
Cash and cash equivalents	\$ 38,360	\$ 102,472
Investments	146,326	66,084
Notes receivable	15,741	13,250
Donor agency receivables and other current assets	1,096	907
Receivables from affiliates	3,635	2,229
Contributions receivable, net	183,495	128,291
FIXED ASSETS		
Property held for charitable purposes	129,964	111,955
Less accumulated depreciation	(24,406)	(22,675)
Fixed assets, net	105,558	89,280
TOTAL ASSETS	494,211	402,513

As of December 31, 2019 and December 31, 2018

Dollars in thousands

LIABILITIES	2019	2018
Accounts payable and accrued liabilities	\$ 5,578	\$ 2,103
Payable to affiliates	95	749
Deferred revenues and amounts held for others	2,361	1,878
TOTAL LIABILITIES	8,034	4,730
NET ASSETS	486,177	397,783
TOTAL LIABILITIES AND NET ASSETS	\$ 494,211	\$ 402,513

NOTE Accounts payable and accrued liabilities include property taxes accrual in the amount of \$883K.

Revenues & Expenses

For the years ended December 31, 2019 & 2018

Dollars in thousands

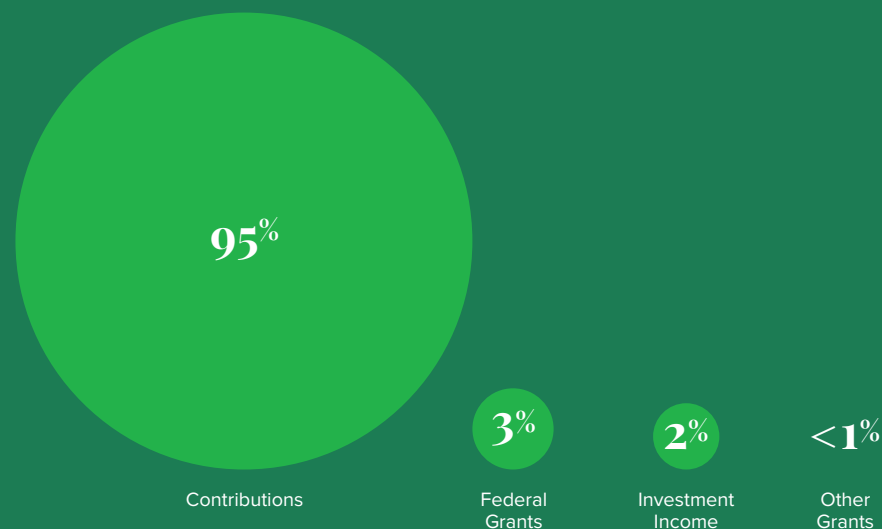
REVENUES	2019	2018
Contributions	\$ 166,516	\$ 69,579
Federal grants	4,437	7,113
Other grants	525	659
Investment Income	3,464	1,423
TOTAL REVENUES	174,942	78,775

EXPENSES	2019	2018
International Programs	\$ 77,412	\$ 25,814
Community Centers Development Program (U.S.)	2,682	4,972
Management and General*	3,696	1,123
Fundraising	2,757	2,712
TOTAL EXPENSES	86,547	34,621

CHANGE IN NET ASSETS	2019	2018
Net assets at beginning of year	397,782	353,629
Net assets at end of year	486,177	397,782

*NOTE In 2019, AKF USA's general and administrative expenses reflect provision for doubtful pledges and increased contributions.

SOURCES OF FUNDS



USES OF FUNDS





Learn more about our work in Africa
and Asia by visiting our website

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