

The Edupreneurs of Sub-Saharan Africa

KEY FINDINGS, CHALLENGES AND RECOMMENDATIONS



The partners behind the project

The Government of Monaco's Development Cooperation policy, which has made the fight against poverty its top priority objective, supports around 150 projects every year in 11 countries in Sub-Saharan Africa and the Mediterranean. This aid focuses on improving the standard of living of people in developing countries in four essential areas: health, food security and nutrition; education and child protection; and access to decent work. Monaco dedicates 1% of its public budget to official development assistance (ODA), 70% of which is allocated to the Least Developed Countries.

Investisseurs & Partenaires (I&P) is an impact investing group dedicated to small and medium-sized enterprises (SMEs) in Sub-Saharan Africa. Since its creation in 2002, I&P has partnered with more than 200 companies in 15 African countries and operates in various sectors (health, education, agri-food, microfinance, etc.)



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by Ramata Ly-Bakayoko
Permanent Delegate Ambassador of Côte d'Ivoire to
UNESCO

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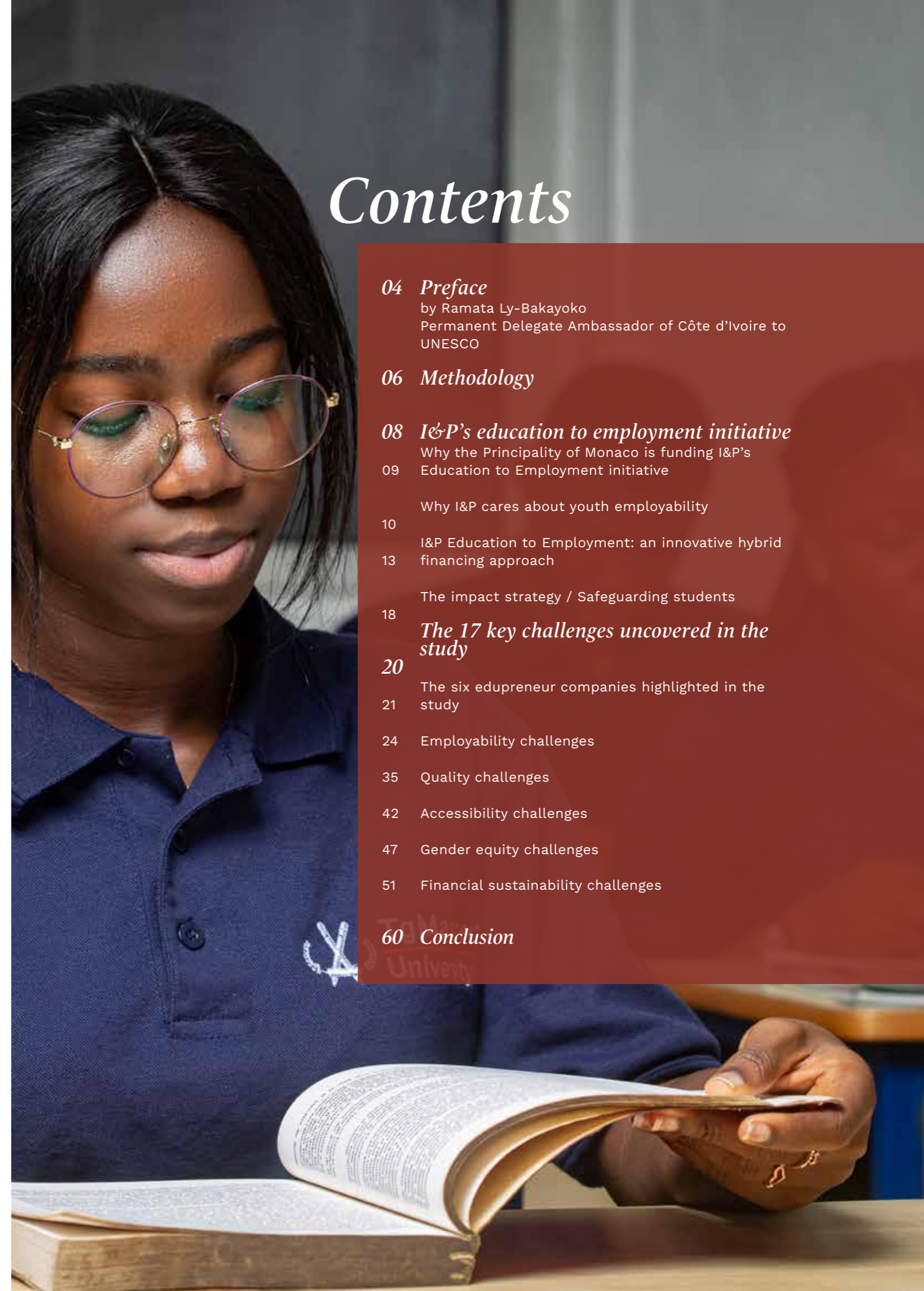
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Preface

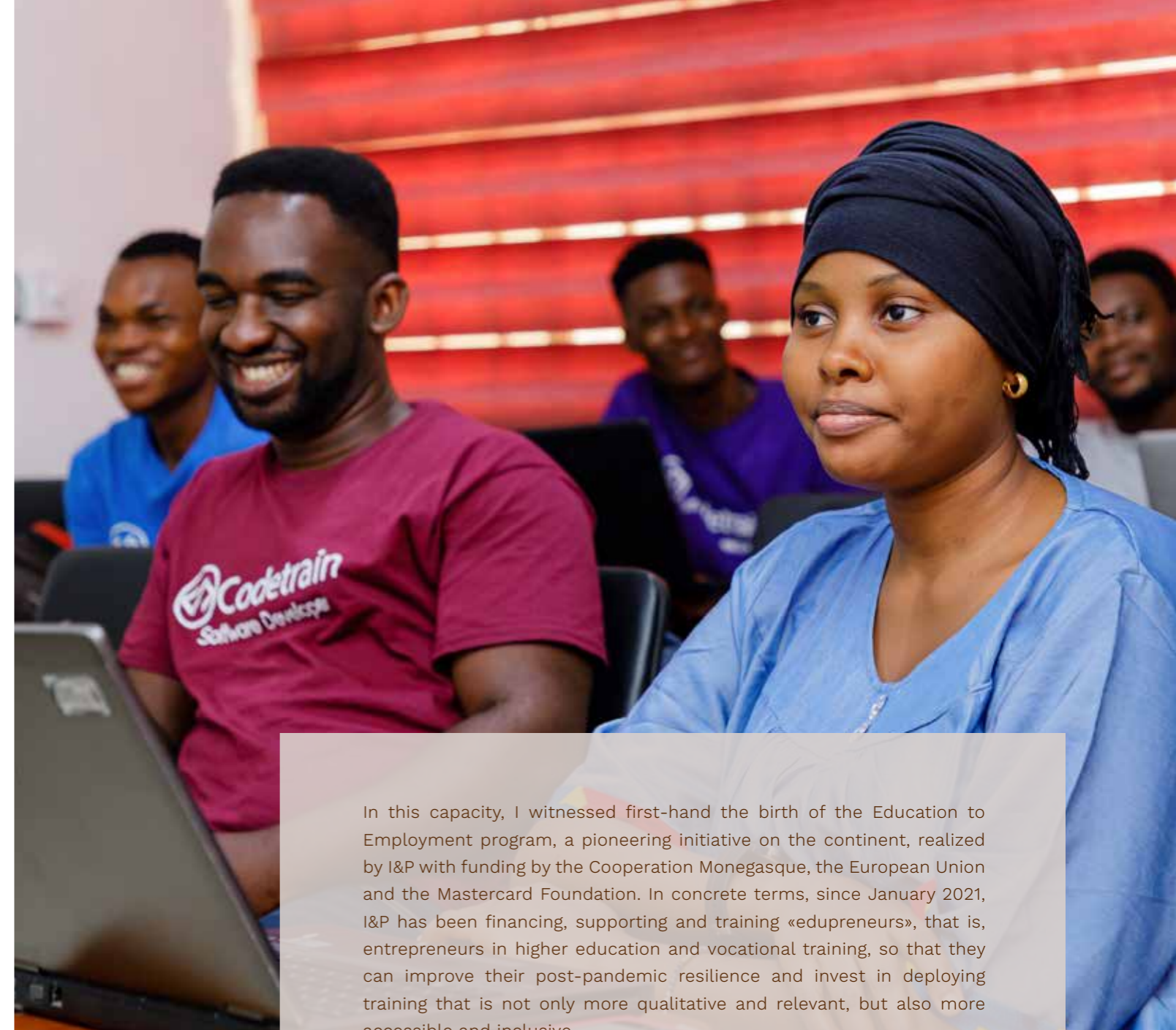


Ms.
Ramata
Bakayoko-Ly
Permanent Delegate
Ambassador of Côte
d'Ivoire to UNESCO

By 2030, approximately 30 million young Africans will be entering the labor market each year. With this population explosion, the massive and rapid creation of jobs that address the real needs of the labor market is imperative. In an increasingly globalized world, access to these jobs will be highly selective. Given the unprecedented situation in Africa today, it is more urgent than ever to prepare young people for employment by providing them with training that will give them skills that align with job market demands.

In order to meet this major challenge, a reconfiguration of the educational ecosystem is necessary. To this end, it is critical to create a synergy between employers and higher education institutions, particularly the grandes écoles and private universities that are booming in Africa today.

In light of this conviction, as a member of I&P's Strategic Committee, I immediately accepted I&P's invitation in 2019 to participate in a strategic planning session to develop an impact investment program dedicated to private educational companies in Sub-Saharan Africa.



In this capacity, I witnessed first-hand the birth of the Education to Employment program, a pioneering initiative on the continent, realized by I&P with funding by the Cooperation Monegasque, the European Union and the Mastercard Foundation. In concrete terms, since January 2021, I&P has been financing, supporting and training «edupreneurs», that is, entrepreneurs in higher education and vocational training, so that they can improve their post-pandemic resilience and invest in deploying training that is not only more qualitative and relevant, but also more accessible and inclusive.

The first lessons learned from the presence of the I&P teams in the field revolve around five fundamental impact issues: namely, quality, employability, accessibility, gender equality and financial sustainability. In the quest for employability strategies, I am convinced that these lessons, punctuated by case studies and highlighting the paths and practices of edupreneurs in Sub-Saharan Africa, will significantly contribute to meeting the needs of the continent as 2030 approaches.

Therefore, I invite the education community and all its partners to read this study, the importance of which is undeniable.

Ms. Ramata Bakayoko-Ly

Methodology

The objective of the study

We wish to demonstrate how education entrepreneurs, or edupreneurs, are significantly contributing to improving access to quality education in Sub-Saharan Africa.

The analysis draws on the experience gained by all of I&P's teams working in the education sector in Sub-Saharan Africa, particularly in the areas of vocational training, higher education and ancillary educational services.

I&P's partner fund in Côte d'Ivoire, Comoé Capital also contributed to the project through its experience in managing the Education Impact Fund, an investment vehicle specializing in the sector.

This experience accumulated over the years led I&P to develop an initiative exclusively dedicated to the

education sector: I&P Education to Employment (IP2E). Since 2020, IP2E has identified more than 950 educational businesses in Sub-Saharan Africa, 27 of which it has supported to date with funding from the European Union and the Mastercard Foundation.

Of the 27 educational companies in IP2E's portfolio, we've selected six edupreneurs to focus on in this study. We interviewed them about their backgrounds, motivations and results in order to understand exactly how they are helping to prepare African youth for [formal] employment.

The study revisits the different business models developed by these edupreneurs to meet the challenges of accessibility, inclusion, quality, employability and financial sustainability.

