

Investment Thesis

A public-private partnership with the Government of Rajasthan

Educate Girls (“EG”) continues to impress us with the scale of their ambition and the economics of their intervention. To date, they have enrolled 126,000 girls in school who would otherwise not be attending in an area of India with significant gender disparity.

By unlocking access to government funding, educating parents on what they should expect and equipping them with tools to keep the school administration honest they are getting girls into school and improving the educational outcomes of the schools.

The three key measures for EG are: 1) Enrolment, 2) Attendance and 3) Learning. By adding 1% to the school’s budget, EG reduces non-attendance from 35% to 14%. As a simple measure of Learning outcomes - in a typical government primary school only 15% of kids can read a simple paragraph (in Hindi). EG schools lift this measure to 40%.

EG's fundraising efforts have been pleasing - for 2015 they have a fully covered budget of \$3.2m.

We want to see continued expansion, but we also want to see progress in the educational outcomes in the schools where they operate. EG are aligned with us on this.

We’re happy to recommend EG to other funders.

About

- **Name:** Foundation to Educate Girls Globally.
- **Mission:** Enrol, retain and improve learning outcomes for girls in areas with the highest gender disparity.
- **Established:** Started with a pilot in 50 government schools in Rajasthan in 2005 and was fully incorporated in 2007.
- **Social Entrepreneur:** Safeena Husain (Founder and Executive Director), previously managed Child Family Health International and most recently founded the India Study Abroad Center. Safeena received a BSc in Economics History from London School of Economics, the 2014 Wise award and fellowships from Rainer Arnhold and WomenChangeMakers.
- **Where they work:** Rajasthan, India.
- **Structure:** Not-for-profit registered U/s 8 of The Indian Companies Act 2013.
- **Delivery to-date¹:** Enrolled over 126,000 girls between the ages of 6 to 14 and improved school quality for over 2.4 million children.
- **Jasmine Funding History:** Cumulative \$200,000 in unrestricted grants (\$200k Jan-13).

Business Model

Reform government schools by mobilizing and leveraging public, private, and community resources to improve access and quality of education for the most marginalized girls. In order to achieve these targets, EG sensitizes the community towards the importance of girls' education and builds their capacities to mobilize resources.

Situation Analysis

Take-away: Educate Girls does not create a parallel system. They leverage an existing public school, invest an additional \$3 per child and place a Team Balika at the centre of the intervention to ensure the change is assimilated.

- **Challenge:** The current model has no community ownership, high dropout rates, a low girl enrolment, unequipped facilities and low literacy rates.
- **Theory of Change:** By empowering communities to improve the quality of girls’ education and the



¹ Current as of 1st October 2014.

infrastructure in their government schools, more girls can be educated at a larger scale. An educated girl means better health, higher income and overall livelihoods improvement for her family.

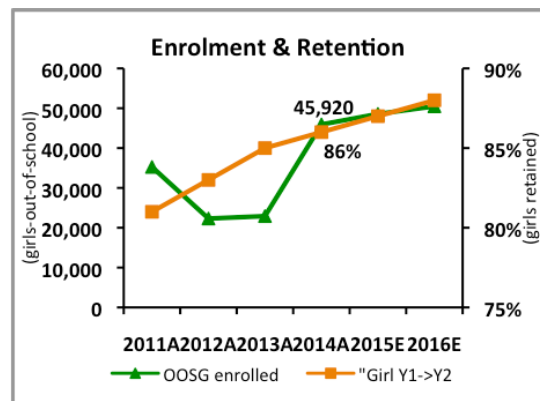
- **Beneficiary:** Marginalized girls in rural, remote and tribal regions with severe gender gaps, where over 60% of girls are married before legal age and only 40% complete grade 5.
- **Products and Services:**
 - Door-to-door surveys to include both out-of school girls as well as those not identified by government data.
 - Recruit youth leaders to work as champions for girl’s education and catalyst for school reform.
 - Train government teachers and Balikas in activity-based and playful learning.
 - Inform school management committees (“SMCs”) on the Right To Educate Act and how to access funding.
- **Revenue Model:** EG does not generate revenues but leverages donor money to unlock government funding. The government pays the school directly for activities related to teacher training, SMC orientation, infrastructure improvement and OOSG bridge courses on a per unit basis.

How it Works

Take-away: CLT is a 24 week curriculum for grades 3,4 and 5. It was developed by Pratham and based around the teacher’s mentor role in increasing participation in the classroom. However, it only gets delivered to 1 teacher and a Team Balika per school once a year. EG needs to deepen on learner engagement to ensure they achieve not just absolute but relative impact.

