Dear friends,

To improve livelihoods around the world, we must solve for the millions of children who miss out on education because they are out of school or displaced. Girls are a vital part of this equation.

My daughter goes to a great school. My son will likely join her there next year. The same cannot be said for too many children across the world who are out of school because of poverty, discrimination, or displacement resulting from conflict and violence. No child should grow up that way, but the reality of our world is that millions of children do.

Take Nancy, for example. As a little girl in Liberia whose parents could not afford to put her in school, Nancy was sent to live with her aunt who promised to help her get an education. The aunt broke that promise and instead confined Nancy to household chores.

Or Fatima, who lived her early childhood in Aleppo, Syria. At the age of twelve, she had never been to school. Fatima’s attempts to learn were always disrupted by Syria’s escalating conflict. Her family became displaced and became refugees in Lebanon. Even there, no places were available when Fatima first tried to register for public school.

Or girls like Kkalama, from an impoverished and illiterate family in Ethiopia. When out of school, these girls face the dual challenge of losing an education and being perceived as society’s least educable by many local teachers and school administrators. Even if girls like Kkalama somehow acquire the means to reintegrate into mainstream schooling, the journey can be an uphill struggle.

Girls like Nancy, Fatima, and Kkalama deserve a Second Chance.

At the Luminos Fund, we believe all children deserve the opportunity to experience a joyful and productive education. We believe in a second chance education for out-of-school and displaced children. Children at the margins should not be excluded or forgotten. Once they learn how to learn, become literate and numerate, and transition into mainstream education, these girls (and boys) can become meaningful contributors to society. They will be on track to a more positive, productive journey through life. They help develop solutions for the challenges our world faces.

The negative effects of excluding girls from education are well-documented: forced marriage risk, higher birth rates, higher maternal and neonatal mortality rates, poorer health expectations, socioeconomic marginalization, and more.

In this Annual Report, we review 2018 through the lens of the Luminos Fund’s contribution to girls’ education. Of course, Luminos serves girls and boys equally. But it is important to understand the long odds many girls face for a chance to learn.

With access to quality education, children, families, communities, and countries have a better chance to enjoy liberty, prosperity, equality, and happiness.

Thank you for joining us on this vital journey.

Caitlin Baron
CEO, the Luminos Fund
CHILDREN ARE OUT OF SCHOOL WORLDWIDE

262 million

130 million of these children are girls. Children who are out of primary school are uniquely challenged to develop vital skills and keep up with educated peers over time. SOURCE: UNESCO

CHILDREN HAVE BEEN FORCIBLY DISPLACED WORLDWIDE

31 million

51% UPPER SECONDARY SCHOOL AGE
25% LOWER SECONDARY SCHOOL AGE
3% ASYLUM SEEKERS
24% PRIMARY SCHOOL AGE

CHILDREN ARE OUT OF SCHOOL WORLDWIDE

259 million

38% REFUGEE CHILDREN
59% INTERNALLY DISPLACED CHILDREN
3% ASYLUM SEEKERS

OUT-OF-SCHOOL CHILDREN

What is second chance education?

For children who fall behind on learning because of poverty, conflict, or discrimination, second chance education is a vital opportunity to catch up, find joy in learning, and gain essential skills. Upon completion, children can transition into the mainstream education system and continue on the path to opportunity.

Luminos delivers Second Chance programs to children in Ethiopia and Liberia.

SHIFT

Build ecosystems that strengthen mainstream education

SHARE

Help government adopt solutions into the public system

SHOW

Develop solutions and demonstrate effectiveness at scale

For children who are refugees or internally displaced, second chance education creates opportunity for joyful learning, and helps them find stability, heal, and continue their learning with dignity, achievement, and hope.

Luminos delivers Back-to-School programs to Syrian refugee children in Lebanon.
AS LIBERIA WORKS TO PROVIDE ALL CHILDREN A QUALITY EDUCATION, WE ARE PLEASED TO HAVE NON-GOVERNMENT ORGANIZATION PARTNERS, LIKE THE LUMINOS FUND. THEY ARE WORKING TO ENSURE THOSE WHO HAVE MISSED OUT ON AN EDUCATION GET A SECOND CHANCE TO LEARN.