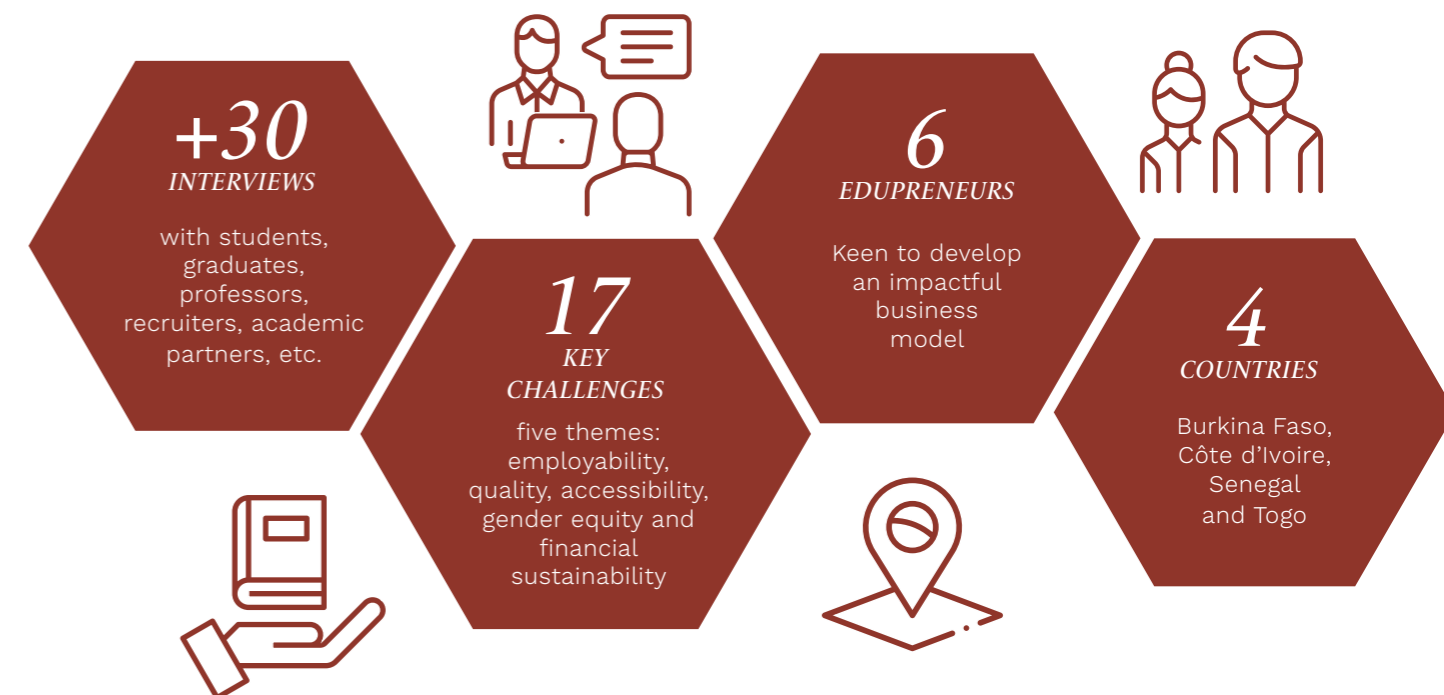


Interviews

In order to get the most accurate picture of the real situation on the ground, we conducted more than thirty interviews, not only with the edupreneurs, but also with educational ecosystem stakeholders: namely, students, graduates, teaching staff, recruiters, academic partners and experts.

We have identified 17 key challenges.

Key figures



The questions

To analyze these different models, we asked our edupreneurs the following questions:

- Who are the continent's edupreneurs? What factors led them to entrepreneurship in the education sector?
- What is their business model based on? How do they reconcile financial performance objectives with quality, inclusion and accessibility challenges? How would they like their model to evolve?
- What are the main obstacles they face as private actors in the education sector? What are their objectives for the future?

01 *I&P's Education to Employment initiative*

A LEADING IMPACT INVESTMENT GROUP IN AFRICA



The Principality of Monaco's support of IP2E

It was in January 2019, after several years of successful collaboration in support of impact investing in Africa, that the Monegasque Cooperation signed onto its partnership with I&P to fund the I&P Employment to Education (IP2E) program. We made this bold investment in the future to support I&P to achieve its ambition to make education a full-fledged impact investment sector, attractive to investors and entrepreneurs alike, and generating great entrepreneurial successes — a difficult task in the shadow of more promising and profitable sectors. Nevertheless, we shared a common desire and the determination to contribute to the causes of entrepreneurship, access to employment and education for all in West Africa.

One year later, the COVID-19 pandemic caused (among other damage) a veritable educational crisis. If this educational crisis has had some positive externalities, for example, accelerating the transition to digital technology, above all it has deepened global and social inequalities and

weakened the fate of the most disadvantaged young people in Africa, especially girls. Out of economic necessity, many have interrupted their studies and sought informal and precarious employment. Despite this adverse context, I&P has managed to stay the course and continue the development of the IP2E program in West Africa. Monaco, whose flagship programs support entrepreneurship for women and youth as well as education for vulnerable girls, naturally remained at I&P's side to deploy the program.

This study, carried out with the support of Monaco, features the testimonies of these young edupreneurs who've been supported by IP2E. Let's hear Guy Monnet share his strategy for improving access to education for girls and be inspired by the energy and passion of Patience Adjivon in creating her business school. Many success stories started in a garage, or on the benches of a lecture hall. The Monegasque Cooperation thanks I&P for its unfailing commitment and calls on all actors of goodwill - both public and private - to join forces with the IP2E program and help bring forth the new generation of edupreneurs in Africa.

Bénédicte SCHUTZ, Special Representative for the Monegasque Cooperation

Why I&P cares about youth employability in Africa ?

The major challenge of youth employment, amplified by the COVID-19 crisis...

Working in Sub-Saharan Africa, we observe daily the gigantic human, economic and social challenges of access to employment caused by Africa's demographic explosion, as well as by young people's thirst for education and need to increase their job skills.

Through our 20 years of experience in financing SMEs, we have seen and experienced the gap

between the skills available to young African men and women and the needs of the local labor market, even in our recruiting.

Girls, young women and vulnerable populations have limited access to education and training, particularly in emerging countries and rural areas.

The economic crisis resulting from COVID-19 is putting great pressure on job creation and the need to reinvent the future of work in Africa, which is becoming increasingly digitalized.

50 %
of the African population will be under 25 years old by 2050

It is estimated that 30 million young people will arrive on the labor market each year or 3/4 of the world's youth.

UNESCO

60 %
of unemployed people in Africa are young people

Yet African companies have difficulty recruiting staff and managers in all fields.

THE WORLD BANK

95 %
of 15-24-year olds in Africa work in the informal economy

This figure reaches 98% in West Africa.

THE INTERNATIONAL LABOUR ORGANIZATION

The need for education funding in Sub-Saharan Africa

Why?

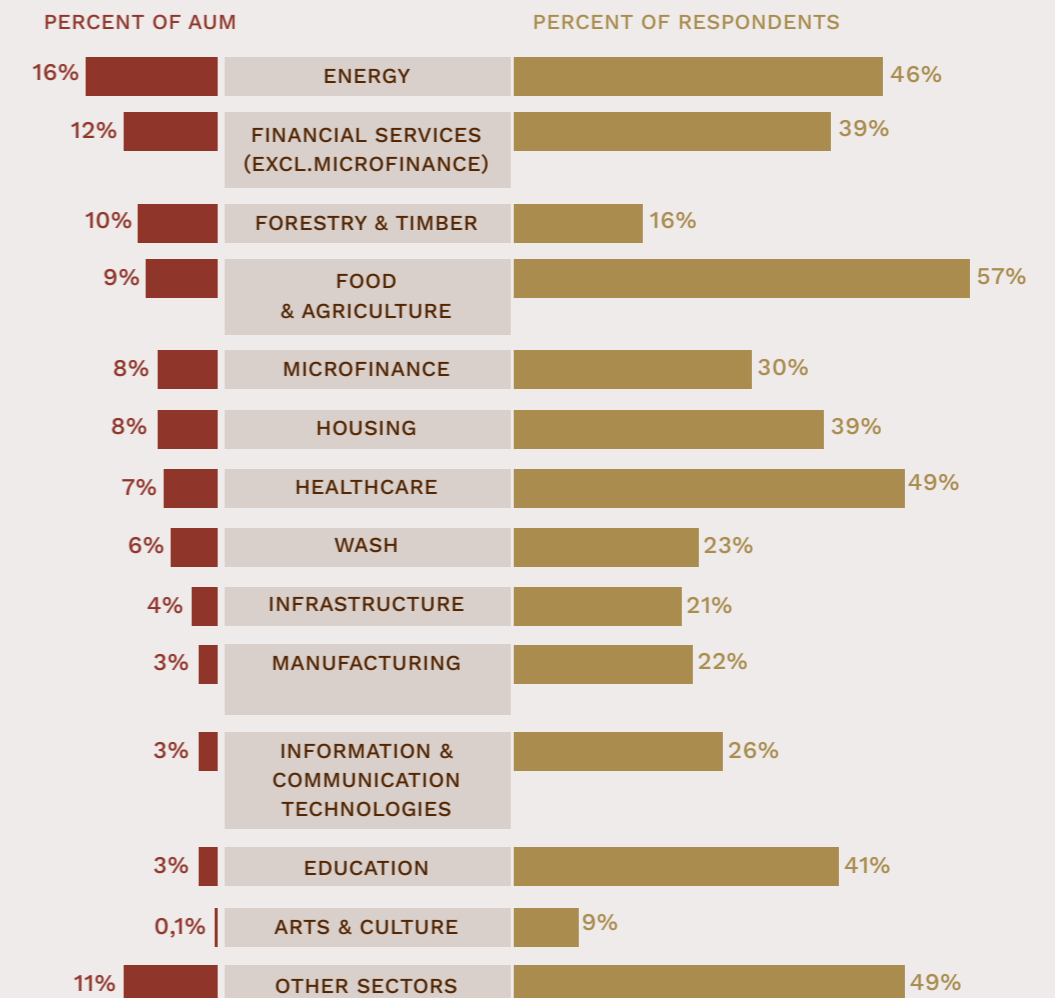
Although impact investments in education are made, the sector lacks attractiveness, probably due to its perceived lack of profitability.

How can we strengthen funding of the sector and support public institutions and financial actors in achieving Sustainable Development Goal #4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" in Africa?

INADEQUATE FUNDING?

According to the Global Impact Investing Network (GIIN), in 2020:

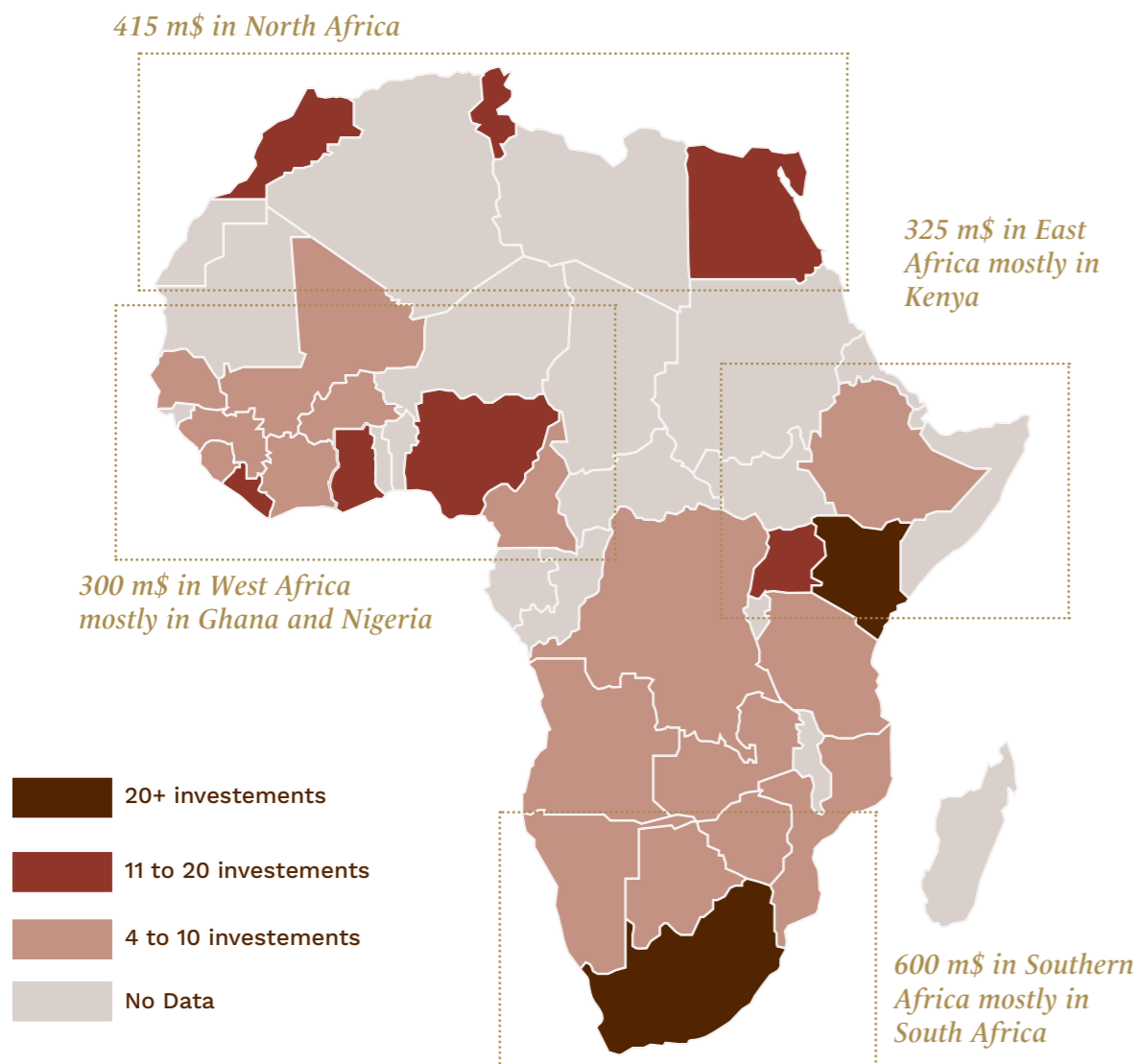
- ◆ 41% of impact investors operated in the education sector
- ◆ The amounts invested were not significant: they represented only 3% of assets under management (AUM)