- **Obtain Local Buy-In:** Sign MoU with state government and form a district task force to align goals and minimize local opposition. A new MoU is required every time EG initiates programmatic interventions in a new district.
- **Build Community Ownership:** Recruit a cadre of village-based youth leaders designated as Balikas that create awareness, ensure enrolment/retention/learning and support teachers in the classroom. Each Balika commits 10 hours per week. EG transitions operational responsibility to the community after 3 years of direct intervention, followed by light support at the district level.

- **Identify and Enroll OOSGs:** Validate data from both the government census and the Child Tracking Survey through an intense door-to-door survey. Once girls are identified, village meetings are held to prepare community based enrolment plans to bring all girls into the school system.



- **Reform School Administration:** Equip parent-based SMCs with skills to conduct a school assessment, develop a school improvement plan and access government funding to provide schools with separate girls-toilets, drinking water and other requisite infrastructure
- **Improve Learning Outcomes:** Train one teacher per school in Creative Learning and Teaching (CLT), an activity based pedagogy approach to improve students’ participation in classrooms. Each trained teacher received a comprehensive CLT kit to facilitate classroom activities. The CLT modules are developed together with UNICEF and Pratham but the curriculum is flexible enough to adopt continuous improvements and best practices. Team Balika is also trained in CLT.
- **Enlist Girl Leaders:** Organize students into democratically elected girls’ councils or Bal Sabhas to stimulate participation in school and life through regular life skills activities.

Enablers

Take-away: comment around building education team, hire experts on content and formal training

Take-away: The DIB validated a new instrument for NGOs to fund innovation. It also gave EG operational flexibility, helped them identify success on learning and consolidated Safeena as a leader in education.

Real Impact

Take-away: comment around defining what is a school that meets the standard and report on the % of schools that meet that criteria.

People

- **Key People:** Safeena Hussain, Parvez Kotadia, Sankara Subramanian, Maharshi Vaishnav and Zeeshan Sumrani.
- **Team:** 552 FTE and 4,519 Team Balika. Hired a new layer of senior executives over the past year (CFO, COO, HR and Development managers). Their Operations Manager did not work out and his replacement is the most imminent position to fill.
- **BoD:** 5 directors that meet quarterly and would like to add one more this year.

Fundraising

- **Grants:** Have already raised \$191k above the FY15 budget with \$3.2m committed and an additional \$300k expected. They also have secured \$2.1m/\$1.3m for FY16/17 respectively.
- **Top Donors (LFY):** \$375k LGT, \$231k Educate a Child Initiative from Qatar, \$225k Dasra, \$200k Jasmine and \$100k Mulago. Jasmine’s last contribution was 26% of the FY13 budget.
- **Changes:** \$200k Vodafone CSR, £140k DIB with UBS and CIFF and \$1.2m over 3 years from Cartier Charitable Foundation to fund the Rajsamand district.

What is a Development Impact Bond?

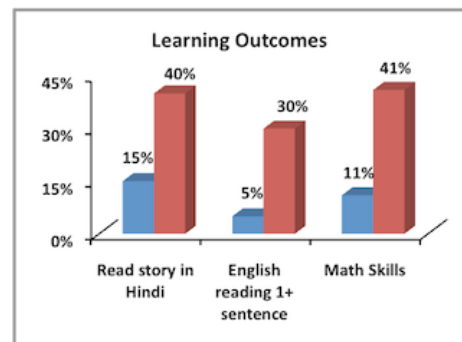
- UBS Optimus Foundation (investor) provides upfront working capital to EG (service provider) to run a new program, in a new block, in a new district for 3 years. The pilot with a new redesigned curriculum and new practices will cover 100 schools and reach up to 15,000 students.
- CIFF (outcome payer), enters into a contract to pay UBS an interest of 7-13% of the \$240k and EG a premium if they achieve above the milestones, for example they get paid more if an enrolled girl is from a lower cast.
- Instiglio (independent evaluator) picks the block and chooses specific, measurable social outputs and outcomes.
- An independent third party evaluator (tba) conducts evaluation and audit to ensure neutrality. This will be a comparison between 3 groups: a control with no intervention, one where EG already works and the treatment with the innovation.

- **What impact are they trying to achieve?** Improve enrolment, attendance and learning outcome.

■ **Primary Indicators:**

- Can read up to a story in Hindi, can read up 1+ sentence in English and can perform multiplication/division.
- # OOSG (re)enrolled either for the first time or brought back to school.
- # OOSG enrolled in Y1 that return in Y2 school (retention rate).

