

PUPA: INNOVATIVE FINANCING FOR EARLY CHILDHOOD DEVELOPMENT (BR-L1313)
PROJECT ABSTRACT

The purpose of the project is to provide a US\$3 million secured loan from the Opportunities for the Majority (OMJ) Financing Facility to launch PUPA (*PUPA Empreendimentos Educacionais e Representação* LTDA), a new social business developed by ZOOM Editora (Zoom Editora Educational LTDA). ZOOM Editora is the exclusive representative of LEGO Education in Brazil. The PUPA program will address one of the most important gaps in educational services in Brazil: the lack of quality Early Childhood Education. There are currently an estimated 10 million low-income children in Brazil ages 0-6 who are not in daycare or preschool. PUPA will provide educational materials to children aged 0-6 years old, and training to their parents and caregivers, from low-income communities. The new social business aims to offer a distinctive educational program and tools that will enable parents and informal caregivers to provide age-appropriate educational activities for children in formal or informal care settings.

The PUPA program will provide easy-to-follow educational play activities through colorful magazines, LEGO toys, and audio-visual aids. PUPA will also provide training for parents and caregivers in Early Childhood Education techniques, as well as in the use of the creative play materials. PUPA will contribute to the improvement of Early Childhood Education for children who do not have access to formal care centers and whose parents, relatives and informal caregivers lack the knowledge or tools to stimulate their cognitive development. The PUPA product will be sold both to parents and informal caregivers, through a network of Non-Governmental Organizations (NGOs) partners and micro-franchisees.

The NGOs will be local non-profit organizations or foundations involved in early childhood development in low-income communities. Micro-franchisees, self-employed women, will be responsible for signing up customers, helping them select the appropriate PUPA packages for their children, doing “last-mile delivery” of PUPA packets, checking in regularly with customers to ensure that the PUPA program is being implemented well, and conducting mini-surveys to track social performance indicators. PUPA will deliver early childhood development training to parents and caregivers, given the central importance of training to the effectiveness of the overall program.

The OMJ project will provide needed seed capital to enable PUPA to reach scale and become financially successful and sustainable. In the seven-year tenor of the loan, PUPA is seeking to become not only a developer and distributor of Early Childhood Education products for the *Base of the Pyramid*, but a key partner in low-income communities by improving the skills and competencies of over 56,000 caregivers, strengthening the role of NGOs, and providing training and employment opportunities for over 1,400 women microfranchisees. Finally, PUPA, through its educational kits and improved Early Childhood Education services seeks to improve and measure socio-emotional development and readiness to learn of over 224,000 children across Brazil.