

Doing good with impact.

Annet van den Hoek,
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In our previous story we described Otto, a philanthropist and entrepreneur, interested in giving effectively. The objective of his foundation is to give children access to education in developing countries, as he believes education will give them a better chance to develop themselves economically and improve their wellbeing. Where and how can he give effectively?

A first step in our approach for effective giving is to look at the Importance, Neglectedness and the Solvability of the cause area (Effective Altruism, 2018):

- Great in *scale* (it affects many people's lives, by a great amount)
- Highly *neglected* (few other people are working on addressing the problem), and
- Highly *solvable* (additional resources will do a great deal to address it)

Education is great in scale, is not neglected as most governments provide free primary education and numerous NGOs help in improving the quality of education, but there is very little evidence on the impact of the different education programmes on the development of students. Research on the impact of education programmes is difficult, as it requires a long term perspective and causality is unclear and not easy traceable. Studies (PSIPSE, 2017) show three angles to improving education:

- 1) increasing participation, making sure children come to school and stay,
- 2) improve learning and enhance quality of education, making sure they actually learn (Pratham, Evidence Action, 2018) and
- 3) enhance relevance, making sure that what they are learning in school will prepare them for jobs and adulthood (J-Pal Lac, Neilson 2017).

Research outcomes on impact of education programmes.

Cash transfers and access to credit help to increase educational participation in terms of both enrolment and attendance, but they do not have much impact on learning. Building secondary schools to increase attendance is a costly approach for which there is actually relatively little evidence of impact. There is also little rigorous evidence on the effects that improvements in primary education or language of instruction might have on secondary school outcomes (PSIPSE, 2017). A study commissioned by Copenhagen Consensus (2018), have examined the efficiency of various education policies. First, they looked at two interventions consistent with the Right to Education Act: in-service teacher training, and reducing pupil-teacher ratios in India. "The researchers found that even lengthy, in-depth tertiary courses and pre-service training of teachers have been found to have zero to modest effects on student learning outcomes, so it seems very unlikely that in-service training, which only occurs for a few days each year, would achieve any more. Likewise, a simple analysis found that halving the pupil-teacher ratio in Rajasthan is expensive compared to other approaches, costing ₹17,368 per student, generating benefits to learning outcomes that, in an optimistic scenario, are worth five-times the costs". Also the impact of integrating technology-aided instruction into classrooms has been studied. One robust study showed students scoring 14% higher in mathematics and 9% higher in Hindi relative to the students who didn't have access, after 5 months of programme implementation. Plenty of research shows how much future wages are influenced by higher test scores. With these results, the researchers found that on average each student will make 98,825

more over their lifetime. Spending just ₹1,333 per student to achieve such an impressive result means every Rupee spent would generate benefits to society worth ₹74 (Bjorn Lomborg and Saleema Razvi, 2018)".

A good example of an effective organisation is the Indian Pratham, that developed an approach for "teaching at the right level", which does away with grade-level curriculum and involves organising children into groups based on their current learning levels. This student centered approach has been successfully implemented and is evaluated by the research institute J-PAL as impactful. Research also shows the evidence of "early childhood development", as impactful on the success of learning of students in the rest of their life (Evidence Action, 2018.) "Poor cognitive, psychosocial and physical development in young child's life (40% of all children in low and middle income countries are at risk) cause sub-optimal development, making them likely to forego 25% of income in adult life" (the Lancet, Evidence Action, J-Pal 2018).

Rigorous evaluations of alterations to curricula or pedagogies intended to better equip students for the labour market or civic participation are lacking. In South America, research on learning the "Value of Education" by J-PAL LAC showed that changing students' and parents' perceptions of the value of secondary education is another approach to addressing relevant barriers and appears to be a promising strategy for boosting participation. TreEd is an initiative that aims to tackle underinvestment in human capital in Latin America and the Caribbean and reach 1.5M students by 2020. Through a set of cost-effective policies based on the spread of information –coupled with big-data management counselling to governments –they will ensure proven education interventions are converted into transferable policy products that governments can implement at scale.

The organisation Educate! focus at the millions of youth in Africa who have gone through secondary education but fail to get a job. They transform secondary education by adding a curriculum on entrepreneurship and training youth and stimulating them to solve poverty by starting their own business and drive their own development. They expect 4.5 x ROI youth income after 4 years at a cost of \$75 per student.