IT IS SUCH VITAL SUPPORT HERE IN LIBERIA WHERE, FOR MANY OUT-OF-SCHOOL CHILDREN, THE SECOND CHANCE TO LEARN IS A FIRST CHANCE AT AN EDUCATION. PARTNERS LIKE LUMINOS ALIGN WELL WITH OUR NATIONAL VISION FOR EDUCATION.

PROFESSOR ANSU SONII
LIBERIA MINISTER OF EDUCATION

"The Second Chance program offers smaller classes and longer school days. The Luminos Second Chance program (Speed School in Ethiopia) is focused on primary-aged out-of-school children living in remote areas of Ethiopia and Liberia who have never attended school or who have dropped out. The program provides children the opportunity to reintegrate into government schools. It aims to improve individual learning by seeking not only faster learning but also deeper and more effective learning."
WHAT’S BEST FOR GIRLS IS BEST FOR ALL CHILDREN

Recent research supports the Luminos approach: programs that target boys and girls are proven to be as impactful for girls as programs that serve girls alone.

Around the world, there is considerable focus on creating more opportunities for girls. This is a positive step, but the best pathways to deliver success are not always clear. Recent research evaluated hundreds of studies to compare gender neutral and girl-targeted education interventions globally to identify what produces the best results for girls’ learning. The researchers concluded that gender neutral interventions hold “great promise” for girls’ learning, often driving results that are at least as strong as girl-focused interventions.

SOURCE: EVANS AND YUAN

WHEN GIRLS GET A SECOND CHANCE TO LEARN

- Poverty in families reduces across all its forms
- Families grow more food secure
- Community health and well-being improves
- Life-long learning becomes obtainable
- Women and girls are empowered
- Water and sanitation improves for all
- Decent work and economic growth increase
- Society becomes more equitable
- And progress accelerates toward all the other global goals
Today, Ethiopia remains among the countries with the highest number of out-of-school children, with an estimated 2.2 million children not in primary school. Only 38% of students who enroll actually go on to complete primary school. That said, Ethiopia is a beacon on the continent for a pathway to universal education. This is due to the government’s increased investment in education, its well-organized education system, and its positioning as an experimental hub for innovative delivery models like the Luminos Second Chance program.

Luminos children outperform government school peers academically. (University of Sussex)

**2.2 million CHILDREN ARE OUT OF SCHOOL**

<table>
<thead>
<tr>
<th>Girls Opportunity Index (of 144)</th>
<th>112</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN SDG Global Ranking (of 156)</td>
<td>128</td>
</tr>
<tr>
<td>Global Hunger Index (of 119)</td>
<td>93</td>
</tr>
<tr>
<td>Legatum Prosperity Index: Education (of 149)</td>
<td>134</td>
</tr>
<tr>
<td>World Happiness Report (of 156)</td>
<td>134</td>
</tr>
</tbody>
</table>

**14%**

Of children are out of school (primary)

**93**

Global Hunger Index (of 119)

**134**

Legatum Prosperity Index: Education (of 149)

**134**

World Happiness Report (of 156)

**2.2 million CHILDREN ARE OUT OF SCHOOL**

GIRLS 60%

BOYS 40%

Today, Ethiopia remains among the countries with the highest number of out-of-school children, with an estimated 2.2 million children not in primary school. Only 38% of students who enroll actually go on to complete primary school. That said, Ethiopia is a beacon on the continent for a pathway to universal education. This is due to the government’s increased investment in education, its well-organized education system, and its positioning as an experimental hub for innovative delivery models like the Luminos Second Chance program.
## ETHIOPIA 2018 PROGRAM HIGHLIGHTS

<table>
<thead>
<tr>
<th>SHOW</th>
<th>SHARE</th>
<th>SHIFT</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,185 Children given a second chance education</td>
<td><strong>97%</strong> Transition to mainstream school</td>
<td><strong>46%</strong> Of students are girls</td>
</tr>
<tr>
<td><strong>1,686</strong> Second Chance facilitators and partners trained</td>
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</table>

Since 2011, the Second Chance program has worked in partnership with 14 different Ethiopian NGOs to enable children to get a second chance at an education. In 2018, the Luminos Fund reached 11,185 Ethiopian children across the Amhara and SNNPR regions.

