

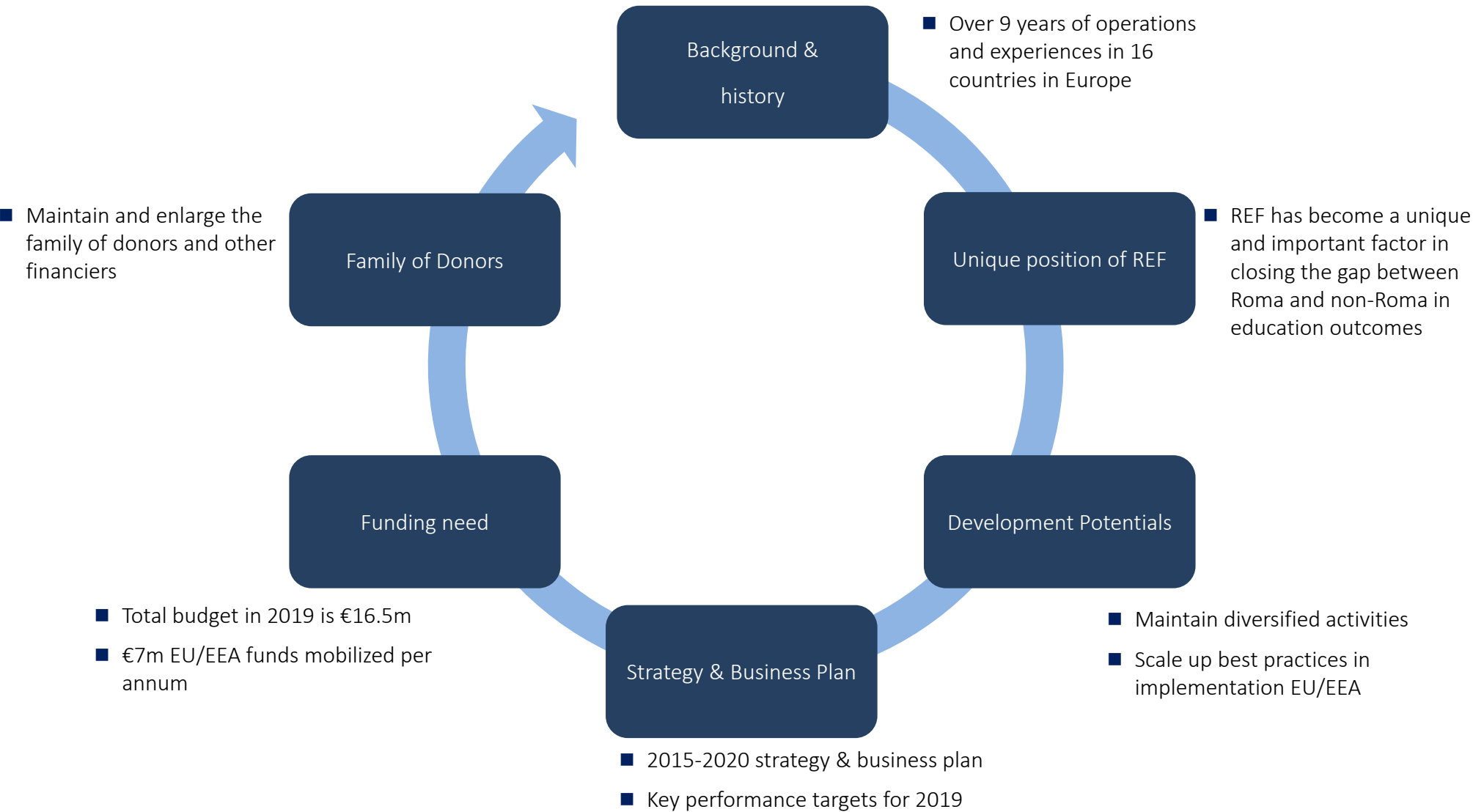


Business Plan and Strategy
2015-2020



Roma Education Fund

Executive Summary



Content

EXECUTIVE SUMMARY



REF'S MISSION, POSITION AND APPROACH

SUMMARY OF THE FINANCIAL PLAN AND FUNDRAISING STRATEGY

APPENDIX

REF developed unique and effective intervention models covering all levels of education and overarching tools to reach its objectives

REF MODELS

Our key priorities cover all levels of education:

- 1 Expanding access to quality early childhood education and care
- 2 Improving primary education outcomes for Romani children between six and fourteen
- 3 Expanding access to and ensuring completion of and graduation from secondary education
- 4 Expanding access to, improve graduation levels and strengthen identity of Romani students in tertiary education
- 5 Second-chance programs for adult education and training

REF acts in strong partnership with educational institutions, municipalities, Roma NGOs, national and international organizations/institutions

Mission

REF's mission is to close the gap in education outcomes between Roma and non-Roma, through the design and implementation of policies and programs that support quality education for Roma including the desegregation of the school system.

