

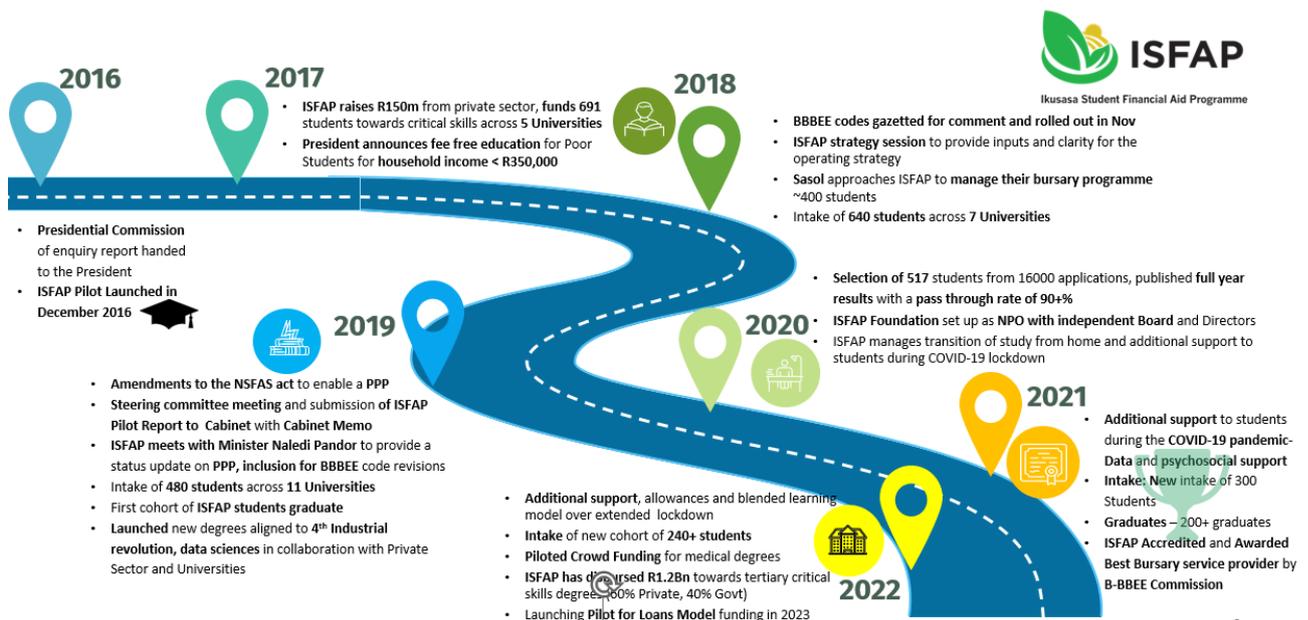
ISFAP Case for Support

Our Purpose

The Ikusasa Student Financial Aid Programme (ISFAP) aims to transform the lives of thousands of South Africa's youth by providing them with the support they need to access university and succeed. This support will enable them to develop the skills, knowledge, and personal resilience to contribute to the growth of the country. However, ISFAP is not just a bursary scheme; we are an organisation committed to solving the systemic challenges facing the higher education sector in South Africa through collaboration and solutions-driven thinking.

ISFAP was established in 2017 as part of a national effort to resolve the 'missing middle' crisis that resulted in the #FeesMustFall student protests that hit university campuses across South Africa. The 'missing middle' is a cohort of students who are too rich for state funding and too poor to be able to afford a university degree.

The ISFAP Timeline



2016 - A Ministerial Task Team is established to fast-track the development of a model to address the funding challenge of SA's missing middle students at universities and TVET colleges.

2017 - ISFAP runs a pilot programme to advance skills by funding the higher education costs of students studying towards a career in one of the scarce skills critical to South Africa's economic development.

2018 - Pilot Programme comes to an end; ISFAP Foundation starts the process of registering a foundation; ISFAP Foundation to operate as a Non-Profit Organisation (NPO).

2019 - ISFAP is registered as an independent Foundation with NPO status and adds 3 more universities to a total tally of funding 11 Public Universities in South Africa.