Source : GIIN, 2020 Annual Impact Investor Survey

Francophone West Africa attracts less investments in education

GEOGRAPHICAL DISPERSION OF EDUCATION INVESTMENTS REGISTERED BETWEEN 2012 AND 2019



Source: GIIN , 2020 Annual Impact Investor Survey

I&P Education to Employment

AN INNOVATIVE HYBRID FINANCING APPROACH

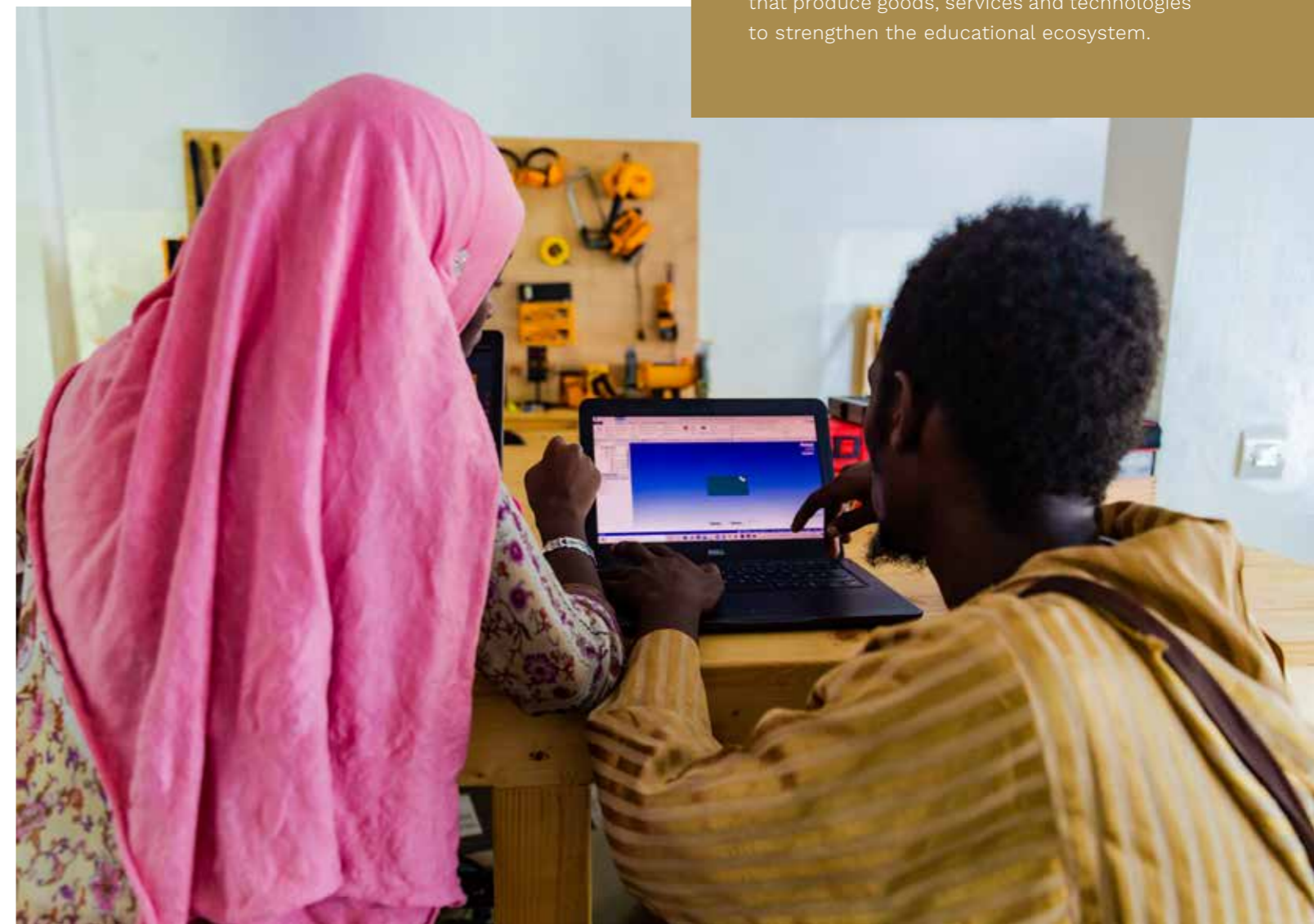
I&P's expertise

I&P is a pioneering impact investment group committed to financing and supporting the emergence of African entrepreneurship champions. For 20 years, I&P has been developing funds, programs and training to support African entrepreneurs and to demonstrate their essential role in the growth and development of the continent.

Our response:

I&P education to employment

I&P Education to Employment (IP2E) is a program that aims to improve access to relevant, quality education and to foster the alignment between training and the skills needs of employers in Sub-Saharan Africa. IP2E finances and supports private higher education institutions, vocational training centers and «ancillary» enterprises, i.e., those that produce goods, services and technologies to strengthen the educational ecosystem.



An innovative hybrid financing approach

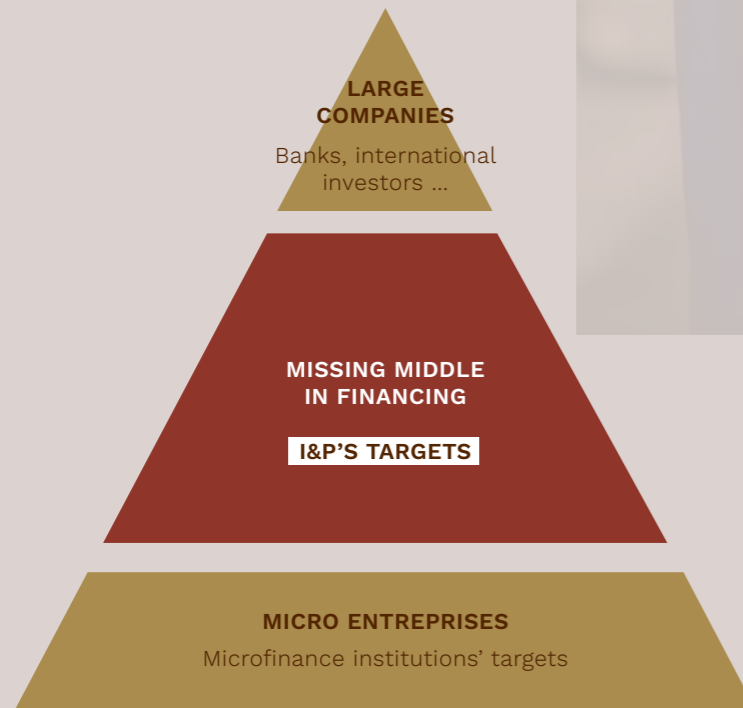
THE BENEFITS OF CATALYTIC FINANCE

- ◆ 40% of MSMEs declare lack of access to financing as a major constraint to their growth as they do not meet the traditional criteria required by financing institutions (i.e., microfinance and commercial banks).
- ◆ I&P Education to Employment subsidizes or lends to educational companies at 0% interest, allowing them to benefit from a growth leverage mechanism towards other I&P investment vehicles in equity or quasi-equity or towards other financial actors.



Our response:

To improve African youth employability with innovative financing mechanisms.



The Education to Employment initiative

The Education to Employment initiative currently consists of two ongoing programs: I&P Acceleration in Sahel, in partnership with the European Union, and the COVID-19 Recovery and Resilience program, in partnership with the Mastercard Foundation.

Through business acceleration work, the Education to Employment initiative supports promising, high-impact SMEs in the education sector that are seeking to become investment-

ready. The initiative's main objective is to support and structure companies in order to increase their impact.

To date, the Education to Employment initiative has partnered with 27 companies and raised the necessary financing to support 45 additional educational businesses.

TWO PROGRAMS CURRENTLY UNDERWAY

I&P Acceleration in Sahel (IPAS)

I&P Acceleration in Sahel (IPAS) is a program supported by the European Union Emergency Trust Fund for Africa. The program supports 300 micro-, small and medium-sized enterprises (MSMEs) in West Africa through seed financing (0% loan interest rate up to € 50,000), technical assistance and ecosystem support. The objective is to give these businesses access both to financing and the necessary skills to grow and thus promote the creation of decent and sustainable jobs on the continent. Although this program is generalist in nature, a portion of the funds is allocated to education, thus reinforcing I&P's experience in this sector.

DATES
 2020-2024
GEOGRAPHIC SCOPE
 West Africa
SIZE
 € 15m
EDUCATION ALLOWANCE
 € 1.5m

COVID-19 Recovery and Resilience Program (CRRP)

The partnership between I&P and the Mastercard Foundation is part of the COVID-19 Recovery and Resilience Program (CRRP), which provides a combination of catalytic funding and technical assistance to help SMEs in their recovery and growth strategy. More specifically, eligible education SMEs receive direct funding in the form of grants and technical assistance in key thematic areas: namely, (a) accelerating their digital transformation; (b) expanding access to quality programs for disadvantaged students, with a focus on women and girls; (c) promoting impact measurement.

DATES
 2021-2023
GEOGRAPHIC SCOPE
 Ivory Coast
 Ghana
 Senegal
SIZE
 € 10m



I&P's education to employment Initiative track record

AS OF DECEMBER 2022, WE HAD ALREADY PARTNERED WITH 27 COMPANIES VIA I&P'S EDUCATION TO EMPLOYMENT INITIATIVE:

Pays	Company	Curriculum	Level	Program
Burkina Faso	Lycée technique Moderne de Koudougou (LTMK)	Electronics and Engineering	Technical or vocational high school	IPAS
Ivory Coast	COFE CESA	Industrial and Tertiary	Higher education and professional training	CRRP
Ivory Coast	ESSECT Poincaré	Industrial and Tertiary	Higher education and professional training	CRRP
Ivory Coast	Institut International des Affaires en Entrepreneuriat (2IAE)	Industrial and Tertiary	Higher education	CRRP
Ivory Coast	Institut Ivoirien de Technologie (IIT)	Engineering and Management	Higher education	CRRP
Ivory Coast	Ivoire Beauty Academy	Beauty and Well-Being Services	Professional training	IPAS
Ivory Coast	MG Lab	Information and Communication Technologies	Professional training	IPAS
Ivory Coast	Supagro	Agronomy	Higher education	IPAS
Ivory Coast	TgMaster	Business and Management	Higher education	CRRP
Ivory Coast	Université Centrale de Daloa (UCC)	Law, Finance and Communication	Higher education	IPAS
Ivory Coast	Université des Lagunes (UDL)	Law, Economics and Management, Science Technology, Communication	Higher education	CRRP
Ghana	Codetrain	Coding	Professional training	CRRP
Ghana	Garden City University College (GCUC)	Health and Commerce	Higher education and professional training	CRRP
Ghana	JACCD Design Institute Africa	Design and Fashion	Higher education	CRRP
Ghana	OpenLabs	Computer Science	Professional training	CRRP
Ghana	Smartline	Publishing	Ancillary activities	CRRP
Senegal	20 sur 20	Educational Content	Edtech	IPAS
Senegal	Centre d'Appui à l'Initiative Féminine (CAIF)	Catering, Hospitality and Sewing	Professional training	CRRP
Senegal	Centre International de Formation Pratique (CIFOP)	Agroecology, Construction, Hairdressing, Sewing, Auto Mechanics, Carpentry, Metalwork, Multimedia, Plumbing and Pottery	Professional training	CRRP
Senegal	Dakar American University of Science and Technology (DAUST)	Science, Technology, Engineering and Mathematics (STEM)	Higher education	IPAS
Senegal	Ecole Supérieure de Technologie et de Management (ESTM)	Computer Science	Higher education	CRRP
Senegal	Institut Académique des Bébés (IAB)	Early Childhood Education	Professional training	IPAS
Senegal	ISI Groupe	Information and Communication Technologies	Higher education	CRRP
Senegal	ISM Ziguinchor	Commerce	Higher education	CRRP
Senegal	Université des Sciences de la Santé (USSD)	Health Management	Higher education	CRRP
Togo	Institut Africain des Sciences des Technologies et des Métiers (IASTM)	Management and Law	Higher education	IPAS
Togo	Lomé Business School (LBS)	Business and Information Technology	Higher education	IPAS



SUSTAINABLE DEVELOPMENT GOALS

The impact strategy

A MAJOR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Promote relevant, quality professional education and training



PROMOTE QUALITY EDUCATION/ TRAINING

Through:

The transmission of essential skills and know-how A committed academic staff
Relevant content and technology
Quality infrastructure, etc.