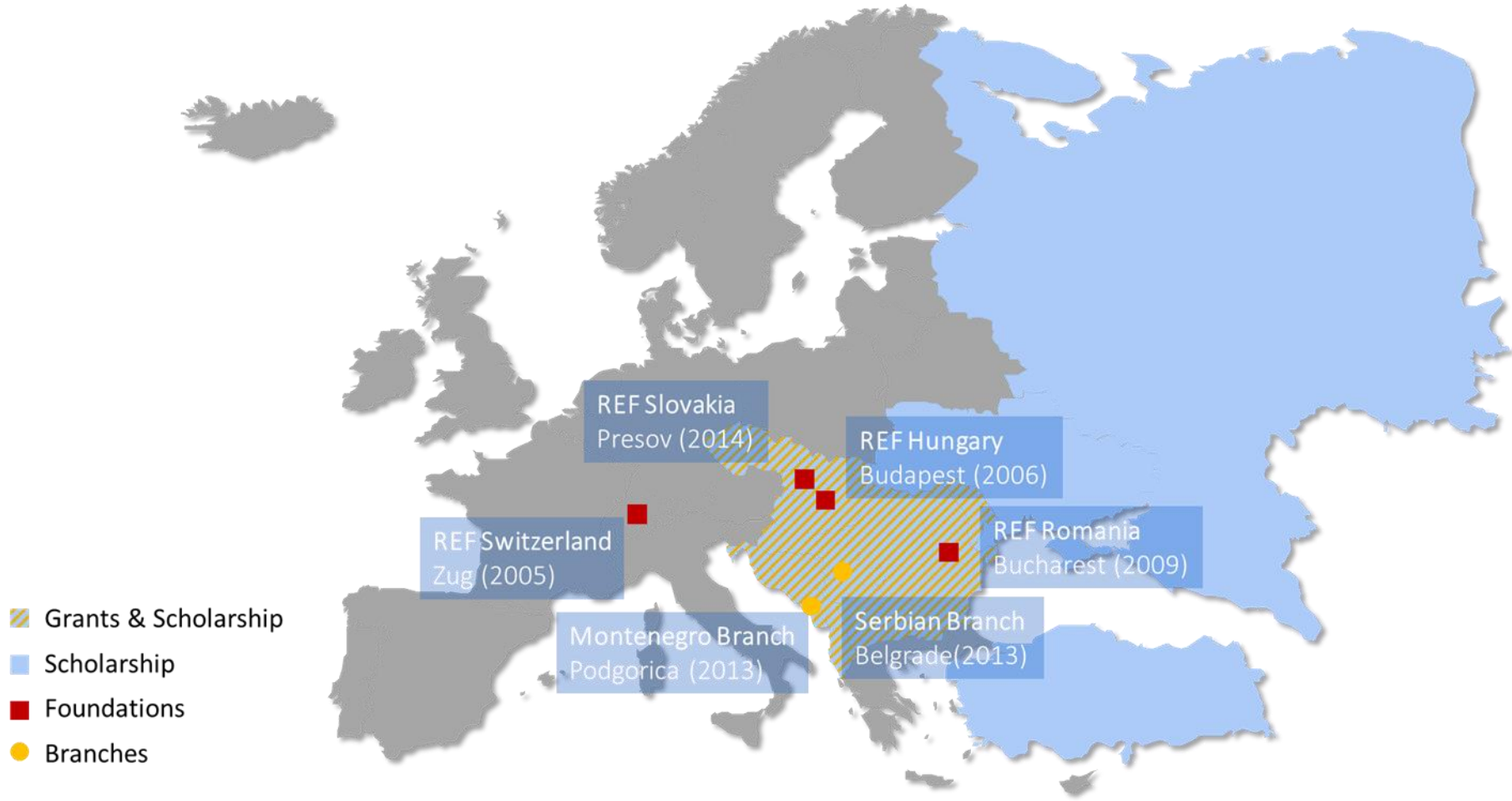


REF TOOLS

- Grants** Provided to consortium of civil society and public institutions implementing education reform projects
- Reimbursable Grants** Provided to bridge funding for efficient implementation of EU funds for projects that cover all the levels of public education
- Scholarships** Support provided to Romani students
- Advocacy, Research and Policy Dialogue** Engage in issues affecting the education of Roma
- Project Implementation** Implementation of large scale ESF/IPA/Norway/EEA grants

Intervention models are implemented in 16 CEE and Balkan countries with high Roma population including the countries of the Roma Decade