Knowing all this, how can Otto give effectively? As there are no charities focussing on education recommended by GiveWell, he has the options of 1) funding a number of catalytic opportunities 2) invest in a fund or 3) in research. Otto is interested in catalytic opportunities. As an investor he looks at a high expected value and accepts a certain risk, as scientific evidence on impact is not yet there. We identified a list of programmes out of which he identified four for funding: Pratham, Evidence Action Beta, and Educate! and Learning the Value of Education (Tre-Ed).

A next challenge is to identify their needs for funding in a specific country. Pratham never responded to our emails and we guessed their need for our funding is not that high, due to the large group of supportive well-off Indians living/working in the US. Although the project Learning the Value of Education by J-PAL LAC and the Dominican Government showed high potential, the implementation capacity of the organisation was unclear. Tre-Ed was unable to present a clear proposal for funding within our timeframe for decision making. So our focus was on Evidence Action and Educate! A series of Skype calls with Educate! revealed that many new donors were interested in funding a start-up in a new country and less so in expanding the current programme in Uganda. So Otto decided to fund the latter. Also he funded the Teaching at the right level programme by Evidence Action in Kenya. We made a start by identifying the expected "return on investment" of the portfolio for 2018 as illustrated below for the two programmes.:

Supporting Government of Kenya's implementation of youth volunteer-model of "teaching at the right level" (TaRL) in Kenya

Program	Donation	Outcome	Expected impact	Leverage expected ROI	% reaching SDG in 2020
TaRL <i>By Evidence Action</i>	€50.000,-	2019:~40k "struggling" learners (i.e., those who are behind grade level) to be engaged 2020: ~87.5K struggling learners to be engaged	67% of the "struggling" learners engaged in the program will experience an improvement in literacy level*	€50k to leverage full program budget of \$700K philanthropic financing and government financing of ~\$2m. Cost per learner engaged per year \$17.5 Cost per learner who progresses in literacy level: \$26	SDG 4: improved literacy for the 15% of 600K struggling learners in grade 2 and 3.**

* based on a structured assessment tool grounded in the Pratham ASER tool) -- i.e. if a child could read letters after 15 days of TaRL session he/she can words and if a child can read words after 15 days he/she can read sentences.

** There are ~6m children enrolled in grades 1-8. 54% of children in grade 3 in Kenya cannot read. (Uwezo). Of the enrolled children, an estimated ~600K are struggling in grades 2 and 3. In 2020, volunteers will support 87.5K struggling learners through TaRL sessions (15% of 600K struggling learners). In steady state with 10,000 volunteers, the program's scale will have increased from 15% to 40% of all struggling learners in grades 2 and 3 in Kenya.

In addition, we also expect:

- A highly institutionalized program within the Ministry of Education, Gov. of Kenya, including dedicated govt funding and staffing, contributing to its long-term sustainability and significant leverage opportunity for philanthropic dollars.
- contributions to global evidence base on "teaching at the right level" through engagement in TaRL consortium led by J-PAL and Pratham and generation of new evidence in partnership with Michael Kremer (Harvard) and others through upcoming randomized controlled trial
- Potential benefits to youth volunteers themselves, in terms of improved soft skills and employment outcomes (rigorously testing this next year)
- Potential benefits to national social cohesion (in a country with a history of interethnic tensions), given that volunteers are placed for one year in parts of the country from which they do not come (also rigorously testing this next year).

Educate! Adapting education in Uganda to teach youth the skills to solve poverty.

Program	Donation	Outcome	Expected impact	Leverage expected ROI	% reaching SDG in 2020
Adapting education in Uganda to teach youth the skills to solve poverty.	€50.000,-	Implementation of an education programme in one district, impacting 800 students in 20 schools, and reaching over 7,000 students more broadly.	Poverty reduction and improved livelihoods by new business start ups. 400 jobs (expected increase of income 105%)	4.5 x ROI youth income after 4 years Cost per student \$75	SDG 1: increase of income 105% for 8% of the 500.000 youth entering labour market in Uganda

"The 105% average income increase comes from an impact evaluation focused on Educate! Scholars -- the 40 youth who we work with intensively in each of our partner schools in Uganda. We have 28,000 Scholars this year, and by 2024 will reach at least 40,000 Scholars annually in Uganda. The World Bank predicted a few years ago that around 500,000 youth enter the labour market in Uganda each year, so we are working intensively with about 5.6% of youth entering the labour market today (in 25% of secondary schools in the country), and working up to at least 8% in the coming years (in 30% of schools). (Educate!, 2018)