ALIGNED WITH THE NEEDS OF THE LOCAL LABOR MARKET

Through:

Local/international accreditations
Intensified relationships with employers (apprenticeships, internships, etc.)
Support for entrepreneurship, etc.

Improve access to education for vulnerable populations in fragile countries



EMPOWER YOUNG WOMEN

Through:

Specific policies targeting young women as primary beneficiaries (scholarships)
Integration of women as entrepreneurs, employees, etc.



PROMOTE ACCESS FOR VULNERABLE YOUTH

Through:

Social inclusion programs targeting low-income students and rural populations
Fostering education in fragile countries as well as outside of major urban centers, etc.

Focus on safeguarding students

Academic success also requires that students' non-academic needs, whether physical, mental, social or emotional, be met. Safeguarding students is a major concern for I&P as part of the IP2E program.

Safeguarding students is about putting in place prevention, response and monitoring mechanisms to strengthen the capacity of education SMEs to ensure the safety, protection, and well-being of the youth they serve.

All educational organizations are supported in the development of their own student safeguarding policies, which reflect the following minimum requirements:



Prevention

Defining an **internal safeguarding policy**

Defining an **emergency contact person**

Implementing **safeguarding procedures**

Adopting a **code of conduct**

Providing stakeholder-awareness education

Response

Establishing a **mechanism** for :

Complaint **escalation**

Incident/complaint **response**

Incident/complaint **monitoring** and applicable sanctions

Follow-up and evaluation

Policy implementation monitoring

Results evaluation

Policy **Optimisation**

02


The 17 key challenges identified by the study



The 6 edupreneur companies in our study

ISM ZIGUINCHOR


The ISM Ziguinchor School of Management was created in 2006 with the objective to train tomorrow's leaders by promoting a hands-on and entrepreneurial approach. Its training programs (bachelor, master, doctorate) are based on the LMD system and offer programs in various fields such as finance, law, human resources and management. These programs are open not only to high school students but also to young professionals.



CREATION
2006
COUNTRY
Senegal
ENTREPRENEUR
Georges Bernard Ndeye
TRAINING
Commerce
TYPE
Grant

TGMMASTER UNIVERSITY


TgMaster University is an innovative training school in Côte d'Ivoire run by the TgMaster group. Since 2013, TgMaster has trained more than 700 young people and placed 300 of them in the best schools in Côte d'Ivoire and abroad. Capitalizing on their experience, TgMaster University now offers degrees in information technology and management on a campus in Abidjan, in partnership with French business schools.



CREATION
2013
COUNTRY
Ivory Coast
ENTREPRENEUR
Achille Koukou
TRAINING
Commerce
TYPE
Grant

LOME BUSINESS SCHOOL (LBS)


Lomé Business School (LBS) is a university-level institution in Lomé, Togo offering training courses in the fields of management information systems (MIS) and business management. LBS opened its doors in 2013 and has 117 students enrolled today. It attracts interest far beyond Togo: 30% of its students come from eight West African countries as well as from Cameroon and Gabon.



CREATION
2013
COUNTRY
Togo
CONTRACTOR
Patience Adjivon & Fulgence Amani
TRAINING
Commerce & Technologies de l'information
TYPE
Loan at 0% interest

LYCEE TECHNIQUE MODERNE DE KOUDOUGOU (LTMK)

The Lycée Privé Technique Moderne de Koudougou (LTMK) is a technical secondary school created in 2017 and located in Koudougou, Burkina Faso. The school has 207 students and offers initial technical training in the fields of electronics, civil engineering and electrical engineering.



CREATION
2017
COUNTRY
Burkina Faso
CONTRACTOR
Fernand Kaboré
TRAINING
Electronics and engineering
TYPE
0% interest loan

GROUPE ISI

The ISI group (Institut Supérieur d'Informatique) is a private educational group founded in 1994. The group hosts 2,500 students across 10 campuses in Senegal and Mauritania. The group's mission is to contribute to the diversification of training offers in Senegal and the subregion. The opening of five campuses in remote regions far from urban centers is a strong aspect of its strategy and determination to contribute to the revitalization of rural areas and the inclusion of rural youth.

GROUPE
ISI

CREATION
1994

COUNTRY
Senegal

CONTRACTOR
Abdou Sambe

TRAINING
Information and
communication
technology

TYPE
Grant

MG LAB

Created in 2013, MG Lab is a training center in Abidjan, Ivory Coast dedicated to telecommunication techniques and, more specifically, to the installation of fiber optic networks. The center's strength lies in the development of a fully-equipped laboratory that allows students and young professionals to put their theoretical training into practice and become quickly operational once employed.

MAG
LAB

CREATION
2013

COUNTRY
Ivory Coast

CONTRACTOR
Guy Monnet

FORMATION
Information and
communication
technology

TYPE
Loan at 0% interest



Employability

CHALLENGE #1: BRING TRAINING OFFERS INTO ALIGNMENT WITH REAL LABOR MARKET NEEDS

Key finding

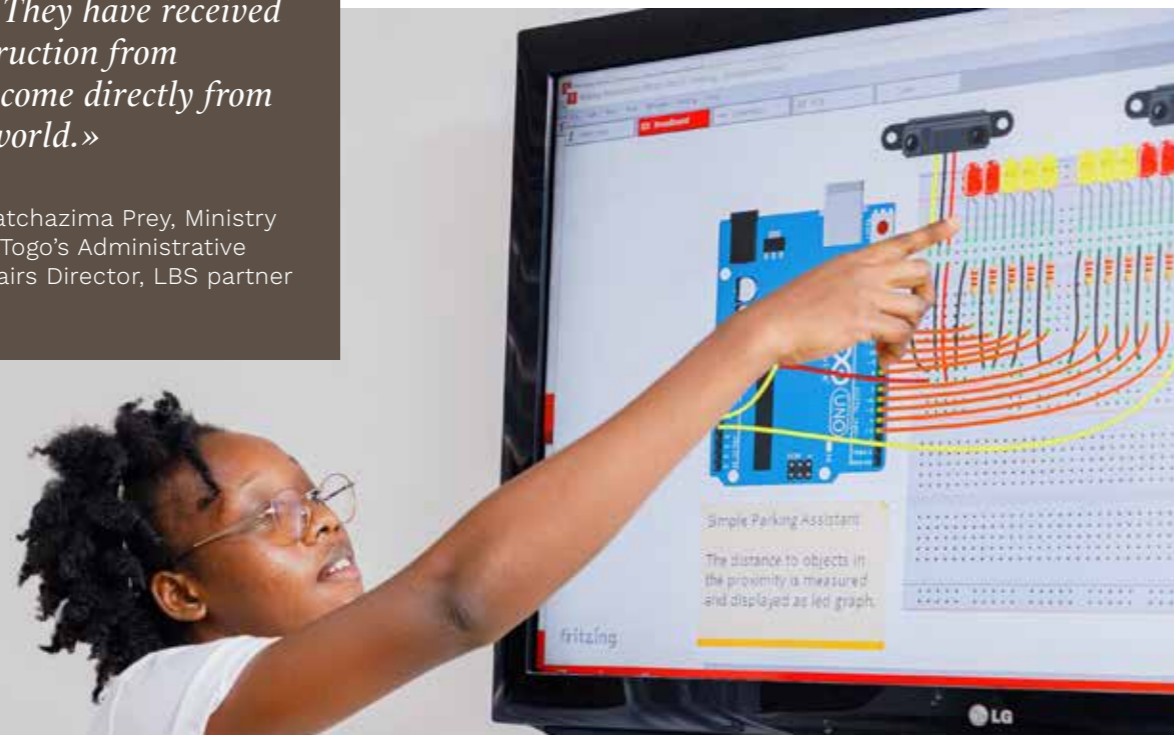
More and more young graduates are finding themselves unemployed, while companies struggle to find qualified local workers. There is a disconnect between higher education and the real needs of the labor market. Education can be considered as an investment only to the degree that it guarantees students a job upon completion. Young people seek training primarily for the purpose of obtaining work.

«We host LBS student interns every year within the department. These students often stand out because they understand business and are able to adapt themselves to the work environment. They have received practical instruction from teachers who come directly from the business world.»

Dr Christophe Matchazima Prey, Ministry of Commerce of Togo's Administrative and Financial Affairs Director, LBS partner

Key needs identified

- ◆ Conduct market research to identify the real needs of the local labor market
- ◆ Design training programs with a team of people from diverse backgrounds, with a majority from the business world
- ◆ Prioritize hiring teaching staff with experience in the business world, thereby exposing students to the language and best practices of different professional work environments
- ◆ For nationally accredited courses, supplement the mandatory curricula with modules that reinforce students' skills



Profile of an IP2E investee company

Mg Lab: Opening a training center to provide qualified local labor for its own business

GUY MONNET, FOUNDER OF MG LAB

Guy Monnet, from Côte d'Ivoire, moved to France to study computer science and systems (CSS). He began his career working for several French telecom companies that specialize in fiber optics.

Armed with this experience, he returned to Côte d'Ivoire in 2011, where he created his telecommunication company: MG Telecom. Noting that there was no training available in fiber optics, to avoid having to resort to international expertise, he immediately created his training center in Abidjan: MG Lab. This establishment trains local youth in trades of the future such as fiber optics, where job opportunities are excellent.

MG Lab has now trained a pool of 2,000 young people and has become indispensable for major local operators, such as Moov, Orange and GVA, who hire MG Lab students even before they've graduated. This sector has immense growth prospects because only 1% of the Ivorian territory is currently covered by fiber.

"I've always had an entrepreneurial streak. As early as middle school I taught myself data entry in order to sell my services and help my parents pay for my siblings' education."



Employability

CHALLENGE #2: GUARANTEE TRAINING THAT COMBINES THEORY AND PRACTICE

Key finding

Faced with a lack of professional experience, many young graduates struggle to enter the job market. Internships are often too short, both for students and companies, which often do not have the time to train interns. A transition period is necessary to become truly operational within a company. Acquiring professional experience during one's studies is essential to optimizing the chances of finding a job.

Key needs identified

- ◆ Develop work-study programs, a win-win solution
- ◆ Prepare young people to acquire soft skills (critical thinking, organization, social intelligence, management, communication, interpersonal, teamwork), which are increasingly in demand on the job market.
- ◆ Require students to validate a minimum number of worked hours in a company (internship, work-study program, etc.) to obtain their degree.
- ◆ Strengthen career services that prepare young people for internship and job searches (teach cover letter and resumé writing, conduct mock interviews, organize "discovery days" for students to spend onsite at a company, etc.)



Profile of an IP2E investee company

Lomé Business School: Count on work-study programs as a springboard to employment



FULGENCE AMANI,
CO-FOUNDER OF LOMÉ BUSINESS SCHOOL

What is a work-study program?

Work-study programs allow students to complete a theoretical apprenticeship in a training center while simultaneously doing a practical internship in a company.

Such an apprenticeship training program is what LBS has bet on. The school has managed to distinguish itself, not only by ensuring that all of its students find an internship, but above all by developing work-study partnerships with numerous companies. For example, every year, eight LBS students follow a daily theoretical training course until 2pm, then work at Total Energies in the afternoon on digitalizing internal processes.

What are the main advantages of work-study programs?

- Obtain a diploma and professional skills;
- Get practical work experience in a chosen profession;
- Finance one's studies and earn a salary

Originally from Côte d'Ivoire, Fulgence Amani, current LBS CEO, studied in Côte d'Ivoire and France. A telecommunications engineer from ITES (Institut des Technologies et Spécialités), he worked as an IT engineer in Abidjan before continuing his studies in France, where he obtained a master's degree in finance at SKEMA Business School.