REF'S ORGANIZATIONS AND PROGRAMS

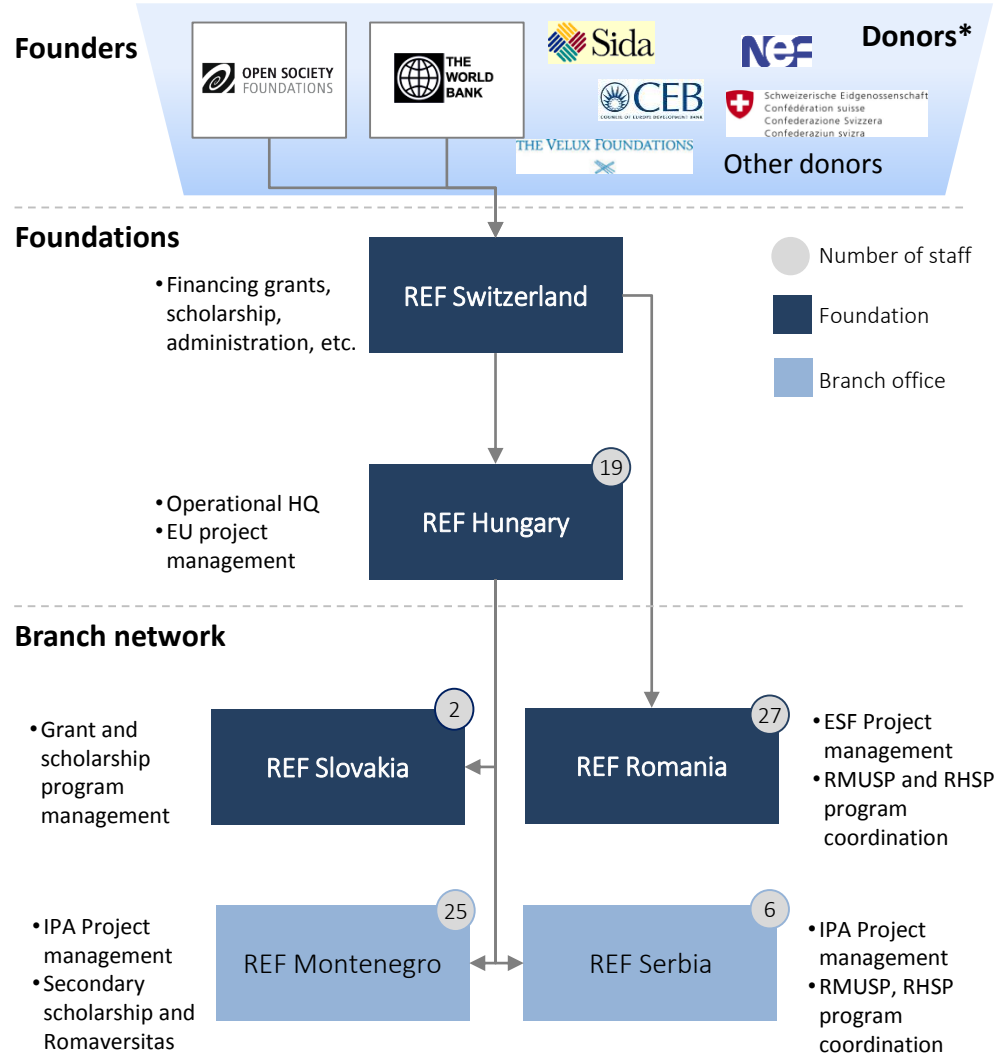


International activities are supported by transparent operations and a network of foundations, offices and professionals

FACTS ABOUT REF

- REF operates in the 'Decade of Roma Inclusion' countries, including Czech Republic, Hungary, Slovakia, Albania, Bulgaria, Romania, Bosnia & Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia; provides tertiary education scholarship support in Turkey as well as in Moldova, Russia, Ukraine in cooperation with EVZ
- REF has been demonstrating and managing a fast growth of its activities since its inception: 100,904 beneficiaries in 2013 compared to 5,000 in 2005
- From 2005, REF has supported 451 projects for an investment of EUR 41 million
- REF currently has four project-based offices apart from the headquarters located in Budapest, Hungary
- REF has local coordinators for all 16 countries to support and coordinate our work on-the-ground
- REF headquarters currently operates with a staff of 19 of which 65% is Roma, who are supported by the branch offices and country facilitators in eight countries
- REF activities are overseen by an independent board consisting of donors, Roma professionals and education experts

ORGANIZATION



*Note: including some 16 donors and a number of private individuals

REF's regional experiences lay the ground for good understanding and assessment of needs as well as effective resource allocation

HEATMAP OF TARGET COUNTRIES


	Albania	BiH	Bulgaria	Croatia	Czech Republic	Hungary	Kosovo	FYR Macedonia	Moldavia	Montenegro	Romania	Serbia	Slovakia
Government	1.3	1.5	2.0	1.8	1.5	2.3	1.8	2.5	1.5	2.3	2.3	2.0	1.8
Activity in Decade/National Roma strategy	1	2	2	2	2	2	1	3	1	1	2	2	2
Government spending on Roma	1	2	2	2	2	3	2	2	2	3	1	2	2
Allocation of EU/IPA funds	1	1	2	2	1	3	2	2	1	2	3	2	2
Attitude towards working with REF	2	1	2	1	1	1	2	3	2	3	3	2	1
Legal environment	1.8	1.8	1.8	1.5	1.0	2.3	2.3	2.8	1.5	1.8	2.3	2.5	1.0
Anti-discrimination	2	2	2	2	1	2	2	2	2	2	3	2	1
Bodies (ombudsman, etc.)	2	1	2	1	1	2	2	3	2	2	2	3	1
General minority policies	2	2	2	1	1	3	3	3	1	2	2	3	1
Roma representation (parliament, government, etc.)	1	2	1	2	1	2	2	3	1	1	2	2	1
Roma education indicators	1.5	1.5	2.5	2.0	1.0	2.5	1.5	2.5	1.0	1.5	2.0	1.5	1.0
Pre-school attendance of Roma	2	1	2	1	1	3	2	2	1	2	2	1	1
Roma population with at least upper secondary education	1	2	3	3	1	2	1	3	1	1	2	2	1
NGO sector	1.5	1.0	2.5	1.0	1.0	1.5	1.5	2.5	1.0	1.0	3.0	2.0	1.5
Number of Roma NGOs	2	1	3	1	1	2	2	3	1	1	3	2	2
Maturity of Roma NGOs	1	1	2	1	1	1	1	2	1	1	3	2	1
Roma population	3.0	3.0	1.0	3.0	2.0	1.0	3.0	3.0	3.0	3.0	1.0	2.0	2.0
Economy	2.0	2.0	2.0	3.0	3.0	3.0	1.0	2.0	1.0	2.0	3.0	2.0	3.0
Country score	2.1	2.1	1.8	2.4	1.8	1.9	2.0	2.6	1.8	2.2	2.0	1.9	1.9