The success of the Luminos program over the last eight years has sparked the imagination of the national government and regional education bureaus. In 2017, we piloted a government adoption model in Tigray. In 2018, in collaboration with regional and national officials, we expanded the approach into 110 government-run Second Chance classes.

Over the last five years, the University of Sussex Centre for International Education has assessed the Second Chance model. Graduates of our program enter government school at slightly higher learning levels than their peers and persist through school at better rates. These outcomes have given us a seat at the table to discuss the future of primary education delivery in Ethiopia.

According to the One Campaign, Ethiopia is among the toughest countries in the world for a girl to get an education.

Ranking 112 out of 144 countries on Save the Children’s Girls’ Opportunity Index, Ethiopia is a difficult place to be a girl. Child marriage, adolescent fertility, maternal mortality, women’s representation in politics, and female completion of lower-secondary education are among several factors that dampen the prospects and outlook for girls.

When it comes to education, lack of opportunity affects girls of all ages. On the one hand, 60% of Ethiopia’s primary-age out-of-school children are girls. On the other, girls comprise only 32% of students in tertiary education. Recognizing these gender inequalities, the Luminos Second Chance program has been intentionally designed to enable equal opportunity for both girls and boys.

The Luminos Fund completed another exciting and successful year of Second Chance in Ethiopia in 2017/18. Over the course of the year, we reached 11,185 out-of-school students, just under half of whom were girls.

Our 9 implementing partner organizations supervised and supported 379 Second Chance classrooms, and the learning facilitators who guided them, in the Amhara and SNNPR regions of Ethiopia.

We were pleased with the outcomes our program achieved during the 2017/18 school year. The attendance rate was 95%, reflecting students’ eagerness and commitment to take full advantage of their second chance to learn. Their investment proved worthwhile as 97% of our 10-month program graduates passed the government’s placement test and were admitted to regular primary school. Three quarters of these Luminos learners joined fourth grade, and much of the remainder transitioned into third grade. We also impacted 11,185 parents and caregivers through our Parental Engagement Groups (PEG) and provided capacity-building support to 1,250 teachers in partner government schools.

Recognizing that domestic tasks and child marriage are significant barriers to learning for girls, our Parental Engagement Groups create space for families to respond positively in creating opportunities for girls. In these groups, parents have a platform to discuss and explore the benefits of education for girls. PEG members also collaborate with their peers to develop cooperative enterprises that supplement family income. These groups thereby address both the incentive and opportunity-cost factors that may prevent parents struggling with extreme poverty from sending their children to school.

With the accelerated progress girls make during the 10 months of the Luminos program, parents have real-time feedback on the value of educating their daughters.

This Luminos data represents children reached in 2018. This includes two program years.
Lebanon hosts almost 7% of the world’s refugees (UNICEF). The war in Syria has wrought immense suffering on children and their families, with 6 million people displaced from their homes within Syria, and another 4.8 million struggling as refugees in the region. One quarter of Lebanon’s population is now estimated to be Syrian refugees, with one million children now seeking places to continue to go to school. The Lebanese government has taken the extraordinary step of committing to enroll all Syrian refugee children. However, there are still numerous barriers to access. Only half of the Syrian refugees in Lebanon attend formal school.

60% of refugee children in Lebanon aren’t learning. We’re not stopping until they are.
In Lebanon, Luminos supports two programs that enable Syrian refugees to get back to school and succeed—a preparatory program for children entering the formal system and homework support for refugees who have recently transitioned back to school.

Luminos classrooms are a hub for innovation for refugee education in Lebanon. The Ministry of Education and Higher Education (MEHE) has adopted some of the key practices and curriculum followed in the Luminos classrooms. Our implementing partner in Lebanon, Ana Aqra, is a key ally of the MEHE and participates in the decision-making process for refugee education in the country.

Luminos continues to share learnings and lessons from the Lebanon program with its international network of partners and supporters. The work helps us formulate a more robust understanding of the needs of displaced children in general.

Building on our experience with out-of-school children, Luminos developed a Back-to-School program to help refugee children restart their education. Many students have been out of school for years, and all of them are learning in English and French for the first time, the standard languages of instruction in Lebanon.