After several years of working in IT management in France at Total Energies and Capgemini, he returned to Africa and became an IT and Fintech consultant for clients such as Orange Bank, Ernst & Young and Société Générale. Over the last ten years, along with his consulting, Amani also held teaching positions at USTA-Ouagadougou and ESSCA Paris before co-founding LBS with his wife Patience Adjivon.

« Our model has proven successful; we now have companies requesting more students than we have available. »

Fulgence Amani,
Lomé Business School co-founder

Employability

CHALLENGE #3: DEVELOP TECHNICAL AND PROFESSIONAL TRAINING

Key finding

Some young people prefer taking technical or vocational courses that do not require a high school diploma. These shorter courses have the potential to offer more employment opportunities. Unfortunately, they are still commonly looked upon as a last-ditch escape route for young people who aren't capable of getting a higher education. There are a wide range of courses available that provide training in fields such as civil engineering, electricity, renewable energies and even new technology professions. They very often meet real labor market needs.

Key needs identified

- ◆ Develop more technical training opportunities in a variety of sectors that meet a real need for local manpower
- ◆ Increase relationships with the private sector to improve access to decent employment for young people who have dropped out of school or don't have a high school diploma
- ◆ Educate young people about the value of technical and artisanal trades
- ◆ Offer short certification courses to help youth enter the job market more quickly



Profile of an IP2E Investee company

Technical and Modern High School of Koudougou (LTMK)

LTMK is a technical secondary school created in 2017 and located in Koudougou, Burkina Faso, about 100 kilometers from Ouagadougou. The school offers initial training (BEP and BAC) in electronics, civil engineering and electrical engineering. These courses meet identified needs of the Burkinabe job market.

FERNAND KABORÉ, FOUNDER OF LTMK

Fernand Kaboré is a 37-year-old Burkinabé who holds a DUT in commercial management and a Master of Marketing and Business Intelligence from the African Institute of Management (IAM Ouaga). In 2013, after 15 years of teaching and recruiting experience, he created the Institut Supérieur de l'Eau, du Bâtiment et de l'Energie à Ouagadougou (ISEBE), a training center based in Ouagadougou that offers courses in civil engineering, geology and energy engineering. In 2017, three years after the opening of ISEBE, he opened LTMK, with the primary goal of equipping students for self-employment.



Spotlight on LTMK's job readiness program for young inmates

To combat the school dropout rate of many young people outside the school system, LTMK has provided training to more than 150 young inmates. This technical training was designed to help inmates gain professional skills that would prepare them for the job market. At the end of this program, 60 of these young people managed to join the workforce—an example of success that demonstrates the importance of access to decent employment for all.



Employability

CHALLENGE #4: ADOPT A SECTOR-BASED APPROACH

Key finding

The education market is saturated with universities offering a plethora of training programs in the hopes of attracting a greater number of students, often to the detriment of the quality of education and disconnected from the needs of the job market. The challenge is to identify in each country the sectors that offer employment and deliver appropriate job training based on projected needs. For example, the scientific and computer science fields are regularly identified as promising sectors. Indeed, Senegal has taken up this challenge over the past few years by promoting and supporting numerous startups.

Key needs identified

- ◆ Systematically quantify job placement performance to identify local job-creating sectors
- ◆ Measure job placement rates and use this data as a decision-making tool to determine the number of students per field of study for upcoming classes
- ◆ Analyze the evolution of the job market on an ongoing basis to understand trends and adapt training offers accordingly



Profile of an IP2E investee company

ABDOU SAMBE,
FOUNDER OF THE ISI GROUP

THE ISI GROUP: IT TRAINING PIONEER IN SENEGAL

Pioneer and leader in the field of private higher education in Senegal and the subregion, the ISI Group was founded in 1994 by Mr. Abdou SAMBE in collaboration with students from both Cheikh Anta Diop University in Dakar and Laval University in Quebec.

Today, more than 27 years after its creation, ISI Group is one of the foremost experts in terms of education in the fields of new technologies and management and has 10 campuses, where more than 30 nationalities are represented. Since 1994, ISI Group has trained more than 20,000 African youth.

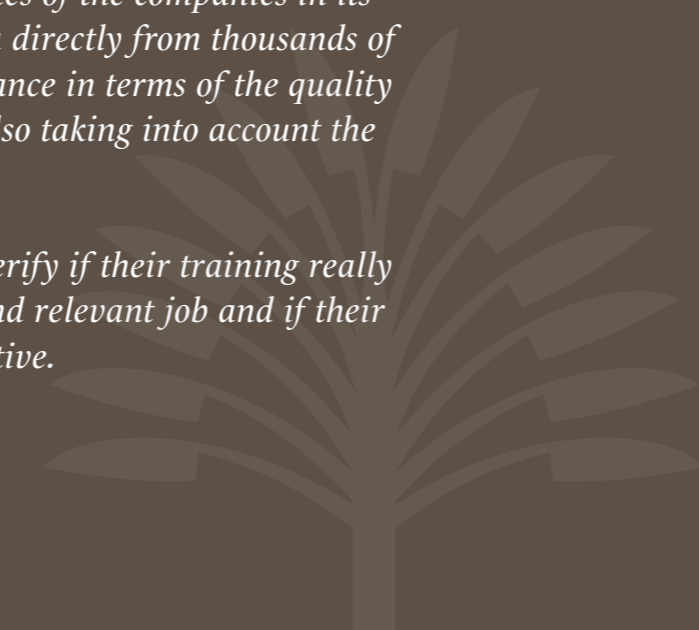
An engineer by training and a graduate of Laval University in Canada, Mr. Abdou Sambe also holds a degree in business administration from Cheick Anta DIOP University in Dakar, Senegal. He has led ISI since its inception in 1994. His vision of education is based on the importance of the social learning approach, which explains the relocation of the ISI Group's campuses to rural areas throughout the country for better social inclusion.

« My main motivation was a desire to contribute to the growth and development of my country. While doing my studies in Canada, I realized that the level of development there was immense and that thanks to IT.»

Spotlight on our partnership with 60 Decibels

60dB is a lean data expert. I&P has asked them to measure its impact on the job readiness of graduates of the companies in its education portfolio. 60dB collects data directly from thousands of beneficiaries to analyze their performance in terms of the quality and speed of student job placement, also taking into account the socio-economic profile of alumni.

This analysis allows edupreneurs to verify if their training really allows graduates to obtain a decent and relevant job and if their inclusion mechanisms have been effective.



Employability

CHALLENGE #5: TRAIN YOUTH IN ENTREPRENEURSHIP

Key finding

By conviction or because of a lack of job opportunities, a growing number of young people are turning to self-employment. To support their students on this path, more and more institutions are choosing to support their students on this path and preparing them for entrepreneurship. Schools are integrating courses on entrepreneurship into their programs, helping students write a business plan and even assisting young entrepreneurs in taking the initial steps with an incubator while they're still attending the institution.

Key needs identified

- ◆ Introduce students to entrepreneurship through courses focused on doing market research, writing a business plan and developing sales techniques
- ◆ Send students on “immersion visits” with artisans to help them discover sectors and develop project ideas
- ◆ Create a university incubator to support students and graduates who want to become entrepreneurs
- ◆ Create a student network to connect students and put on events, such as hackathons and testimonials, to generate new ideas and inspire the entrepreneurial spirit in youth

Profile of an IP2E investee company

Lomé Business School's INTELO competition

The Innovation Talent Excellence Days at Lomé (INTELO) promote innovation and entrepreneurship in young university students through project competitions, an IT hackathon and a partner-company job expo. Many companies, such as GTA, Total Energies and Orabank as well as students from other universities, participate.

These competitions help to spark the desire for entrepreneurship in students from the outset of the training and encourage the development of an innovative mindset geared toward finding local solutions to local problems.

« LBS instilled in me this entrepreneurial mindset that encouraged me to take risks and initiative without fear of failure. »

Veronica Sunmonu, graduate of Lomé Business School



Employability

CHALLENGE #6: RELY HEAVILY ON THE ALUMNI NETWORK

Key finding

The opportunity of joining a dynamic and powerful network is one of a student's greatest sources of motivation in choosing a university. The reputation of many universities is largely based on their alumni networks. However, currently, alumni networks in Sub-Saharan African universities are often limited to WhatsApp groups, where job offers are exchanged and very few events are organized. Organizing these networks would provide an essential springboard from which to encourage alumni to share internship and job opportunities as well as advice on how to succeed in business.

Key needs identified

- ◆ Organize an alumni network either through the creation of an online alumni directory of the ensemble of graduates or through the creation of lifetime email addresses
- ◆ Ensure a mentoring system that allows students/ young graduates to connect with experienced graduates to facilitate sharing of internship and job opportunities, thanks to this network
- ◆ Boost the alumni network through the organization of member events (conferences, webinars and celebrations)
- ◆ Offer graduates continuing education courses to maintain connection among members
- ◆ Promote a mutually-supportive community that shares common values to allow students to benefit from donations and grants from senior alumni

« It is these networks created among students, graduates and companies that are the foundation of a school's reputation. Strengthening these connections is essential for all education and training programs. »

Ansoumana Badji, Inspector of Education in Senegal



Quality

CHALLENGE #7: IMPROVE THE COMPREHENSIBILITY OF THE QUALITY OF TRAINING OFFERS

Key finding

There are many training institutions on the market, however, the quality of training offers varies greatly. In fact, many students end up with a diploma but do not manage to get a job. How can they be sure they are investing in a quality institution whose student success is recognized on the job market?

Key needs identified

- ◆ Improve the comprehensibility and registration of genuinely accredited training institutions for the benefit of students and other ecosystem partners

Examples of regional and national accreditations in Sub-Saharan Africa include CAMES (French-speaking Africa), Anaq-Sup (Senegal) and MINESUP (Cameroon)

- ◆ Perform a more in-depth follow-up of institutions once accreditation has been obtained: publish student job placement rates in the 6 to 12 months following graduation using a common measurement methodology (following, for instance, the example of the Conférence des Grandes Ecoles)

- ◆ Develop international accreditations in Sub-Saharan Africa like those that have already been established in North Africa and achieved international recognition. Examples of international accreditations are AMBA, Equis Standard and AACSB

Quality

CHALLENGE #8: INCREASE STAFF-TO-STUDENT RATIOS

Key finding

Most public universities in Sub-Saharan Africa are now at overcapacity. The number of students per class is exploding and governments are turning to private initiatives to relieve the pressure on the public education system, which is reaching its limits. The private education sector has become complementary to the public sector, which now recognizes the diplomas of quality private institutions.

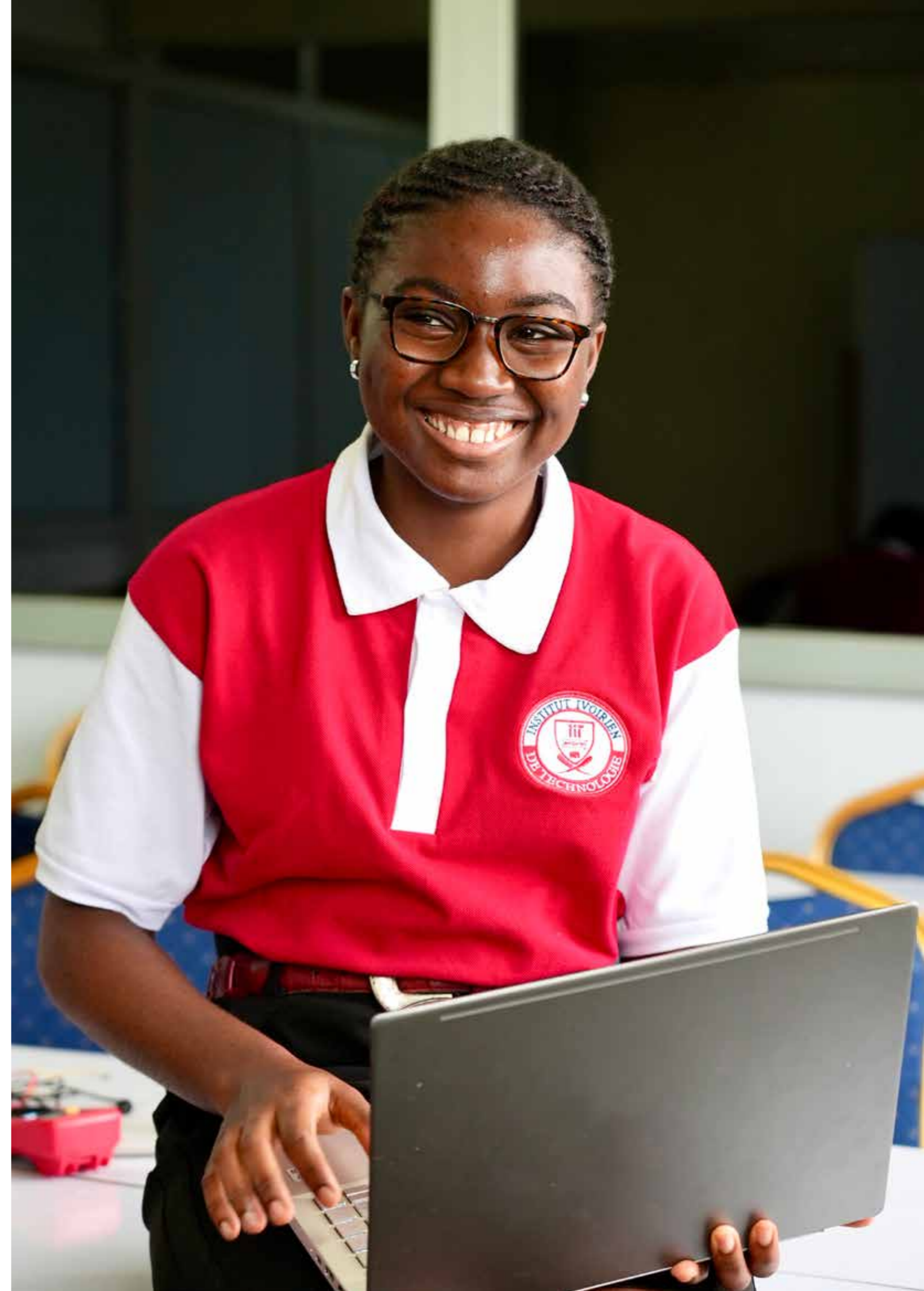
The objective is to relieve the public sector of some of its student burden while maintaining quality training accessible to all.