Weights used in calculation of the Country score

10%	Government policy and activity concerning Roma inclusion
5%	Legal environment
20%	Roma education indicators
10%	Development of the Roma NGO sector
35%	Roma population (% of total population in a given country)
20%	Economic development (GNI, 2012, World Bank)

Scoring system

- 1- does not exist, very low
- 2- exist, but not functional, low level
- 3- exist and more or less functional

Low score  High score

REF aims to grow its activities and further improve the quality of its interventions

	Strength	Weaknesses
Internal	<ul style="list-style-type: none"> ■ Regional reach Well-established regional organization with significant number of professional staff ■ Critical size Professional and financial capacities make REF an effective implementer of large scale EU/IPA/EEA projects ■ Tested models of interventions Successful model-based methodological framework for interventions disseminated internationally ■ Participatory approach Strong partnerships with most of the Roma NGOs active in the Decade Countries; strong relationships with national, regional and local stakeholders ■ Transparency Transparent and accountable operations ■ Family of donors Founders and a number of donors are committed to support the activities of REF beyond 2015 	<ul style="list-style-type: none"> ■ Short term commitments Short term commitments from donors do not allow for longitudinal project cycles; EU/EEG grants are very short term (1 to 2 years) ■ Project-based branch network Long term viability of branch network is not supported by short term project grants ■ Exit of some large donors Some large donors discontinued financial support after long years of cooperation ■ Limited funds for technical assistance for grantees Scarcity of funds for technical assistance of supported NGOs ■ PR Communication of REF’s achievements is not effective
	Opportunities	Threats
External	<ul style="list-style-type: none"> ■ EU/IPA/EEA/Norway calls Implementation of ESF/IPA/Norway/EEA grants through branch network ■ International organization Establishment of an international organization within REF network to become eligible for financing core costs from EU funds ■ Donor diversification Further diversification of donors and funding, including corporate donors ■ Cooperation with multilateral organizations Closer cooperation and potential joint implementation with large national and international organizations in the field ■ Cooperation with governments Increase the number of countries, where projects are jointly implemented with national governments 	<ul style="list-style-type: none"> ■ Limited operating grants Grants are becoming more restrictive and not available to cover core costs ■ Public policies/attitude Some national governments/mayors are not cooperative ■ Strengthening of the extreme right Extreme right wing and racist political forces are gaining ground in the region ■ Allocation of EU funds EU/IPA funds allocation on Roma and education purposes decrease ■ Delayed reimbursements by authorities Expected outcomes and indicators are not reached due to delays in EU/IPA project reimbursements ■ End of the Decade of Roma Inclusion It may affect REF’s legitimacy, although there is a high degree of certainty that it will be continued at least in non-EU countries