2020 - ISFAP records a progression rate of over 85% over its 4 years of operation with a total of 143 graduates while growing its funding to over 45 funders and donor partners.

2021 - ISFAP has over the last 5 years funded over 2200 bursaries on its platform with 360 graduates, by deploying over R900 million towards funding critical skills to disadvantaged missing middle students across South Africa.

2022 – ISFAP launches the first pilot loan scheme with Standard Bank to address the 'missing middle' funding challenge.

Over the last five academic years, ISFAP has funded 2250 students with a progression rate of just over 85% (the national average was found in 2019 to be 22% for a three-year degree). Since 2019, approximately 540 of our beneficiaries have graduated from the programme and entered the workforce. In 2021, ISFAP was named the 'Best Bursary Provider' by the B-BBEE Commission for its outstanding contribution to skills development in the country. This is a testament to the difference we are making in the lives of both South Africa's youth and the country's economic development.

It has been a part of our mission since inception to find innovative solutions to the challenges facing the higher education sector. To this end, we initiated the ISFAP Wrap which provides both financial assistance and wraparound support to deserving students to reduce dropout rates. We have developed public-private partnerships by working closely with the government, private sector, and public universities to improve the country's skills profile. Our latest development has been to launch an innovative loan scheme in partnership with a leading South African bank to be piloted with our 2022 student cohort on a small scale and a bigger pilot in 2023.

The development of South Africa's youth and skills is at the core of what we do. By doing this, we secure the country's future success, as well as the success of this continent. ISFAP is ready to take the next step on its journey of growth and scale up its network and impact.

Our Challenge

South Africa continues to face a youth unemployment crisis. Of the 10 million unemployed youth (aged 15-24 years old) in 2022, only 2,4% were graduates. This demonstrates the importance of tertiary education in lifting people out of poverty.

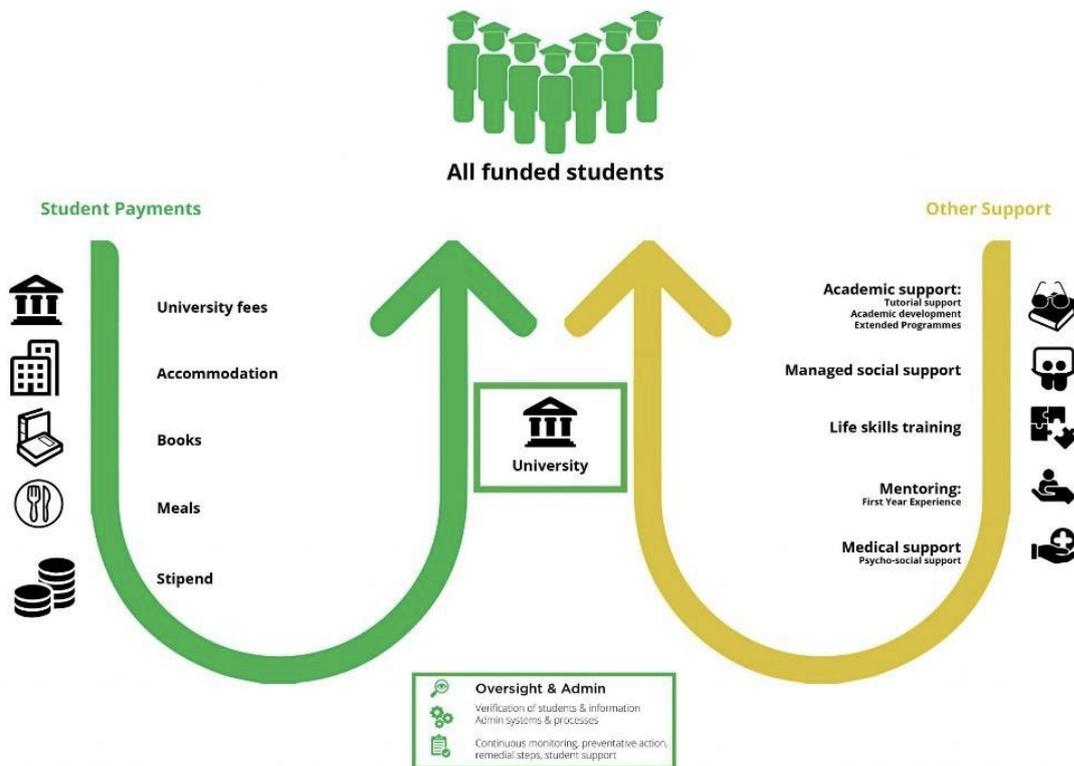
Currently, the government's National Student Financial Aid Scheme (NSFAS) covers those students with a household income of R350 000 per annum and under. At the Historically Black Universities, approximately 75-80% of students are covered by NSFAS but at the top tier universities, only 20-30% of students are covered by NSFAS. This means that there remains approximately 40% of students across the South African higher education system who are not covered by state funding and cannot afford the full cost of a university degree. With the onset of the COVID-19 pandemic, this cohort is likely to increase as countries across the world suffer the economic costs of the pandemic.