« I quickly realized how lucky I was to be studying in a private school when I saw that there were only about ten students per class. This ratio allows us to get plenty of support from all of our teachers. »

Marc-André, student and president of the Student Union of TgMaster

Key needs identified

- ◆ Improve the student-teacher ratio, especially for practical hands-on courses/subjects
- ◆ Consider e-learning solutions for common theoretical courses and optimize face-to-face teaching time for hands-on learning and practice
- ◆ Ensure decent salaries and working conditions for teachers to guarantee quality training and avoid strikes
- ◆ Ensure continuing education courses for teachers
- ◆ Develop more private-public partnerships to capitalize on the strengths of each



Quality

CHALLENGE #9: STEM BRAIN DRAIN THROUGH QUALITY INTERNATIONAL TRAINING

Key finding

The problem of brain drain has always been a reality in Sub-Saharan Africa. Children whose parents have sufficient income leave to pursue their higher education in Europe or the United States. This system poses many problems. First, only children from privileged backgrounds have access to quality higher education, which compounds inequalities. Furthermore, if a student who's studied abroad chooses to return to their country, the education they have received is not relevant to the realities of the African continent. It is therefore essential to be able to offer quality training programs that address the needs and challenges of local markets without giving up an international outlook that allows students to have enriching experiences in other countries.

Key needs identified

- ◆ Strengthen partnerships with Western education institutions and host their students in Africa to promote academic and cultural exchange that also benefits those who don't study in the West
- ◆ Develop partnerships with international universities to realize academic study exchanges
- ◆ Increase faculty exchanges with international universities, now more accessible thanks to online platforms
- ◆ Offer solutions, such as mixed internships, which promote intercultural exchange and capitalize on the richness of each country

Testimonials

Why did you create TgMaster University?

«90% of young people find their core circle of friends within the first three years of graduating high school, so it seemed critical to be able to offer quality education here in Côte d'Ivoire, to allow young students to establish their long-term relationships where they live and also to relieve their parents of having to send their children hundreds of kilometers from home in order to give them a good education.»

Achille Koukou, co-founder of TgMaster University

Blended internships: an opportunity to create a win-win partnership

« Anxious to create a mutually beneficial partnership with LBS, we have set up the innovative concept of blended internships. This involves sending a pair of students, one from LBS and the other from Léonard de Vinci, to do an internship together. The objective is twofold: it allows students to exchange their different ideas and ways of learning their work throughout the internship, and it's also a great opportunity for them to discover promising sectors such as solar farm development in northern Togo.»

Alain Ouvrieu, Director of International Relations, Pôle Léonard de Vinci, LBS academic partner



Quality

CHALLENGE #10: ENCOURAGE EDUCATIONAL INSTITUTIONS TO GEAR PROGRAMS TO DRAW ON AND BENEFIT FROM LOCAL RESOURCES

Key finding

Regional institutions generally offer training programs similar to those found in large cities. However, these institutions rarely take heed of their rich local resources, which are a potential source of many job opportunities. Nevertheless, some universities such as ISM Ziguinchor are teaching students to turn toward the wealth of possibilities of their region.

Key needs identified

- ◆ Establish partnerships with local businesses
- ◆ Raise youth awareness of the wealth of local resources through “discovery days” with local artisans or through local internships
- ◆ Avoid systematically replicating the training programs available in major cities and offer training opportunities that cater to each region’s unique potential and job opportunities

The example of casamance: The “granary of Senegal”

In Senegal, agriculture is the primary work sector and employs 55% of the active population. It is a key business activity for meeting the challenges of food insecurity, poverty and unemployment. The Casamance region is nicknamed «the granary of Senegal». It benefits from a particularly favorable climate with much higher rainfall than the rest of the country, which increases by tenfold the region’s potential for agribusiness.

This is why ISM Ziguinchor has chosen to capitalize on the region’s strengths by partnering with local agribusiness companies rather than with multinationals. For example, first-year students are sent to apprentice with elderly women who salvage spoiled fruits and vegetables and turn them into juice. The students help the women improve their sales by applying the communication and marketing skills they’ve learned in their courses. This partnership is a double win, as the students gain experience, and the women claim to gain up to six months of their usual sales in just two weeks.



« We need our students to become aware of the richness of our region and understand that it’s better in every way to drink local juices than to drink Coke. »

Jean-Amédé Diatta, ISM Ziguinchor’s educational director

« At first I wanted to go to Dakar to find work, but then I realized while studying at ISM Ziguinchor that the potential for agribusiness in the region was enormous. Not only does it rain six months out of the year, but the land is also very fertile. »

Juana Tengend, 3rd-year management student at ISM Ziguinchor



Accessibility

CHALLENGE #11: OFFER ALTERNATIVES TO STATE SCHOLARSHIPS

Key finding

The cost of education and the cost of living (accommodation, food, transportation...) are real obstacles for the majority of students.

They can borrow from banks only if their parents have a fixed income and are able to provide a guarantee. Therefore, how to allow the greatest number of students to have access to quality training?

The objective is to ensure sustainable access to funding for everyone.

Key financing solutions

◆ Public financing

- State or municipal scholarships for high school graduates

- Organizations that provide access to professional training (e.g., 3FPT in Senegal, which covers 90% of the cost of the training)

NOTE: Although state governments are often the primary funders, this support is not fully reliable because numerous payment delays can pose cash flow problems for schools; students on scholarships also sometimes have financial problems and struggle to meet their basic needs because of these delays.

◆ Private financing:

- Tuition discounts granted by the school based on the student's social situation
- Bank loans
- Scholarships provided by partner companies, foundations and/or international organizations
- Scholarships through mentors and alumni support networks

◆ I&P is testing out innovative mechanisms:

- The Income Sharing Agreement (ISA) - an innovative and supportive education funding tool. Students receive money to fund their education by agreeing to pay back a percentage of their monthly income for a set period once they have found a job and are earning more than a certain monthly income threshold. Repayments are tailored to each student's career path. Since the school bears some of the risk, it must be committed to effectively training young people for work, or it will not recoup its investment.
- The Matching Fund (see box)



Focus on matching funds with TgMaster

TgMaster University and I&P have launched a matching-fund operation to mobilize ecosystem donors (private companies, philanthropists, etc.) to finance a scholarship program for students from disadvantaged backgrounds. I&P provided the credibility that TgMaster needed for this first cohort.

How does it work?

You give the amount of your choice...

... an equivalent amount is allocated by IP2E

...funding twice as many rigorously selected students...

... up to 80% of their tuition fees.

Who is eligible?

- ◆ Bright students from low-income households
- ◆ Priority given to young women

For 1F collected

2Fs paid to finance the student's tuition fees



«Convinced of the role of education, I personally assist many students whose backgrounds inspire me, but the banks are not yet ready to follow suit because the unemployment rate remains too high.»

Magloire N'guessan, CEO of Societe Generale of Tchad, TgMaster partner



Achille Koukou,
co-founder of TgMaster

Achille Koukou was born to a modest family and raised in an industrial area of Abidjan. Seventh in a family of ten children, he quickly became aware of the importance of school. A brilliant student, he was valedictorian of his class until the end of his schooling, at which time the question of his studies arose. He wanted to study in France, but his father was retired and did not have the means to send him. He started to look for scholarships. Not without difficulty, he finally obtained one at a foundation event to which he'd been invited almost by chance. Thanks to this scholarship, he had the opportunity to study at EM Lyon in France. He started his career in 2010, where he worked in financial auditing for several large French banks.

He returned to Côte d'Ivoire in 2013 for family reasons. He then worked as a consultant in financial Information Systems integration, but the idea for TgMaster was already beginning to take shape.

Convinced that one can change one's life and achieve the highest levels through education, Achille Koukou wanted to give back what he had been lucky enough to obtain: a quality education.

Accessibility

CHALLENGE #12: RELOCATE EDUCATIONAL OFFERS OUTSIDE MAJOR CITIES

Key finding

Higher education and professional training are confined to the largest cities; for example, 90% of higher education institutions in Côte d'Ivoire are located in Abidjan. Consequently, the regions are neglected even though they may benefit from a great number of resources.

Relocating higher education outside big cities, while guaranteeing quality and taking into account the differences in purchasing power in remote regions is a real challenge for the future.

Key needs identified

- ◆ Open campuses in rural areas
- ◆ Provide decent student accommodation, currently lacking in large cities, at affordable prices
- ◆ Provide training opportunities that meet local labor market needs
- ◆ Adapt training costs to the purchasing power of the region
- ◆ Develop e-learning and e-learning hubs

Spotlight on our partnership with ETUDESK

Etudesk helps the educational institutions we support to develop and/or strengthen their e-learning capacities. It sets up e-learning platforms that allow institutions to develop hybrid training offers accessible to a greater number of learners.



Profile of an IP2E investee company

The story of ISM Ziguinchor

Ziguinchor is the capital of Casamance, a landlocked region that for over 20 years has known a socio-political crisis that has hampered its economic development.

As the region has no higher education institutions, many students used to travel by sea to Dakar to start the school year. But in September 2003, the Joola, the ferry that ran between the Senegalese capital and the Casamance region, sank. 2,000 students lost their lives.

It is in this tragic context that Amadou Diaw, founding CEO of the ISM Group (the largest private higher education group in Senegal), and George Bernard Ndeye, the current manager, founded ISM Ziguinchor.

ISM Ziguinchor opened its doors in 2005, two years after the tragedy. It was the first university to open in the region, even before the public university Assane Seck University of Ziguinchor.

ISM Ziguinchor has breathed new life into the region, but above all it has made the new generation aware of all the job opportunities the region has to offer, particularly of the untapped wealth in agribusiness and tourism.

ISM Ziguinchor is a successful example of relocating quality higher education to the rural regions in Senegal.

The ISM Group is the largest higher education group in Senegal, with a total of 10,000 students and five regional campuses. It is composed of ISM Dakar (established in 1992 and acquired by Galileo Global Education in 2017) and its regional franchises in Ziguinchor, Thies, Saint-Louis, Mbour and Kaolack.

George Ndeye, manager of ISM Ziguinchor

Georges Bernard Ndeye is the general manager and administrator of ISM Ziguinchor. He trained in management at ISM and then earned a degree in history from Dakar's Cheikh Anta Diop University. He returned to ISM in 1988, where he worked as a project manager and then as Assistant to the Director, in charge of the group's deployment in Casamance.

« After the tragedy of the sinking of the Joola, we had to take action. This could never happen again. That's why we created ISM in Ziguinchor. »

Gender inclusion

CHALLENGE #13: COMMIT TO IMPROVING GENDER EQUITY

Key finding

Women still face many barriers to achieving their full potential: from restrictive cultural practices and discriminatory laws to highly segmented labor markets. Women's empowerment is a crucial element for inclusive and sustainable growth and development. Gender inequalities are present at both the student and management levels. Only 1% of higher education institutions in English-speaking Africa are led by women (UNESCO, 2018).