REF worked out its strategic objectives in line with its four core priorities

Access to quality education	Access to tertiary education	Strengthening of the capacity of the civil society serving Roma education	Build the evidence for effective policy-making
<ul style="list-style-type: none"> ■ Early Childhood Development <ul style="list-style-type: none"> • Demonstrate cost-effective ECD programs successfully designed for inclusion of Roma children and parents • Graduates of ECD programs have longer education careers in long term compared to children that did not attend ECD • 90% of children in target communities will be enrolled in ECD programs ■ Classroom Integration <ul style="list-style-type: none"> • Demonstrate in multiple school systems that Roma children can be fully integrated into regular classes and achieve educational outcomes largely comparable to the general population in mainstream public schools • Segregation of Roma students in special classes decreases by 15% in the countries where the representation of Roma children in special schools is significant ■ School Completion <ul style="list-style-type: none"> • Successful examples of Roma students completing primary and secondary school will be numerous, widely publicized • Interventions to assure completion and proficiency will be widely known and documented • At least 95% of supported students graduate from primary and secondary schools ■ High Risk Students <ul style="list-style-type: none"> • State actors adopt and fund from national and EU sources REF-run models designed and implemented to target students at high risk of early school leaving (ESL) • Reach 20% of potential ESL through pilot programs in selected communities 	<ul style="list-style-type: none"> ■ Tertiary Education Participation: <ul style="list-style-type: none"> • At least 2,000 Roma supported by REF attend recognized tertiary institutions yearly • At least 30% of supported students will be in fields with high employment prospects and/or with clear opportunities to address Roma community challenges • The graduation level of Roma students will be comparable to EU average ■ International Opportunities: <ul style="list-style-type: none"> • Roma students have at minimum the same access to international study opportunities as their non-Roma counterparts • Roma-specific international scholarships/fellowships will be available for the top 10% of Roma students ■ Employability: <ul style="list-style-type: none"> • At least one-third of REF supported tertiary-level graduates receive specific, cost-effective training in job related skills • At least two-thirds of them will be actively involved in alumni, professional/trade support groups and networks which support finding and retaining work ■ Policy Change in tertiary education: <ul style="list-style-type: none"> • REF advocacy and concrete practices contribute to the drafting of progressive and inclusive national higher education policies, which commit national governments to increasing Roma participation in tertiary education 	<ul style="list-style-type: none"> ■ Extension of the Reimbursable Grant program: <ul style="list-style-type: none"> • Further grants are mobilized in the field of Roma education and foster the efficiency of Roma civil society organizations active in Roma education • Given the scarcity of funds available to Roma NGOs implementing EU Structural Funds and other grants in the region, REF has also made available its financial resources through a system of reimbursable grants. As a result, REF mobilized money for European Structural Funds worth up to EUR 34.3 million in the period 2005–2013 through providing EUR 680,000 in reimbursable grants. This program has been implemented in Czech Republic, Hungary, Romania and Slovakia. The current leveraging ratio is 51 to 1. • In order to further develop this resource for Roma NGOs, the Council of Europe Development Bank provided a loan to REF, which enables us to make available an additional EUR 1.5 million in financial resources in the form of reimbursable grants in all Decade countries. 	<ul style="list-style-type: none"> ■ Implementation of inclusive policies on local, regional and national levels: <ul style="list-style-type: none"> • An even larger number of organizations join in REF’s mission to close the gap in educational outcomes, and actively engage working in the field with Roma communities and schools and that more governments develop their inclusive strategies for Roma education in national policies ■ Changing the attitude of the mainstream society: <ul style="list-style-type: none"> • REF achieves that more governments, more mayors, a broad range of EU actors and other donors, and the civil sector are working together to invest in Roma education, with more and more quality projects in the field. ■ Influencing the future generations of teachers: <ul style="list-style-type: none"> • As an educational foundation, REF influences future generations of teachers, involving them in REF’s fieldwork and advocating for inclusive teaching methods to be included in the academic curricula of pedagogical faculties. Such a revised university curriculum has two components: students receive credits for attending lectures combined with compulsory practical training held in REF project sites. • As an outcome, a significant number of teachers with positive attitude will join the education system

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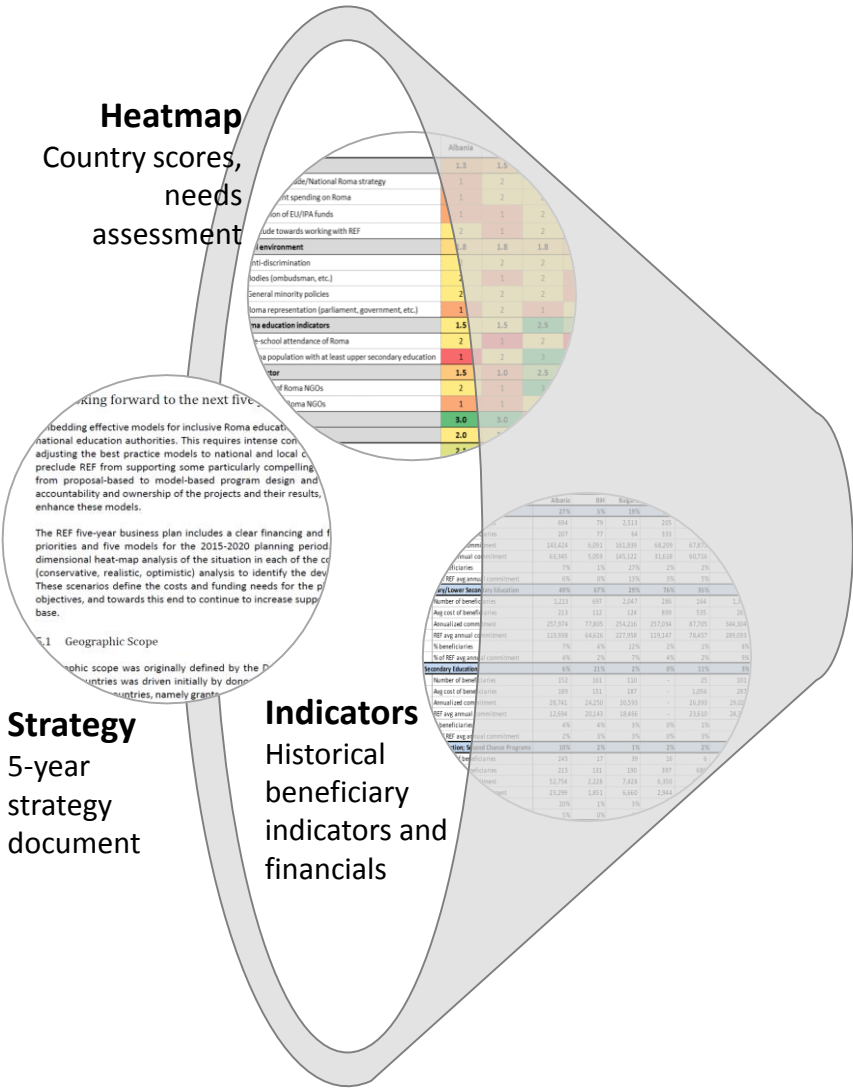
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REF identified long term funding needs on the basis of the analysis of various development scenarios