■ **Current Measurements:**



	<ul style="list-style-type: none"> • Hindi 15%→40%, English 5%→30%, Math 11%→41%². • Achieved 99% girls enrolment, girls attendance increased from 62%→86%³. • Secondary impact: schools with drinking water 46%→92% and separate girls' toilets 44%→85%⁴. <p>■ Methodology:</p> <ul style="list-style-type: none"> • Institutional Systems: At the beginning of every school year, pre-tests are carried out and post-tests are completed after 24 weeks of teaching through CLT to measure the level of improvement. Moreover, EG deploys a rigorous baseline and end line evaluation at the district level and the results are measured against a control group of non-program schools. Mobile tracking has recently been introduced to monitor staff. • External Evaluation: <ul style="list-style-type: none"> – 3-year RCT in Jalore by Dr Thornton from U. of Michigan, showed 117 treatment schools 20-30% greater learning improvement and 5.5% higher likelihood to continue in school after one year as compared to the 113 control schools. – JPAL is conducting a study in Sirohi to assess the impact of Bal Sabhas life-skill activities on EG's beneficiaries. Preliminary data is being analysed.
<p>Sustainability</p>	<p>■ Lasting Behaviour: An ecosystem of SMCs, trained teachers, a generation of educated girl leaders and a highly motivated group of local that will sustain the program with minimum support afterwards.</p> <p>■ Financial: The Government of Rajasthan spends about \$22k/year on a primary school with 15% out-of-school children, 35% not attending and only 15% able to read a simple paragraph in Hindi. In contrast, EG spends an additional 1% of that amount (\$338), but the same school now only has 1% out-of-school children, less than 14% not attending and 40% reading a paragraph in Hindi.</p> <p>■ Exit Strategy:</p> <ul style="list-style-type: none"> – Phase 1 (3y): Bridge the gender gap in education and lay the groundwork for community ownership. – Phase 2 (3y): Hand over to community, develop a block level scorecard for benchmarking and set up the Federated Team Balika Board. – Phase 3 (ongoing): Situation incident specific problem solving.
<p>Scalability</p>	<p>■ Easy Replication: Codified model to standardize processes, confirm resources required to implement and replicate model across geographies.</p> <p>■ A Standard Operating Unit: A unit is a district that serves 500-1,200 villages and 1,200-2,400 schools. There is a Program Manager and a regional team (HR, Trainer, Admin) that coordinates blocks and supports 5-10 field coordinators with a Team Balika per village. 3 districts make a region.</p> <p>■ Interim plan (3-5y): Scale operations to 15 districts across India, reaching out to over 3.8 million children in 30,000 schools by 2018.</p> <p>■ Bold Idea: To eliminate the gender gap in education in all the 26 critical gender-gap districts in India.</p> <hr/> <p>² Internal average data of Pali & Jalore across 2012-14. ³ Internal data from a 500 school pilot in Pali. ⁴ Data from school assessment charts that SMCS fill-in across 3 districts for 2012-14.</p>

Major Developments

■ **How does it work at scale?**

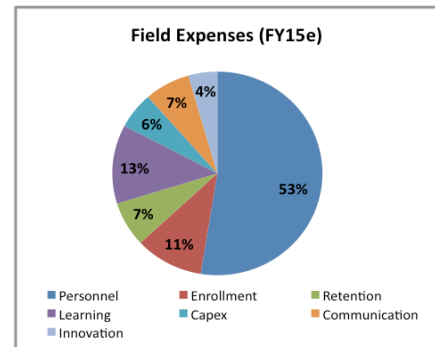
- *Money:* An exited district will require ~\$50k per year to support manager salaries and recruitment/training of Team Balika.
- *Agent:* The community.
- *Channel:* primary schools, village community offices and district administration offices.

2014 Key Takeaways (covers the Apr13-Sep14 period)

- Reached almost half a million children in 3,788 schools across 6 districts. Enrolled 48,560 OOSG with an 86% girl retention rate.
- Launched a second region with three new districts (Ajmer, Bundi and Rajsamand) with 275,000 girls of school age.
- Started withdrawal stage in Pali with endline data collection in all 1,856 schools and preparation of community ownership phase and federated Team Balika structure.
- Conceptualized and launched the world’s first Development Impact Bond in education.
- Curriculum: CRISIL designed training modules to equip Team Balika with financial literacy skills and implemented a pilot with STIR to test a new teaching method.
- M&E: 57,328 students took CLT pre-tests in grade 3, 4 and 5 and 53,548 appeared in post-tests across 1,740 schools. Mobile tracking pilot with Lionbridge Technologies to track the movement of field level employees.
- Awards: Wise award, Stars Impact Award and USAID Millennium Alliance Award.