Our Back-to-School program is an opportunity for refugees to catch up to grade level and prepare to assimilate into Lebanese classrooms. As part of the curriculum, our students participate in art therapy that helps them begin to process the trauma they have experienced. Our support—both academic and emotional—continues even after they transition into Lebanese schools. Our partners continually advocate on their behalf when discrimination and poverty pose barriers.

In 2018, with our implementing partner Ana Aqra, we completed three Back-to-School cycles, reaching 1,615 refugee children in Mount Lebanon and Beqaa. We also provided training sessions for teachers. From the first cycle of 190 learners, at least 44 learners successfully joined formal schooling, 5 learners went back to Syria, and 99 learners continued with the program. Sixty percent of children have shown improvement in learning levels.

According to UN Women, women make up more than half of the Syrian refugees in Lebanon. Affected by gender inequalities, violence, and discrimination, women and girls are at higher risk when facing displacement.

Child marriage is a particular challenge for displaced girls, especially when they are not in school. Girls who are forced to marry early are often victims of violence, experience risky pregnancies, and have considerably reduced access to education.

When displaced girls miss out on a primary education, their life circumstances generally worsen. UNHCR reports that whereas approximately half of the world’s refugee children attend primary school, less than a quarter go on to secondary school. Only 7 girls for every 10 boys are in secondary school.

That is what makes the Luminos intervention in Lebanon so significant. We are intervening in the lives of displaced girls and boys at the primary school age. By doing so, we are increasing the likelihood that they continue their education through the secondary school years.

In general, the situation in Lebanon remains volatile and changes happen quickly and unexpectedly. UNICEF funding cuts for Lebanon have meant that 20,000 refugee children will lose informal education opportunities, homework support, and basic school rehabilitation in the coming academic year. As a result of these cuts, the government-run accelerated learning program (ALP) was downsized from 6,000 students to 2,500 students. This directly affected our students’ chances of accessing formal education since the ALP is a needed transitional phase. There is also talk of no new second shift schools opening this academic year which, again, will restrict the ability of refugee children to access formal schooling.
At 63%, Liberia has the world’s highest percentage of children out of school. This is the result of several crises including two civil wars and the Ebola pandemic. Students who do manage to enroll in Liberian schools must overcome barriers to learning in the classroom. With over 30 languages spoken throughout Liberia, students speaking a dialect at home may struggle to learn even basic concepts when they are taught in English, the official language of instruction. Unqualified teachers exacerbate the problem and often lead parents to withdraw their students from school. The government is stepping up through partnerships and collaborations to address the country’s urgent education challenges.

63% of Liberians live in poverty.

63% of Liberian children are out of school.
Liberia 2018 Program Highlights

**Show**
- Luminos partners with five Liberian NGOs to implement Second Chance in Montserrado and Bomi counties, in consultation with District Education Offices, local primary schools, and other stakeholders.

**Share**
- Beyond providing schooling to children, our goal is to present the Liberian government with a validated model that it can use to deliver high-quality education to even more out-of-school children in the future. As a first step, Ministry of Education representatives visited the program in 2018.
- We have begun the process of conceptualizing a pan-African dialogue for education ministers. The idea is to provide space for leaders to explore learning solutions for out-of-school children as well as pathways of collaboration to achieve shared goals.

**Shift**
- Data from the Global Hunger Index reveal that Liberia made progress between the years 2000 and 2018, from a country with extremely alarming hunger to one with a level of hunger that is on the high side of serious.
- It is challenging for anyone to learn when they are hungry, especially children. When families go hungry, girls are likely to be taken out of school, both as a way to save money for food and to help with domestic work.
- When the Luminos Fund began working in Liberia, we noticed that children were coming to school hungry, many eating only one meal a day. Their hunger noticeably hindered their learning and progress. We therefore introduced a meals program which provides every Luminos learner with lunch. Helping children to eat more enabled us to extend the daily learning hours and increase children's exposure to literacy and numeracy. Our household surveys gauge economic need and allow us to target the poorest and hungriest out-of-school children to participate in Second Chance.
- According to the World Food Program, "school meals are a powerful tool to encourage children to attend school regularly. They promote access to basic education and human capital development, increase enrollment, attendance, retention and improve attention span and academic performance."
- By supporting learning with lunch, Luminos makes Second Chance a compelling opportunity for children and their families, especially in a country where funding for school meals in general is tenuous.
- In 2018, the Luminos Second Chance program saw 3,150 students supported by 166 facilitators and supervisors. 3,019 parents participated in our Parental Engagement Groups, which allowed them to explore ways to improve their economic livelihoods and engage more fully in their children’s education. Six Ministry of Education officials participated in Second Chance professional development.
- The academic year yielded positive program outcomes. 88% of the previous year’s cohort who transitioned to government school were still enrolled one year later. We closely monitor children’s reading levels, and in response to real-time learnings, we provided supplemental phonics training to facilitators in the middle of the year to enable them to engage more deeply in the teaching of literacy. We have since integrated phonics into the curriculum and facilitator trainings. We continue to find cost efficiencies in the budget all while adding program elements such as the lunch program and child protection training.
- As the Second Chance program continues to introduce an entirely new and unprecedented pedagogical model in Liberian classrooms, we are encouraged by feedback from our external evaluators, the University of Sussex Centre for International Education. In a recent report, the evaluators observed that Luminos program facilitators purposely place attention on girls to ensure they are receiving what they need to continue learning.