2019 goals in numbers in various scenarios by 5 models and main tools

Country score		Conservative			Realistic			Optimistic		
From	To	2019	2019	2019	2019	2019	2019	2019	2019	2019
1.8	2.0	3	3	2	2	2	2	2	2	2
2.0	2.2	1	2	1	2	1	2	1	2	1
2.2		1	1							

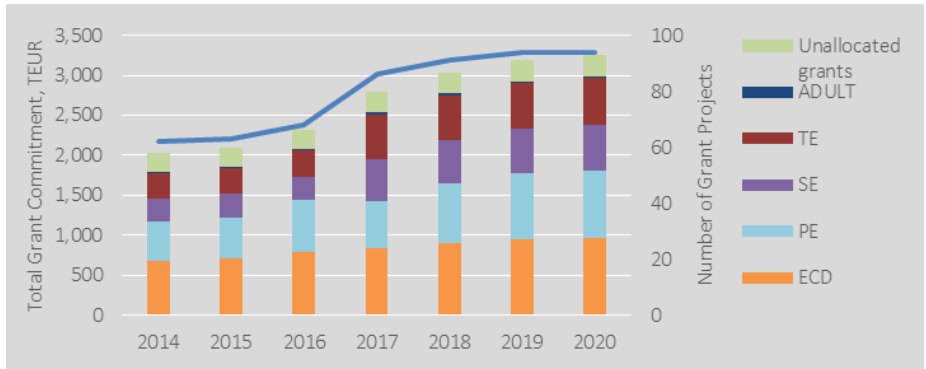
Long term funding need Detailed financial plan Scenario analysis

FUNDING REQUIREMENT, 2015-2020 (TEUR)				
Period	2014	2015	2016	2017
All Programs Optimistic				
Total Program Costs & Implementation	7,504	12,052	12,510	13,122
Total Core Costs	1,770	1,896	2,038	2,170
Interest on loans/CoIF loan	4	9	11	12
Investments	38	25	25	26
Pre-financing cash requirement	-294	145	-104	-584
Additional financing available from CoIF	-814	-554	-900	0
(size of) Reserve cash available from last year	-750			
Total Funding Requirement	7,819	13,573	14,580	14,746
ESF/IPA funding	3,010	6,933	6,917	6,821
Estimated income from donors	4,829	6,641	7,263	7,924
Committed funds	4,829	4,994	4,855	1,315
Funding gap	0	1,647	2,468	6,589
All Programs Realistic				
Total Funding Requirement	7,819	11,847	12,731	12,724
ESF/IPA funding	3,010	5,433	5,417	5,321
Estimated income from donors	4,829	6,515	7,314	7,402
Committed funds	4,829	4,994	4,855	1,315
Funding gap	0	1,521	2,460	6,067
All Programs Conservative				
Total Funding Requirement	7,819	10,747	10,951	10,448
ESF/IPA funding	3,010	3,933	3,917	3,821
Estimated income from donors	4,829	6,824	7,034	6,826
Committed funds	4,829	4,994	4,855	1,315
Funding gap	0	1,812	2,179	5,402

REF aims to maintain diversified activities and scale up best practices in implementation EU/EEA funds

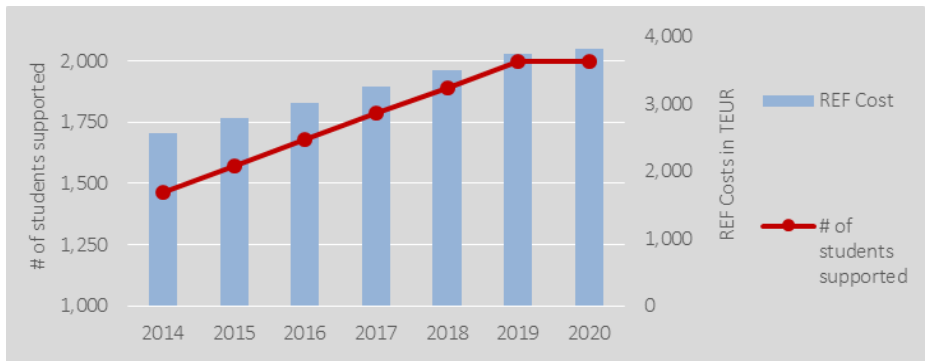
Grant Program

- Grant program is planned by the 5 basic models (early childhood development - ECD, primary - PE, secondary - SE, tertiary - TE and adult - ADULT - education)
- REF's objective is to roll-out all 5 models in the countries of operations at least in form of one project per country
- Reasonable size and number of projects to demonstrate REF's and partners' legitimacy in policy work and advocacy in the countries of operations