Government and the higher education sector alone cannot solve the challenge. ISFAP's purpose is to provide part of the solution both for the student and the sector. The first aspect is to ensure that deserving students can gain access without a financial barrier; the second aspect is to ensure that they remain in the system and succeed. The ISFAP Wrap is designed to address both access and success. To make a real difference, we need to be able to do this at a greater scale. Higher education access and success is not just a local problem, it is a global challenge. We view the work at ISFAP as part of finding a sustainable solution to this challenge.

How we do what we do

ISFAP believes that every deserving student should be able to access university and be provided with the support to succeed. The ISFAP Wrap funds students from households that earn R350 000 - R600 000 per annum and provides them with funding for the full cost of their studies as well as wrap-around support. We take a holistic approach to student funding because we understand that it requires more than just tuition support for financially disadvantaged students to succeed. The ISFAP model provides financial, professional, and psycho-social support for our students so that all they need to do is concentrate on their studies.

The ISFAP Wrap



The ISFAP Wrap has been a game-changer for our students and the sector. Our support includes:

- University fees
- Accommodation, meals, and books
- A stipend
- Academic support as well as tutoring and extended academic programmes
- IT support (laptops and data allowance)
- Dedicated programme managers on every campus to provide academic and psycho-social support to students
- Life skills training
- Mentoring
- Some medical support for students needing reading glasses etc.
- Ongoing administrative support, including regular check-ins with students to ensure that they remain on track with their studies.

'Most bursaries offer financial assistance only and that's it, but ISFAP has more to offer. They check up on me each term and make sure nothing bothers me outside the academic environment and advise me to utilise school resources where applicable. I have a mentor who has been there for me since my first year and she's the sweetest person I know... We have workshops that give us an insight of how the work world operates and how we should tackle any situation that comes along with it. Personally, I enjoy the "mental health" and "money saving/investment" topics; they have been eye openers for me.' — Tumelo Clementine Manganyi, BSc (Eng) Civil Engineering student at the University of the Witwatersrand

Each of our students is integrated into the ISFAP Wrap system (Wrap around support platform) and required to check in across their academics, mental health, physical health, and social needs, based on their responses to key questions on the system. This is an early intervention system designed to allow us to ensure that the right support is given at the right time so that our students can succeed.

To address the skills shortage and contribute to reducing unemployment and poverty, ISFAP supports students pursuing degrees that are considered critical skills. This includes students pursuing medicine, engineering, data science, actuarial science, and accountancy, amongst others. In addition, we provide capacity development at universities to deliver wraparound support to a broader range of students than just those who are on the ISFAP Wrap. Our work goes beyond just the students we support but also to the communities they come from and the higher education sector as a whole.

Our Vision

ISFAP has proven its success and grown from a pilot in 2017 into a fully-fledged foundation and the largest private bursary provider in South Africa. We are a testing ground for innovative solutions to the higher education sector's challenges. Through our work on wraparound support, we have set the benchmark for how to do this and demonstrated its success.

Far from resting on our laurels, we continue to push boundaries in testing student funding mechanisms. We are now the first organisation to partner with a leading bank to test out a version of a loan scheme to further enable access to funding for students. The loan scheme will allow us to fund the same number of students for half the amount of funding. If this proves successful, it could significantly alter the funding challenges for 'missing middle' students.

