



## India: Rural Education Project

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| Project Name                         | Rural Education Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                            |
| Project Number                       | 47922-014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                            |
| Borrower/Company                     | HIPPOCAMPUS LEARNING CENTRES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                            |
| Country                              | India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                            |
| Location                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                            |
| Approval Number                      | 7405                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                            |
| Type or Modality of Assistance       | 7405                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Direct Inv - Eq Meth | USD 2.00 million Committed |
| Strategic Agendas                    | Inclusive economic growth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                            |
| Drivers of Change                    | Gender Equity and Mainstreaming<br>Private sector development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                            |
| Sector / Subsector                   | <b>Education</b> - Non-formal education - Pre-primary and primary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                            |
| Gender Equity and Mainstreaming      | Effective gender mainstreaming                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                      |                            |
| Responsible ADB Department           | Private Sector Operations Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                            |
| Responsible ADB Division             | Portfolio Management Division, PSOD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                            |
| Responsible ADB Officer              | Taneja, Anshukant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                            |
| Project Sponsor(s)                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                            |
| Description                          | <p>Hippocampus Learning Centres (HLC) is a venture capital backed company which operates pre-school and after-school coaching programs for children aged 3-12 years in rural India. HLC has pioneered a new model for improving learning outcomes by developing a low-cost system to deliver a supplementary education curriculum that focuses on a targeted set of learning outcomes. HLC runs education centers in rural India which offer both kindergarten and after school programs. Each center is run by a female teacher from the local community. The kindergarten program is a 3-year program while after-school program are for students in grades 1 to 6. In 2012-2013 HLC operated 78 centers which provided education to over 3,000 students. In addition to its own centers, HLC also operates its kindergarten programs on a management contract basis in rural public and private schools. Under these partnerships, the HLC program are delivered via the existing infrastructure of the partner schools. HLC trains the teachers, provides teacher session plans and student materials.</p> |                      |                            |
| Objectives and Scope                 | <p>The project will increase access to affordable kindergarten and after-school programs for children aged 3-11 years in rural Karnataka and Tamil Nadu. Due to the lack of pre-schools in rural areas, most children in rural areas do not have any exposure to a literacy environment or development of their cognitive skills till the age of 5-6 years when they enroll for grade 1. This puts them at a significant disadvantage in cognitive and social ability compared to children in urban areas. By focusing on learning outcomes in their kindergarten programs, HLC aims to better prepare children in rural areas for primary school.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                            |
| Linkage to Country/Regional Strategy | <p>The Investment is consistent with ADB's Strategy 2020. Under its strategic agenda of inclusive economic growth, ADB is committed to supporting investments in education, which particularly benefit the poor and women. The project is also consistent with the India CPS (2013-2017), which supports education activities. Gender Equity is one of the five drivers of change identified in Strategy 2020. As per the Education by 2020 - Sector Operations Plan, ADB is committed to utilize new and innovative models of service delivery and financing in the education sector with the aim of making the sector attractive for private investments. The Investment is also consistent with the Gender Equality and Women's Empowerment Operational Plan 2013-2020 which encourages gender mainstreaming in non-sovereign operations and supports amongst other things, private initiatives which assist women employment and entrepreneurship.</p>                                                                                                                                                     |                      |                            |
| Status of Development Objectives     | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                            |

Material Changes n/a

## Safeguard Categories

|                          |   |
|--------------------------|---|
| Environment              | C |
| Involuntary Resettlement | C |
| Indigenous Peoples       | C |

## Summary of Environmental and Social Aspects

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|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental Aspects                                      | No adverse impact on the environment is anticipated. HLC leases existing facilities within the village and does not construct its learning centers. HLC will help ensure that all learning centers have sanitary toilet facilities and water supply, and implement appropriate waste management practices. HLC will apply ADB's prohibited investment activities list and ensure that the project abide by applicable national laws and regulations and comply with ADB's Safeguard Policy Statement (2009).                                                                                                                                                                                                                                                               |
| Involuntary Resettlement                                   | The project will neither involve involuntary acquisition or purchase of land nor entail any physical or economic displacement. Lease agreements are signed with owners of existing properties in villages which are determined suitable for HLC operations. HLC employs women from local communities to teach and operate its learning centers. This selection method addresses mobility constraints of local women who have very limited income options in rural villages. The decision to train and recruit local women as teachers to run the education centers also leads to commercial benefits. Female teachers have been shown to have lower rates of absenteeism compared to male teachers. The investment is categorized as effective gender mainstreaming (EGM). |
| Indigenous Peoples                                         | HLC will operate learning centers in Karnataka and Tamil Nadu where a small percentage of the population comprises of scheduled tribes. HLC neither promotes nor discriminates participation of children from Scheduled Tribes in its educational centers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Stakeholder Communication, Participation, and Consultation | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Timetable for assistance design, processing and implementation

|                          |             |
|--------------------------|-------------|
| Concept Clearance        | 05 Aug 2013 |
| Due Diligence            |             |
| Credit Committee Meeting | 24 Feb 2014 |
| Approval                 | 11 Apr 2014 |
| PDS Creation Date        | 03 Aug 2013 |
| Last PDS Update          | 25 Sep 2014 |

|                         |                                                                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Page            | <a href="https://www.adb.org/projects/47922-014/main">https://www.adb.org/projects/47922-014/main</a>                                                 |
| Request for Information | <a href="http://www.adb.org/forms/request-information-form?subject=47922-014">http://www.adb.org/forms/request-information-form?subject=47922-014</a> |
| Date Generated          | 06 July 2017                                                                                                                                          |

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