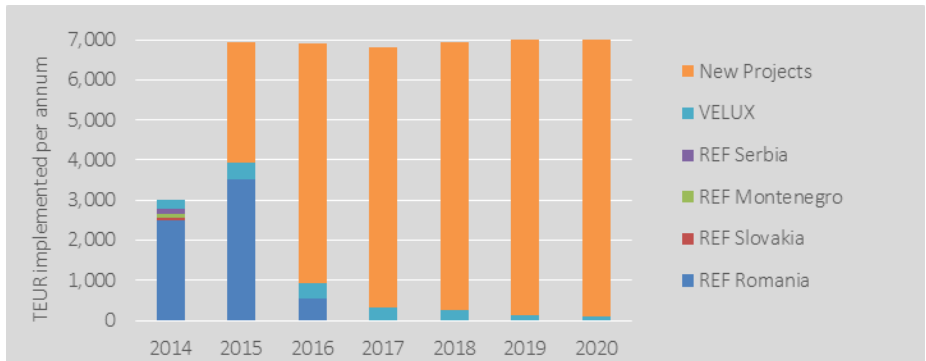
Scholarship Program

- REF is the only actor in the region providing a sustainable Tertiary Scholarship Program
- REF expects growing demand for tertiary scholarships from Roma students and will seek additional funding to extend the program
- With the involvement of additional donors, REF expects to cover the growing demand from Roma students



Project Implementation

- REF is dedicated to demonstrate best practices and further scale up of the implementation of large EU/EEA grants
- REF is dedicated to advocate to making the most of EU/EEA funds in the framework of high-quality, effective and multi-year projects
- REF has the professional capacity to implement and the financial capacity to pre-finance large scale projects
- With the help of the extended branch network, REF expects a more deep involvement in and implementation of local/national calls



REF will maintain current rigorous cost and cash flow management and expects to further reduce the current low level of core costs of 18%

CORE COSTS AND CAPITAL EXPENDITURES

Core costs

- REF's objective is to maintain the current rigorous cost management practices and keep or reduce the present level of core costs of 18%
- Core costs include the costs of local Roma field workers and technical assistance
- Growing implementation of EU/EEA funds increases core costs, but reduces the core cost ratio (core costs impropotionally increase compared to total cost increase from project implementations)
- The plan also allocates a limited amount of core cost for maintaining branch office capacities when there is a gap between implementation cycle of EU/IPA or other projects