Over the next three years, we want to increase the number of students that we fund to 2000. To achieve this, our goal is to raise an additional R180 million per year of study. Over and above this, we wish to ensure the long-term financial sustainability of ISFAP so that it can continue to contribute to addressing challenges within the higher education sector and secure the future of South Africa's youth.

Funding a student may not seem to have an immediate result but the benefit to the individual, their family, community, and the country is long-lasting. This is why ISFAP does what it does. It is a part of being an active citizen and everyone can play a part in ensuring the long-term development of South Africa and this continent.

Options for Partnership

The ISFAP Wrap

The total cost of funding for one student is currently R187 400 (\$11 500). This includes both financial and wraparound support. All our funders are able to tailor their funding based on

the professions they wish to fund. This could be towards the professions that they or their industry can employ or towards professions that they believe are critical towards the country's skills development.

The ISFAP Loans Model

In the second half of 2022 ISFAP partnered with one of South Africa's premier commercial banks to launch a student loan model, backed up by ISFAP's leading wraparound support. Although ISFAP will continue to support students through full-cost bursaries, a loans model was introduced in line with the original blueprint to be able to support more students, as the need from missing middle students remains substantial and still largely unserved.

The ISFAP Loans Model is set up in a way that donors who may want to stretch their contribution to help more students can donate to the loans model. The donation received by ISFAP is split between a pure grant portion and the balance of the funds is invested into a collateral investment account. The grant portion is used to pay for the wrap-around support of the student and a monthly stipend. The balance of the funds is used to provide a guarantee to the bank for the loans they grant to the students. The loan is awarded to the missing-middle student without the normal requirement of parents or other family members to grant collateral to the bank as the collateral is provided by ISFAP from the aforementioned portion of the donation. Loans are granted to the students on favourable terms and the student is only expected to start repaying once they start working.

This is a huge step forward in increasing the scalability of support to missing middle students who wish to study at university but do not meet qualifying criteria for funding; are unable to obtain bursaries and scholarships and experience household funding limitations due to affordability. This will multiply the number of students who are able to be supported to complete their degrees successfully.

Core Funding

ISFAP wishes to ensure our long-term sustainability. Currently, we rely on administrative fees from the funding of our students to do the work that we do. We are seeking to change our financial model and secure core funding so that we are able to release the administrative fees and be able to fund more students.

Why Partner with ISFAP?

ISFAP has demonstrated its ability to deliver meaningful change to the lives of South Africa's youth and the higher education sector as a whole. We have partnered with 11 universities across nine provinces in the country and intend to expand this network as more funding becomes available. Over 45 funders have already chosen ISFAP as their partner to support the development of South Africa's future professionals and have contributed R1,25bn towards this end. Over the past few years, we have also developed a strong presence and partnerships with government bodies and organised business.



ISFAP

Ikusasa Student Financial Aid Programme

Partnering Universities



Furthermore:

- As a partner, ISFAP offers a reliable tracking and reporting system that makes it easy to know your funds are secure and which students you support.
- International companies with a focus on increasing their B-BBEE score within South Africa can fund ISFAP to avail B-BBEE points to increase their overall score.
- ISFAP ensures and commits to a much higher throughput/progression/graduation rate compared to industry standards (currently at over 85% compared to NSFAS at 45%, other corporate bursaries at approximately 62%)

Join Us

In partnering with ISFAP, you are not only securing the future of South Africa's youth and economy but also supporting an organisation that is ambitious in its agenda to find innovative solutions to unlocking access to higher education as a means to addressing inequality. Join us and be a part of a transformative solution.



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Ikusasa Student Financial Aid Programme

ISFAP Partners and Stakeholders

Funders and Partners	Strategic Partners
	<p>Government</p>
	<p>Organised Business</p>
	<p>Professional Bodies</p>

Partner With Us

'It is our duty to look after the generation of young people who will provide the critical skills that our country needs. Transforming the education sector of South Africa is one part of the picture. Another is the support of business leaders and other funders with the vision to make a difference.'

— Sizwe Nxasana, Chairman of ISFAP