

Civil society groups celebrate IFC's divestment from profit-driven school chain Bridge International Academies

16 March 2022

The World Bank's International Finance Corporation (IFC) has quietly <u>divested</u> from New Globe Schools, better known as Bridge International Academies (BIA), a for-profit school chain operating in four African countries and India. The IFC has invested a total of \$13.5 million in BIA since 2014, with the intention of supporting the company's expansion to other countries.

In response, Anderson Miamen, National Coordinator of the Coalition for Transparency and Accountability in Education (COTAE) in Liberia, said: "We applaud the IFC and World Bank for this bold step, which is long overdue. This is an extremely welcome development and a win for ongoing efforts by right-to-education campaigners and others to push for more investment in public education by governments and development partners across the world, especially in Africa. We call on the World Bank to work directly with governments to increase the quality, inclusiveness, and gender sensitivity of public education and schools."

Nadia Daar, Head of Oxfam International's Washington DC office, said: "This is a clear signal that the IFC is distancing itself further from investments that pose risks to children, families, and teachers, and undermine public education systems. The IFC should also make permanent its freeze on investments in forprofit private education. This divestment should be a wake-up call to other financiers of profit-driven schools targeting lower-income communities. The message is clear: the model is broken and harmful."

Salima Namusobya, Executive Director of Uganda's Initiative for Economic and Social Rights (ISER), said: "The BIA model and its implementation undermined the right to education and the rule of law in Uganda. The IFC divestiture comes at a time when a majority of BIA schools have closed down since their for-profit model was unsustainable, particularly in the wake of COVID-19. We hope other investors will follow suit."

The divestment, which is unusual for the IFC, was confirmed through a <u>note</u> published on 9 March. It comes after a number of scandals surrounding BIA and a series of serious complaints to the IFC's independent accountability mechanism, the Compliance Advisor Ombudsman (CAO) regarding the IFC's investment in the company. Allegations in the complaints range from violations of labour rights, child sexual abuse involving BIA staff and students, and inadequate health and safety measures that led to the tragic death of one child and the injury of another.

This divestment also follows the IFC's landmark 2020 announcement that it would freeze all direct and indirect investments in private, fee-charging K-12 schools "in response to concerns by external

stakeholders about the impact of private schools on education quality and access". A number of organizations, academics and UN Special Rapporteurs have demonstrated how these schools deepen inequalities and exclude the poorest children, and girls.

Civil society organizations are calling on other BIA investors to follow the IFC's lead. They are also calling for a speedy resolution to the CAO complaints filed by communities in Kenya, and for the IFC to ensure it exits from this investment in a responsible way. Its duty to affected families and communities in Kenya does not end with this divestment, and the IFC must work to provide effective remedy as needed. The World Bank's public sector arm must also step up and expand its support to the countries affected by the investment — Kenya, Liberia, Uganda, Nigeria and India — to fulfil their constitutional obligations to provide free and quality public education for all children, particularly in underserved areas.

Notes to editors

In 2018, civil society groups published an <u>open letter to investors</u> in BIA, outlining concerns and urging them to cease support. Since then, additional concerns and scandals have been highlighted in the media, including the reported <u>electrocution</u> death of a child in a BIA school in Kenya, major teacher pay cuts in <u>Liberia</u> and <u>Kenya</u> during COVID-19, and <u>charges of fraud and theft</u> brought against a former Bridge director in a previous role.

In 2019, <u>more than 170 civil society organizations from 64 countries</u> called on the World Bank Group to end support to for-profit private education (2019)

In 2020, the IFC committed to freeze <u>investments</u> in for-profit K-12 schools, responding to concerns from civil society and leadership from U.S. <u>Congresswoman Maxine Waters</u>.

Similar recent policy shifts have included the Global Partnership for Education's decision in its 2019 <u>Private Sector Strategy</u> to prohibit funding to for-profit provision of core education services, and a 2018 resolution by the <u>European Parliament</u> that declared the European Union and its Member States must not use development aid money to fund commercial private schools.

- Summary of CAO cases on IFC's investment in BIA:
 - <u>BIA-01/Kenya case</u>: In April 2018, 10 parents and former and current teachers at BIA submitted a <u>complaint</u> highlighting BIA's negative impacts, especially on the right to education, health and safety, and on labour rights. In its Appraisal Report published in October 2019, the CAO announced its decision to carry out a full compliance investigation into the adequacy of the IFC's due diligence and supervision of its investee. The compliance investigation is ongoing.
 - <u>BIA-02</u>/Kenya and <u>BIA 03/Kenya cases</u>: In June 2020, the CAO confirmed acceptance of two new cases on BIA, filed by the parents of two children who were electrocuted while in a BIA school in Nairobi, Kenya. The electrocution caused the death of one child and injuries to the other. The Complainants and the Company agreed to engage in dispute resolution to try to arrive at a mediated settlement. The dispute resolution process is still ongoing.
 - <u>BIA-04/Kenya case</u>: In the course of the BIA-01/Kenya investigation, CAO staff and experts travelled to Nairobi in February 2020. The investigation team spoke to community members who raised concerns regarding instances of child sexual abuse at Bridge schools. In December 2020, the CAO concluded in its appraisal report that there are "substantial concerns regarding the child safeguarding and protection outcomes of IFC's investment in Bridge considering: (a) specific allegations of child sexual abuse involving Bridge staff and students; (b) the child safeguarding and protection in light of their number, their student body (coming from low-income families), and the young age of students." The compliance investigation is ongoing.

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Endorsed by:

- 1. ActionAid
- 2. Brazilian Campaign for the Right to Education
- 3. Coalition for Transparency and Accountability in Education (Liberia)
- 4. Coalition Education (France)
- 5. Corporate Accountability and Public Participation Africa (Nigeria)
- 6. École ensemble (Canada)
- 7. Education for All Coalition Sierra Leone (Sierra Leone)
- 8. Eurodad
- 9. Global Campaign for Education
- 10. Global Campaign for Education-US
- 11. Global Justice Now
- 12. Global Initiative for Economic Social and Cultural Rights
- 13. Hakijamii Economic and Social Rights Centre (Kenya)
- 14. Initiative for Social and Economic Rights (Uganda)
- 15. Justice & Empowerment Initiatives (Nigeria)
- 16. National Education Union (UK)
- 17. Oxfam
- 18. RESULTS
- 19. Right to Education Initiative
- 20. RTE Forum (India)
- 21. World Organisation for Early Childhood Education-OMEP
- 22. Solidarité Laïque (France)