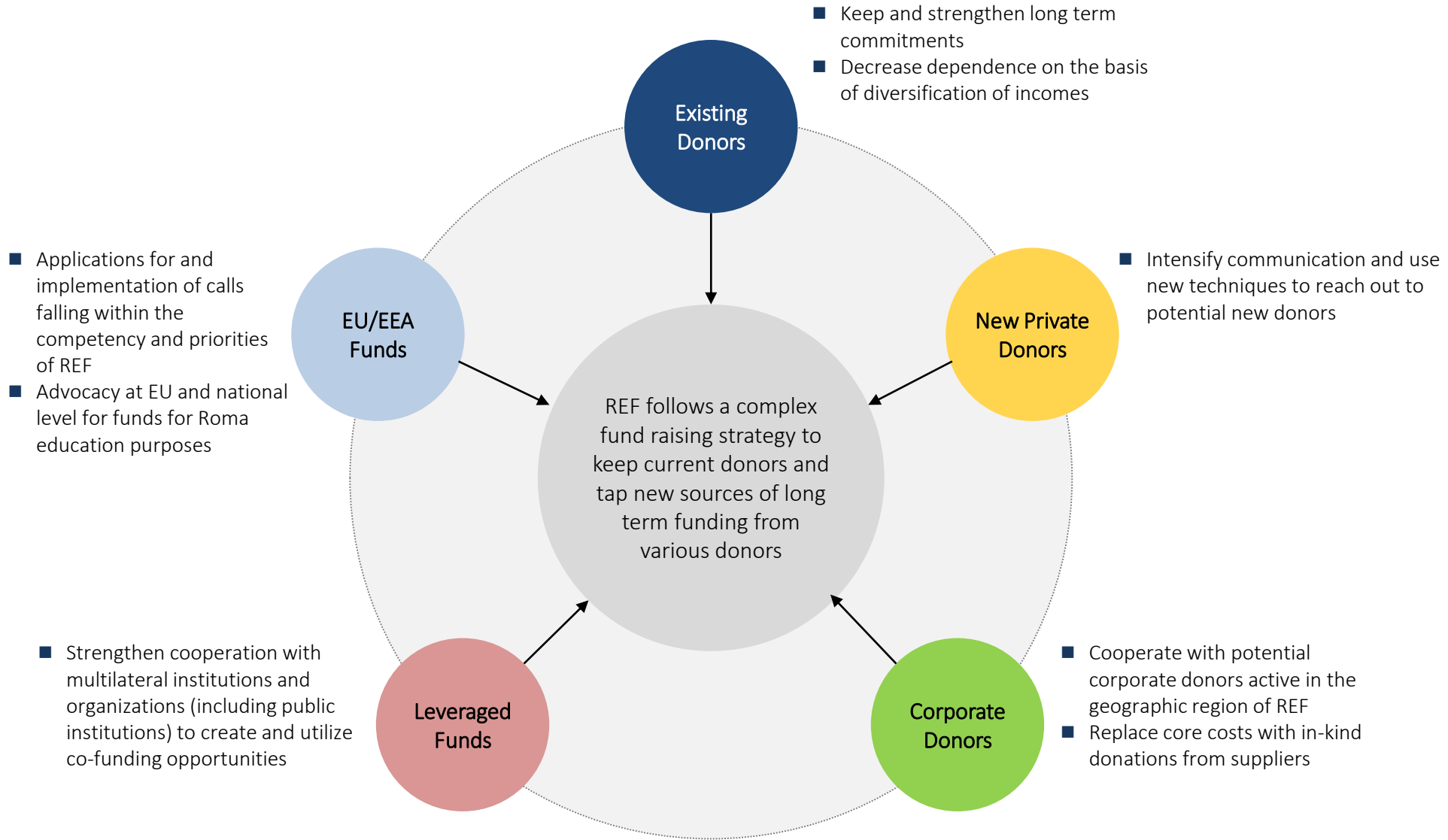
Capital expenditures

- Following the completion of the online grant application system, which represents a major cost item in 2014, REF plans to spend a moderate amount of capital expenditure to maintain the current status and condition of its asset base
- According to the plans, long term maintenance capital expenditure per annum would not exceed EUR 25,000 o 2015 prices

CASH FLOW MANAGEMENT

- REF proactively manages the risks from short project cycles, increased pre-financing needs and cash flow risks
- CEB is a bright example for a successful cooperation in providing financial sources to make use most of EU/EEA funds and manage pre-financing cash flow needs
- On top of covering own pre-financing needs, REF plans to mobilize more EU/EEA funds through the support of implementing Roma NGOs with recoverable grants in cooperation with Council of Europe Bank (CEB)
- REF has signed a framework loan agreement with CEB for
 - (i) financing pre-financing needs of REF Romania related to the implementation of large scale project (up to EUR 1 million);
 - (ii) financing the support of Roma CSOs implementing EU/EEA grants (up to EUR 0.5 million).
- Depending on additional pre-financing needs from implementation of new large scale projects, we expect that CEB is willing to increase the current EUR 1.5 million limit to EUR 2.3 million

Key Elements of REF's Fundraising Strategy



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Overview of methodology for the multi-dimensional ranking of countries of operations

APPROACH

- Multi-dimensional ranking of countries of operations where REF runs both Scholarship and Grant Programs is a brief assessment of the gap between Roma and non-Roma to receive quality education
- The countries were scored from 1 to 3 by various criteria, which influence the chances for Roma to receive services equal to mainstream society
- Smaller score means that there is a larger gap or smaller chances for more equal education outcomes
- Scores were given by REF staff based on their experiences in a given country and also on the basis of measurable indicators, where such indicators exist and measured in all countries covered in the analysis
- Average scores of main dimensions were weighted to get an overall comparative assessment of the countries where REF operates; weights used represent the perceived importance of each area

OVERVIEW OF ASSESSMENT CRITERIA/DIMENSIONS

Government	Perceived level of activities, and involvement of national governments
Activity in Decade/National Roma strategy	<ul style="list-style-type: none"> • Level of activity of a given government in the Decade of Roma Inclusion, and/or • The existence of Roma strategy on a national level in a given country
Government spending on Roma	<ul style="list-style-type: none"> • Spending on Roma is separately and explicitly planned in annual country budget
Allocation of EU/IPA funds	<ul style="list-style-type: none"> • EU or IPA funds are earmarked/allocated for Roma education purposes
Attitude towards working with REF	<ul style="list-style-type: none"> • Government attitude and readiness to cooperate with REF on Roma education issues from policy discussions to project implementation
Legal environment	Existence and perceived effectiveness of legal and institutional framework
Anti-discrimination	<ul style="list-style-type: none"> • Anti-discrimination laws exist and meaningful judgments were made in terms of desegregation of Roma
Bodies (ombudsman, etc.)	<ul style="list-style-type: none"> • Higher level institutions to protect Roma rights exist and function
General minority policies	<ul style="list-style-type: none"> • General minority policies are existing and functional
Roma representation	<ul style="list-style-type: none"> • Level of Roma representation on various levels of the government (parliament, government, local governments, etc.)
Roma education indicators	Gap between Roma and non-Roma to receive quality education
Pre-school attendance of Roma	<ul style="list-style-type: none"> • Difference between share of Roma and non-Roma children aged 3 to 6 who attend pre-school, kindergarten or nursery (2012 UNDP, World Bank)
Roma population with at least upper secondary education	<ul style="list-style-type: none"> • Development of share of Roma aged 20 to 26 who completed at least upper secondary education based on comparative analysis of 2004 and 2011 data (2012 UNDP, World Bank)
NGO sector	Development of Roma NGOs active in the field of education
Number of Roma NGOs	<ul style="list-style-type: none"> • Number of Roma NGOs active in the field of education
Maturity of Roma NGOs	<ul style="list-style-type: none"> • Perceived maturity of Roma NGOs active in the field of education
Roma population	Relative number of Roma in a given compared to the total number of Roma in the countries covered by the needs assessment
Economy	Economic development measured by per capita GNI on purchasing power parity