



Grameen Foundation Educational Scholarship Program Concept Paper for 8 Foundation

SUMMARY

Studies show that there is a strong correlation between education and economic growth in developing countries. No country has succeeded if it has not educated its people. Not only is education important in reducing poverty, it is also a key to wealth creation.¹ However, each year, a large number of students in rural areas are unable to pursue higher education due to financial constraints. To address this persistent problem, Grameen Foundation created the Education Scholarship program to support the education of many meritorious poor children of both microfinance borrowers and non-borrowers in rural areas. Since 2006, Grameen Foundation has sponsored 250 scholarships, each valued at \$1,500.

The GF Educational Scholarship Program promotes education for rural, financially disadvantaged girls and boys in Bangladesh. Public education requires families to pay fees for books, tuition, school uniforms, and other expenses. The current cost of sending children to public schools in Bangladesh range from \$1,000 to \$1,200 per student over five years. The scholarship program covers these fees so rural poor children of microfinance borrowers can attend school and have a chance to break out of the cycle of poverty. As Julius Nyerere, former President of the United Republic of Tanzania, stated, "Education is not a way to escape poverty - It is a way of fighting it."

One such program that GF supports with scholarship funding is Grameen Shikkha (Shikkha means education in Bengali), a sister organization of Grameen Bank in Bangladesh. With continued support to Grameen Shikkha, we hope to expand the capacity of the scholarship fund and enable it to sponsor more students and take stand against the fact that "one in five children around the world—100 to 125 million worldwide—are still not enrolled in primary school." In order to support our education initiative, Grameen Foundation requests a grant of **\$45,000** dollars from **8 Foundation's online platform**. A contribution of **\$45,000** dollars would help us get closer to achieving our annual goal of \$100,000 and support the education of 30 students.

PROJECT DESCRIPTION

Grameen Shikkha developed an innovative and sustainable approach which allows the scholarship fund to have continuous growth and support more and more students. When Grameen Shikkha initially receives funding, it is deposited into a local bank for six months to generate a nine percent interest income. During this time, scholarship recipients are selected based on merit and socioeconomic status. Each recipient then receives six percent of the interest income as a monthly scholarship of 500 taka (\$7.50) for the duration of five

¹ United Nations, International Workshop on Education and Poverty Eradication

years. The continuity of the scholarship is dependent upon the student's performance, which motivates the students to maintain high academic achievements. After five years, the scholarship is "recycled" to support a new student as funds continue to be generated from the interest income received from the initial \$1,500 donation. In this way, the scholarship fund is continuous and supports multiple students.

So far, Grameen Shikkha has provided more than 2,100 scholarships to educate school children with support from GF and other donors. A contribution of \$1,500 or any of its multiples are welcome. When a donor provides the full \$1,500 scholarship amount, they have the option to name the scholarship after a loved one and are able to select a student by gender, grade, and location. Every donor receives an annual progress report on the student which they sponsor. If GF achieves our current annual goal of \$100,000, we will provide scholarships to at least 66 additional students this year. Grameen Foundation does not retain any funds to facilitate and provide scholarship funds to local microfinance organizations.

PROJECT OUTCOMES

- The scholarships assist hundreds of poor meritorious students carry on their schooling, many of whom without the scholarship support – would have to drop out of school.
- Numerous students who started receiving scholarships when they were in high school are now studying business, engineering, medicine, literature and social sciences in colleges and universities. Many of them are certainly going to emerge as leaders in the near future.
- The scholarship program gives children the hope of breaking the cycle of poverty by giving them more opportunities through education.
- When a child from an extremely poor family receives a scholarship to go to school, it is less likely they will drop out to work or to get married before the age of 18.
- As the interest income grows, more students will receive scholarships beyond the initial students.

As a result of the Grameen Foundation Educational Fund, more than 250 students from primary school-aged children to university level students are able to advance their studies. Here a few stories of students who have received scholarships from Grameen Shikkha:

- **Sompa Aktar** is 12 years old and dreams of becoming a teacher. She started sixth grade in July of 2008 at the Datta High School. She lives with her family of nine in the Netrokona District. Her father Md. Monju Miah is a rikshaw mechanic and mother Jahanara Akter is a housewife. Her father earns 3,000 taka (US\$44) a month.
- **Shahidul Islam** is 17 years old and he attends Madhupur Shaheed Memorial Higher Secondary School where he passed the higher secondary school exams in 2008 with a grade of an A+ and a 5.0 Grade Point Average on a 5 point scale. He is the child of a Grameen Bank member and lives with his family of 7, in a house made of straw and tin, in the Tangail District. His father is a farmer and mother is a housewife. His father earns 2,000 taka a month (US\$28) and her mother earns 1,000 (US\$14) taka a month.
- **Bipasha Debnath** is 14 years old and dreams of becoming an engineer. She attends N. N. Pilot Girl's High School where she studies science and holds the 3rd position in her tenth grade class. She is the child of a Grameen Bank borrower and lives with her family of 5, in a house made of tin, in the Mymensingh District. Her father owns a small business earning 4,000 taka (US\$57) a month and mother is a housewife.

ORGANIZATIONAL PROFILE

Grameen Foundation's mission is "to enable the poor, especially the poorest, to create a world without poverty." GF's strategy to accomplish this goal is to innovate and globally scale products and services that reshape the microfinance and technology sectors to improve the lives and livelihoods of the poor and poorest.

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