Access to quality education, especially for young women and girls, is thus essential in fighting poverty and ensuring a more inclusive society that guarantees equal opportunities for all.

Key needs identified

- ◆ Empower young women through:
 - the creation of networks of inspiring women even within schools themselves, thus allowing young women to support each other and identify with examples of success
 - public speaking opportunities through personal and leadership development courses
- ◆ Incentivize schools to integrate more women into top management
- ◆ Encourage women to become entrepreneurs by promoting the financing of women-led projects, which are still under-represented in our portfolio.



« Public speaking is still too often reserved for men. When Ms. Patience, the director of LBS speaks, she hands the microphone only to the female students to give them a voice. »

Veronica Sunmun, Lomé Business School student

*Gender inclusion***Focus on commitment to the 2x challenge**

The «2X Challenge - Financing for Women» was launched in 2018 as a major commitment by the Development Finance Institutions (DFIs) to gender equality. It aims to foster women's leadership in developing countries, so that they have access to finance, quality jobs, and products and services that promote their economic participation and inclusion.

I&P has taken up this challenge by placing women's empowerment as a priority impact target, which also contributes to SDG #5 on gender equality, particularly to «ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.»

At the I&P level:

◆ We foster gender equity within the team; women represent 52% of the total workforce and 33% of the investment team.

◆ We promote gender equality in all portfolios and in all its dimensions, be it at the entrepreneurial, top management, employment, value-chain or client/beneficiary level. 76% of our companies are considered women-friendly according to the 2X Challenge criteria.

At the CRRP program level:

◆ We aim for a portfolio of > 40% women-friendly companies, in accordance with the 2X Challenge criteria.

◆ On the employee side: we encourage companies to appoint more women to top management and recruit more female teachers to serve as role models. Our goal is to have a 50% women's workforce in the portfolio.

◆ Concerning the beneficiaries: we seek to ensure an increasing share of women and girls as students in the training institutions we support. Our goal is to have 55% female beneficiary students.

◆ Regarding incentives, specific action plans have been proposed to improve gender performance (e.g., safeguarding policies and procedures, gender focus scholarship, etc.) with each company financed.

CHALLENGE #14: SUPPORT YOUNG GIRLS' ACCESS TO THE SCIENTIFIC AND TECHNOLOGICAL FIELDS**Key finding**

Despite real progress, young women are still underrepresented in higher education in Sub-Saharan Africa. According to UNESCO statistics, the rate of young women with a higher education is 4.8%, compared to 7.3% for men. This difference is more pronounced in the scientific and

technological fields, which offer more promising job opportunities. In Ghana, only 25% of science and technology graduates are women. The objective is to democratize young women's access to higher education in all fields.



Gender inclusion

Key needs identified

◆ Organize promotional campaigns and testimonials in schools so that young women can identify with women's success stories.

For example:

- The LBS Women's IT program: a program consisting of visits to high schools to present technological fields to young women.
- The ISI Group's Aline Siteo Diatta Prize: awarded to the best female students of each training program.

◆ Educate schools and staff on communication and women's representation in these fields.

◆ Target young women as primary beneficiaries of inclusion programs such as scholarships.

For example:

- MG Lab systematically awards scholarships to young women who want to train in fiber optics

Testimonials

« I can't explain why young women often tend to fear mathematics, but I can attest to the importance of being aware of the power that we have, we women. I, myself, have found myself climbing utility poles right alongside men, and maybe even with more vigor than men in order to get to where I am today. So, ladies, believe in yourself. »

Anaïs Fadiga Kouadio, fiber optic expert and MG Lab graduate

« As soon as a young woman becomes interested in MG Lab, we take on some or all of her tuition. Women are very often our best students. »

Guy Monnet, founder of MG Lab

Financial sustainability

CHALLENGE #15: ENSURE ACCESS TO A QUALITY EDUCATION FOR ALL BY INNOVATING BUSINESS MODELS

Key findings

◆ **Inherently limited prospects for profit and changes in scale**

- A business model based on the institution's enrollment capacity and, therefore, on the number of students, allows for good revenue and profit margin projections
- The profit margins in the education sector are limited, due to the conception of education as a common good and basic necessity. Consequently, school fees are set with the aim of reaching a large part of the population. Access to education is part of the Sustainable Development Goals (SDGs) adopted by the United Nations.
- There is a limited potential for economies of scale with a sector where growth is essentially achieved only through the opening of new campuses. Beyond structural costs, in a face-to-face training model, there are few costs that can be shared, namely, teaching costs and salaries, which make up the majority of operating costs.

◆ **A transformation of the business model thanks to digitalization.**

- The education sector's business model has recently begun a major transformation thanks to the digitalization of content. A greater dissemination of internet technologies has recently led to a technological revolution in the digitalization of training. Digitalized training is still in its infancy in Africa and faces obstacles related to network infrastructure, connection costs, the limitations of household computer equipment and a lack of learning platforms adapted to local conditions, etc.

SDG Goal #4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."



Financial sustainability

CHALLENGE #16: SUCCESSFULLY FINANCE GROWTH MODELS INVOLVING LONG ECONOMIC CYCLES

Key findings

◆ **Financing methods combining short- and long-term financing and funders are still very rare, even in impact investing, despite the obvious social impact**

The financing of educational institutions is essentially short-term, bank-based and for investment needs and receivables related to government scholarship mechanisms in some countries such as, for example, Côte d'Ivoire, Burkina Faso and Niger. There is little interest from private investors due to long investment cycles, which are linked to the margin structure and the limited potential of economies of scale

◆ **The vocational training sector is a particular one. The minimum investments required are even greater (equipments, infrastructure, etc.)**

Which explains the fact that very few private players are present in this sector, due to the inherently longer maturity of the investment

Profile of an IP2E Investee company

Digitalization and blended learning with Lomé Business School

As part of our IP2E program, we are financing LBS, a management school, to enable it to digitalize a portion of its training offer. This will allow the school to hire teachers from partner schools in France. The use of a digital platform helps LBS significantly reduce teacher travel costs, which previously made up a major part of their expenses.

Blended learning is a solution that promotes access to quality educational content for a broad, sometimes isolated and disadvantaged population. It also allows for decreasing capital intensity in the sector. Digitization is key to increasing economies of scale and rendering the sector attractive to private funders. However, this shift to scale must not be made at the expense of training quality.

Profile of an IP2E investee company

Upgrading the infrastructure of ISM Ziguinchor

ISM Ziguinchor is a Senegalese school that we are assisting, along with the Mastercard Foundation program, to upgrade its infrastructure through the building of classrooms and the purchase of costly digital equipment (computers, projectors, photocopiers, etc.).

Such long-term investments pose real obstacles for schools that do not have the finances to cover them. Their business model is often dependent on the public sector and on the state's debt situation, which is related to the payment of state-funded student tuition.

For example, the tuition fees of over 70% of ISM Ziguinchor's enrolled students were being publicly funded, but during the COVID-19 crisis, the state suspended these enrollments, which caused real uncertainty for the viability of the school.

IP2E's support allows companies such as ISM Ziguinchor to sustain their business model and take on long-term investments, which are essential for successful growth.

Business and growth model of private educational institutions

Business and growth models are based on the populations targeted by different organizations. Below we group the different data according to the market segments targeted.

premium institutions whose tuition fees are quite high for local populations are those most qualitatively positioned with a teaching staff that includes skilled professionals and the necessary infrastructure for the sector.

It should be noted that the quality of education is intrinsically linked to tuition fees. Thus,

	Premium	Dynamic	Local
Tuition fees	High (> 2500 €/year)	Moderate (1000 - 2000€ / year)	Low < 1000 €/year
Targets	High-income population	Middle class	Low-income population
Size at maturity	Limited, less than 300 students	Larger than 1000 students	Average of 300 - 600 students
School financing	Parents of students	Parents of students and government scholarship mechanisms in some countries such as Burkina Faso (about 50/50)	Parents of students or government scholarship mechanism in some countries such as Ivory Coast (about 10/90)
Profit margin	High > 40% EBITDA margin	Medium high (25-35% EBITDA margin)	Low (20 - 30% EBITDA margin)
Growth strategy	Opening of new campuses in the country or internationally	Increasing size to meet local demand and opening new campuses in the country or internationally	Opening of new campuses in the country
Financing needs	Campus construction and equipment	Campus construction and equipment / WCR due to government receivables	Financing of working capital due to government claims / Infrastructure reinforcement
Method of growth financing	Bank financing and private capital (capital and quasi capital)	Bank financing	Short-term bank financing
Capital intensity	High (+)	Very High (++)	Average (+ -)
Investment maturity	Average	Long	Long
Model maturity cycle	About 5 years	About 10 years	About 5 - 7 years

La soutenabilité financière

CHALLENGE #17: INNOVATE FINANCING SOLUTIONS TO MEET THE SPECIFIC NEEDS OF THE EDUCATION SECTOR

Key findings

The need for education is essential for the whole of society. Education provides a social ladder that allows us to move towards an overall more egalitarian world. This is why education is an attractive sector from the perspective of its high development impact. Public actors contribute through initiatives such as state scholarships that aim to achieve universal education.

The engagement of public authorities implies two key points:

- ◆ Education is a defensive sector that does not follow economic cycles and is therefore less risky than others.

- ◆ However, this means it is also less remunerated; the margins generated by educational actors are intrinsically lower than those in other sectors.

However, the means of government bodies are limited, and their initiatives focus predominantly on primary and secondary education.

Financial players, particularly investment funds, are the most active in the education sector, but they tend to target premium schools and/or large established universities due to constraints on

return on investment and minimum investment ticket size. Moreover, the imperative for an exit strategy within a predefined period of time leads to the fact that they are only rarely interested in non-premium institutions that have capital needs with long investment cycles. New education actors meeting these investment constraints through a premium market position and/or significant project size are beginning to attract the interest of private investors: by 2022, investment opportunities in the education sector will represent 2 billion USD in Africa, according to the 2017 Caerus Capital study.

Nevertheless, financial actors, including DFIs (development finance institutions) and foundations, still perceive financing private education as contrary to the principle of equality dictated by SDG Goal #4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", and this, despite the great need for local training throughout Africa and the inability of the states/public sector to meet this demand.

Banking players are rare in our portfolio. This is a systemic issue that goes beyond the education sector in Sub-Saharan Africa. The particularity of the education sector, with its long cycles, still limits the banking industry's support to short-term WCR financing.

Financial sustainability

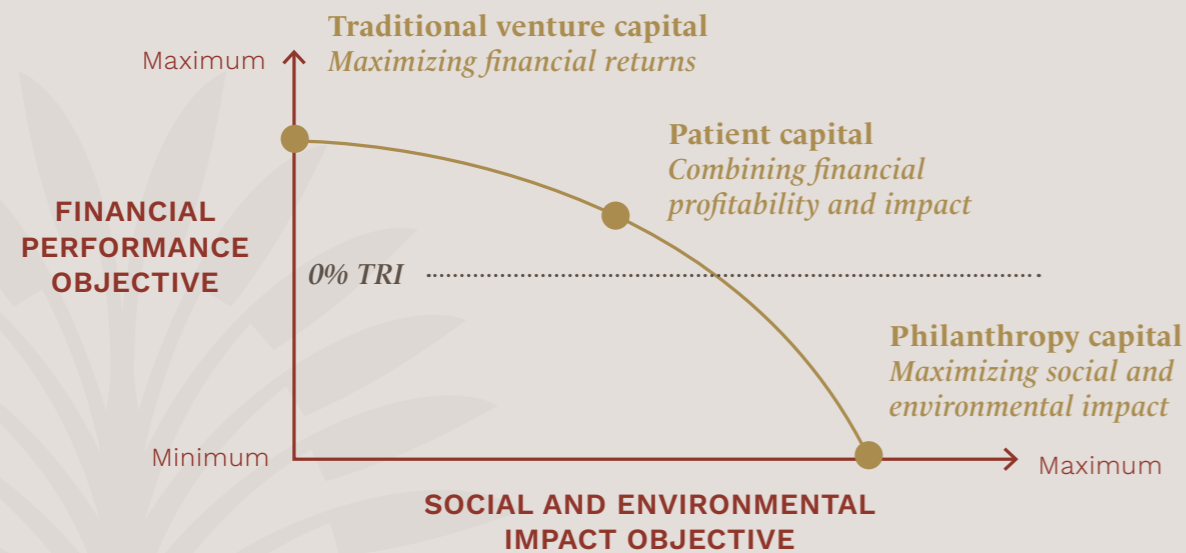
Key financing solutions

◆ Mobilize patient capital to address the challenge of long cycles.