Financials

- Grants more than doubled from \$767k to \$1.6m in FY14 and are expected to grow 85% to \$3.5m, including a \$1.3m payment from the Qatar Foundation.
- Expense grew 83% to \$1.3m in FY14 and expected to grow faster to \$3m this year with an average monthly opex of \$250k. 75% of the budget was towards field operations.
- Closed FY14 with \$1.8m cash in the bank, around 7 forward months covered. TCL were \$1m.
- \$2.8 fully loaded cost per student (\$1.3m budget ÷ 459k students) trending up to \$3.3 in FY15 and \$2.15 on a field basis. The cost to enrol an out of school girl will be \$65.3 this year (\$3.1m budget ÷ 48,560 OOSG enrolled).



Take-away: The cost per child will increase as they hire a senior team and deepen the education engagement. They need to provide a model that explains the cost to bring a school to a minimum standard and validate their assumption that at exit a district only needs \$50k pa.

Milestones

Proposal for this grant (All based on FY14 figures)

■ **Delivery:**

- Work in 5,530 schools across 3 districts in Rajasthan ~ 5,573 schools across Pali, Jalore and Sirohi districts.
- 3,508 SMCs formed ~ 3,318, some schools merged in Secondary/Sr. Secondary in Sirohi, so did not form SMC.
- 1,542 Team Balikas recruited and trained ~ 1,614 Team Balika recruited and trained to cover all treatment schools

- 883 Bal Sabhas formation ~ 587, some schools merged so no need to form new BalSabhas.
- **Organizational Capacity:**
 - Add 2 new board members~ added 3 new board members: Jasmeet Srivastava (MD at The Third Eye, consumer market research), Tara Kapur (Founder of Stellar Coms, PR) and Swati Apte (Co-founded the India Schoolhouse Fund, education NGO).
 - Hire a General Manager of Finance, a Communication Manager and a Senior HR Manager ~ hired all positions.
 - Hire up to 47 staff to roll out plan in Sirohi ~ hired 65 new people.
 - Develop a 5-year strategy for scale along with exit plan based on a school grading system ~ conceptualized and created the 5y strategic roadmap in consultation with Booz & Co.
- **Impact Indicators:**
 - Up to 20-30% increase in learning outcomes:
 - ~ Hindi: 21% increase in students who could read up to story level.
 - ~ English: 20% combined increase in students who could read up to story & sentence level and 21% increase in students who could read words.
 - ~ Math: 20% increase in number of students who could do multiplication and division

Proposal for this grant (All based on FY15 figures)

■ **Delivery:**

Year	2014	2015E	2016E
Districts	6	6	7
Phase 1 Schools	3,788	7,456	9,821
Phase 2 Schools	557	557	0
Total schools	4,345	8,013	9,821
Total students in Phase 1 & Phase 2 schools (000)	963,025	1,176,197	1,270,199
Students receiving CLT in this year	136,900	148,000	110,000
Girls newly enrolled in this year	45,920	48,560	50,480
Cumulative girls enrolled and retained in school	126,392	174,952	225,432
Active BalSabhas members	7,631	31,265	36,426
Team Balika	1,614	4,519	5,336

■ **Organizational Capacity:**

- 1 new board member will be added.
- Recruitment of Senior Manager – Operations at EG State Office (Ajmer) and Development Manager and Expansion Manager at EG Mumbai office.
- Develop a Government liaison strategy in consultation with APCO Worldwide to improve EG’s outreach with various Government departments.
- FY2016 Organizational Capacity milestones will be developed and finalized by May 1, 2015.

■ **Impact Indicators:**

- Over 45,000 girls will be enrolled for the first time / brought back to school this academic year. Cumulatively, before the end of FY 2014-15, EG will have enrolled over 150,000 girls in school since its inception in 2008.

	<ul style="list-style-type: none"> • Over 85% of enrolled girls in 2013-14 will be retained in schools in 2014-15. • 35-40% increase in learning outcomes across literacy (Hindi and English) and numeracy (Mathematics) represented via a grade gain analysis.
<p>What are we worried about?</p>	<ul style="list-style-type: none"> ■ People: Safeena’s background on community engagement must be complemented with a strong #2 who understands how to deploy programs at scale and specialists with relevant experience in education. ■ Re-Focus: As enrolment in India is trending towards 100%, EG must ensure that children are enrolled throughout the process and refocus efforts on learner engagement. ■ Exit: Validate the first exit and the cost associated with departure.
<p>Other</p>	<p>References: Laura Hattendorf (Mulago), Govind Shivkumar (LGT), Maya Ziswiler (UBS), Brittany Hume (Skoll), Gul Mukhey (Board).</p>