- Of students are girls
- Transition to mainstream school
- Second Chance facilitators and partners trained

This Luminos data represents children reached in 2018. This includes two program years.
OUR PARTNERS

ETHIOPIA
- Adams Thermal System Foundation
- Ethiopian Evangelical Church Makene Yesus Development and Service Commission
- Hanshesa Assistance & Development Organization
- Hope for Children Ethiopia Relief and Development Association
- Impact Association for Social Services
- Integrated Service for AIDS Prevention & Support Organization
- Netsebrak Reproductive Health & Social Development Organization
- Operation Rescue Ethiopia
- Professional Alliance for Development
- Rehoboth Supporting & Development Organization
- Summer Institute for Linguistics
- Tigray Development Association
- Wide Horizons for Children
- Wolitta Development Association

LIBERIA
- BRAC-Liberia
- Community Activity for Livelihood in Liberia
- Liberia Institute for the Promotion of Academic Excellence
- Restoring Our Children’s Hope
- Street Child Liberia

LEBANON
- Ana Aqra Association

LEANTER PARTNERS

Implementing Partners
Luminos is proud to work with strong, local implementing partners to deliver our programs.

FUNDING PARTNERS

As we continue to grow our community of funding partners, we would like to thank and recognize the following organizations for their important contributions in 2018.

STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
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<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,248,857</td>
<td>$1,185,522</td>
</tr>
<tr>
<td>Contributions receivable, current portion</td>
<td>$2,673,008</td>
<td>$2,162,184</td>
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<tr>
<td>Advances</td>
<td>$29,002</td>
<td>$26,754</td>
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<tr>
<td>Prepaid expenses</td>
<td>$42,366</td>
<td>$14,201</td>
</tr>
<tr>
<td>Contributions receivable, net of current portion and NPV adjustment</td>
<td>$845,852</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$4,839,085</td>
<td>$3,388,661</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS  |                     |                     |
| Current liabilities        |                     |                     |
| Accounts payable and accrued expenses | $65,092           | $318,776            |
| NET ASSETS                 |                     |                     |
| Unrestricted               | $1,847,459          | $2,316,786          |
| With donor restrictions    | $2,926,534          | $753,099            |
| Total net assets           | $4,773,993          | $3,069,885          |
| Total liabilities and net assets | $4,839,085          | $3,388,661          |

2018 STATEMENT OF ACTIVITIES

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUES</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,108,321</td>
<td>$3,510,877</td>
<td>$4,619,198</td>
</tr>
<tr>
<td>Net assets released from time/ purpose restriction</td>
<td>$1,337,442</td>
<td>($1,337,442)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$2,445,763</td>
<td>$2,173,435</td>
<td>$4,619,198</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES          |                          |                          |       |
| Program services            | $2,430,831                |                          | $2,430,831 |
| Management and general      | $164,438                  |                          | $164,438  |
| Fundraising                 | $319,821                  |                          | $319,821   |
|                             | $2,915,090                |                          | $2,915,090 |

| CHANGES IN NET ASSETS       |                          |                          |       |
| Net assets, beginning of year | $1,847,459             | $2,926,534              | $4,773,993 |
| Net assets, end of year     | $2,316,786                | $753,099                | $3,069,885  |