



**Venture
Philanthropy**

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LGT Venture Philanthropy provides a three-year follow-on investment to SmartStart to support them in scaling their ECD network across South Africa

Johannesburg, South Africa, 3 December 2021 – LGT Venture Philanthropy Foundation (LGT VP) is excited to announce its three-year follow-on investment in SmartStart. LGT VP will support SmartStart to implement their five-year strategy which will extend their network across South Africa and position them to become a delivery platform for nationwide early childhood learning, enabling every child, regardless of their background, to have a strong, smart start to education.

A scalable, affordable solution to the early learning gap in South Africa

In South Africa, more than one million children aged three to five currently do not attend any form of Early Childhood Development (ECD) program. The overwhelming evidence showing how critical these years are as a foundation for success at school and in life proves that this early learning gap only increases inequality and unemployment. Founded in 2015, SmartStart seeks to fill this ECD gap. SmartStart works with franchisors, traditionally NGOs, who recruit and support franchisees, typically women of less-advantaged backgrounds who have been trained by SmartStart, to provide a structured and enriching daily routine for children within their communities. SmartStart also works with government and leads advocacy efforts to increase the commitment to ECD across the country.

One of the most extensive ECD provision networks in Africa

SmartStart's novel social franchise model has proved highly scalable, affordable and effective. Since its foundation, SmartStart has reached 100'600 children in low-income areas through 9'000 female entrepreneurs at 13 franchisors across the country. Currently, the organization has 38'000 registered children and 5'300 active franchisees. "Our first year of engagement with SmartStart was far from normal with the pandemic gripping South Africa in an unprecedented healthcare emergency," recounts Nava Anvari, LGT Venture Philanthropy Investment Manager and SmartStart deal lead. "We were humbled by SmartStart's response, being at the frontlines of the effort to help children continue learning at home, educating parents on how to encourage learning through play and financially supporting the women in their network. We are thrilled to intensify our commitment and continue with them on this journey."

COO Nomsa Mutaphuli adds: "SmartStart is looking for greater returns on investment in education to drive employment and economic growth. We appreciate organizations like LGT VP, which have demonstrated a significant understanding of the cost of inaction in our country by making a three-year contribution towards our five-year investment strategy. Our focus for the next investment phase is to grow a solid and sustainable network supported with strong micro-enterprise development and infrastructure partnerships. This requires investors like LGT VP, who focus on scaling organizations. We thank LGT VP for partnering with us to close the funding gap and to enable SmartStart to be the delivery platform that brings systems change for universal access to early learning."

An anchor deal in LGT VP's education strategy

LGT VP's education strategy focuses on scaling solutions in three areas – ECD, primary education and skills development for youth – to fight the current learning and employability crisis in Sub-Saharan Africa and India. SmartStart's model has the potential for impact on three levels: (i) increase access to quality early learning for 3 – 5-year-olds; (ii) raise women's economic empowerment through training and new micro-enterprise opportunities; and (iii) increase the probability of mothers joining the workforce as a result of increased access to childcare.

SmartStart is a non-profit delivery platform that recruits, trains and supports women to deliver a defined, quality daily routine for children in their communities, to expand access to Early Childhood Development in South Africa. For more information, please visit www.smartstart.org.

LGT Venture Philanthropy is an independent charitable foundation established in 2007 with teams in Switzerland, sub-Saharan Africa and India. The foundation strives to improve the quality of life of disadvantaged people, contribute to healthy ecosystems and build resilient, inclusive and prosperous communities. LGT VP deploys philanthropic capital to organizations with effective, innovative and scalable solutions to social and environmental challenges, thus directly contributing to the Sustainable Development Goals. For more information, please visit www.lgtvp.com.

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