Equity and quasi-equity investment or long-term debt address this need. These instruments are very well-suited to the education sector, as they reduce the constraint of time. However, they come with a higher expectation of return on investment on the part of funders. Diversification of the investor base is therefore necessary for intervention in a defensive education sector with reduced margins.

◆ Generate a catalytic effect on private financing through concessional financing;

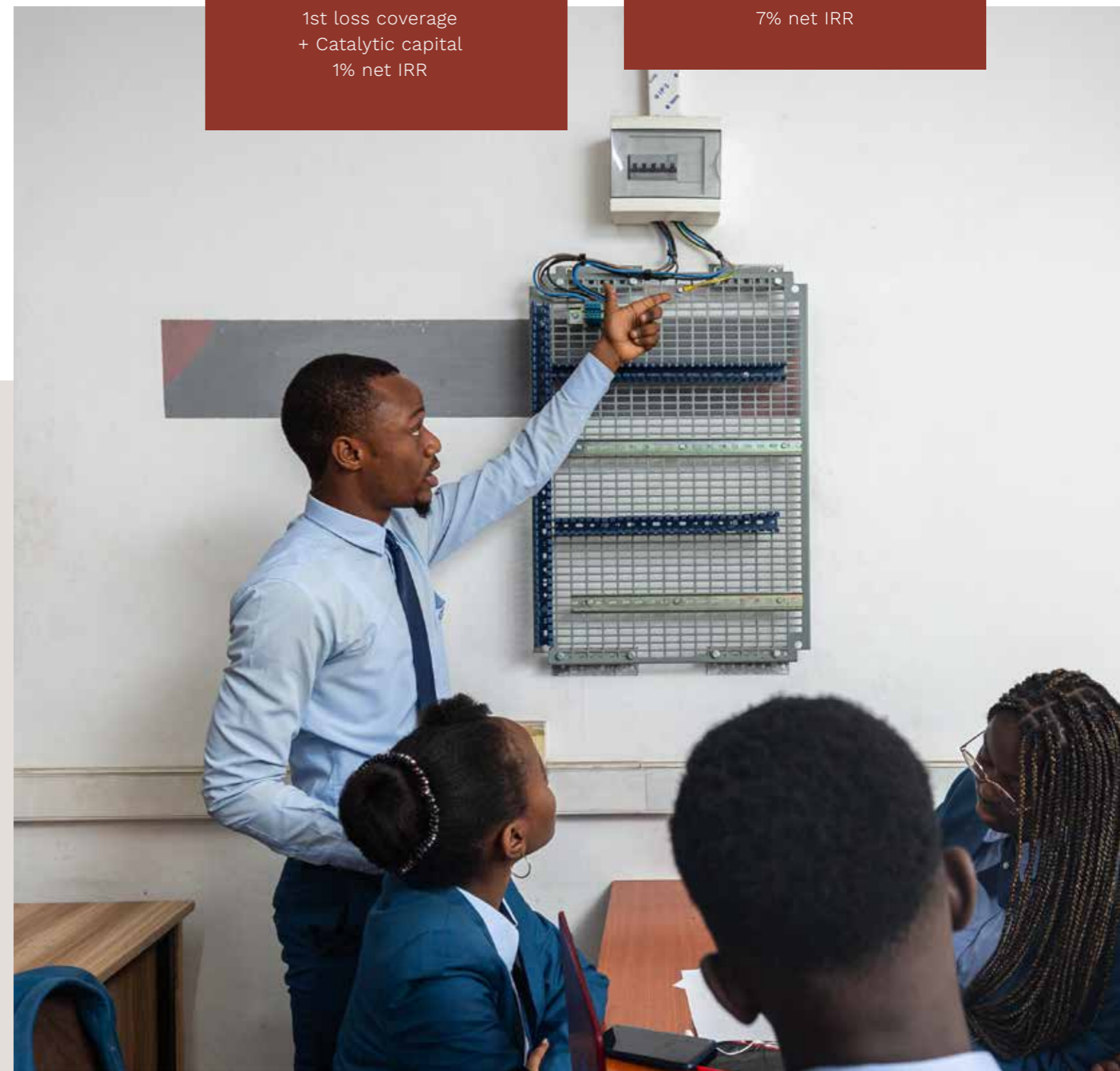
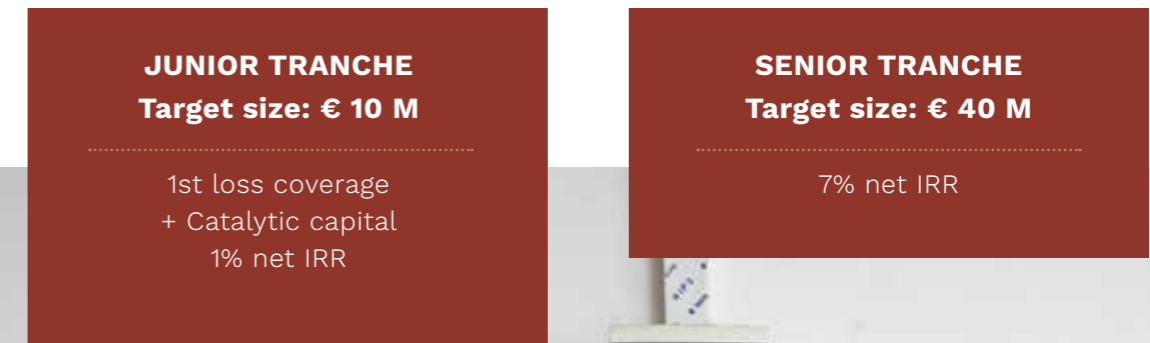
- Actors such as foundations, bilateral and multilateral agencies and development banks have an important role to play in terms of the impact their support brings to developing countries. Blended finance, through zero-interest loans or even through grants, makes it possible to support a strong impact sector, where market-based financing can significantly impact its access to disadvantaged populations by mitigating risk and improving the performance profile of investments.
- The effect of blended finance can be vastly increased when directed toward an investment fund. Blended financing can be put in place at the company level (which we do with IPAS and MCF) or at the level of an investment fund to increase the impact on the education sector through higher fundraising amounts.



Source : Brian Trelstad, Kauffman Fellows

Example of the IP2E impact fund: a hybrid approach

Currently in the process of restructuring, the IP2E fund project initially combined a junior and a senior tranche.



Financial sustainability

THE MAIN FINDINGS OF IP2E'S FUNDRAISING

Raising sufficient funds from impact actors, including DFIs, is challenging:

- ◆ We note return expectations and the small size of private investment tickets in the sector are sometimes at the limit of commercial mandates. The return on investment in the education sector is not yet up to the expectations of private investors.
- ◆ Investors have difficulty positioning themselves in a sectoral fund, despite the predictable nature of the educational asset.
- ◆ An approach that supports private educational institutions is at ideological odds with SDG #4 («Education for all»), although local training needs are great, and governments are unable to meet the high demand.

- ◆ An expectation on the part of investors for an even more significant junior tranche to meet their return-on-investment expectations
- ◆ At the same time, some commercial investors have a perception of blended finance that is out of step with the goal of generating financial returns

A need to adapt the education sector's long investment cycles with a vehicle time horizon beyond the traditional 10-year period.

Yet the challenge of youth employability in Africa remains a major one for the continent and for the rest of the world: 10 to 15 million young people arrive on the labor market every year. Funders can either choose to leave these young people unemployed, with the associated risks of social, political and migratory instability. Or they can contribute to supporting private training institutions to promote better access to education and put their energy and power toward the service of sustainable and responsible development of the continent.

All financiers, public and private, donors and investors, must seize the moment and address this essential challenge for future generations, in the North of Africa as in the South.



Conclusion

To address the unique challenges faced by private education in Sub-Saharan Africa, a hybrid financing approach is needed. I&P calls for mobilizing both pre-investment vehicles (donors) and investment funds (traditional and impact). Pre-investment, involving grants and/or zero-interest loans, allows companies to build a solid foundation that supports employability, inclusion and accessibility, while improving financial sustainability, management practices and attractiveness. This promotes a leverage effect with other funders and encourages innovative partnerships between traditional and impact investors. Together, they ensure a complementary relationship between return on investment and social impact, thus making it possible to support quality education and accessibility for a greater number of young people.

The growth and development of Sub-Saharan Africa's private higher education market is well underway. The opportunities being provided to African youth by bold and committed entrepreneurs are increasing. Many challenges

must be met to ensure the employability of a greater number of young people and respond effectively to the needs of the ever-changing job market. All of the challenges outlined in this report call for developing more innovative and impactful business models adapted to local conditions.

In order to achieve this, more public, private and institutional actors must take a stand alongside Africa's edupreneurs. It is only by supporting them, together, that we will manage to strengthen impact objectives and improve the employment-readiness of Africa's youth.

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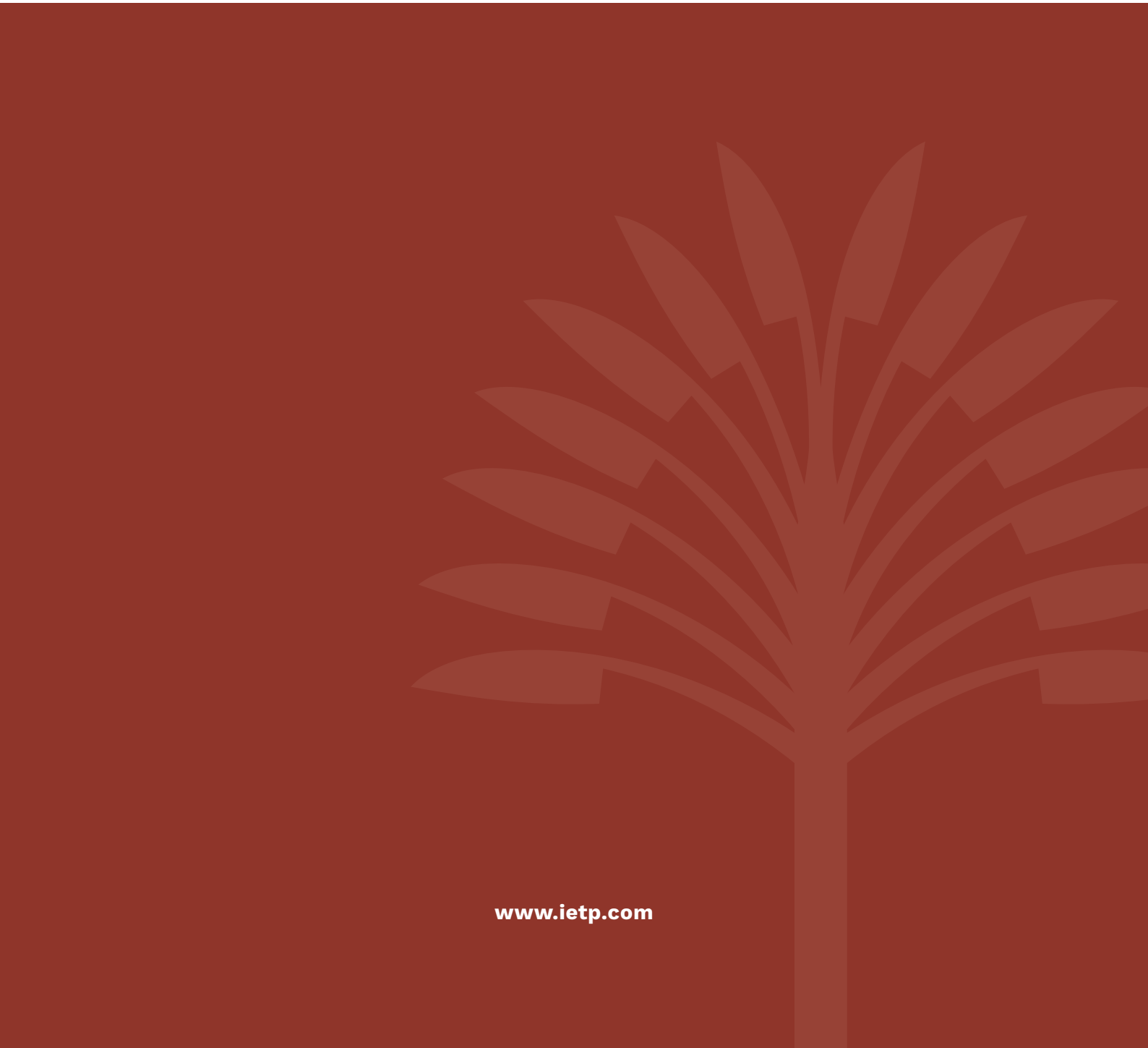
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