

# Education Finance Report

## Fall 2022

### WHY EDUCATION FINANCE?

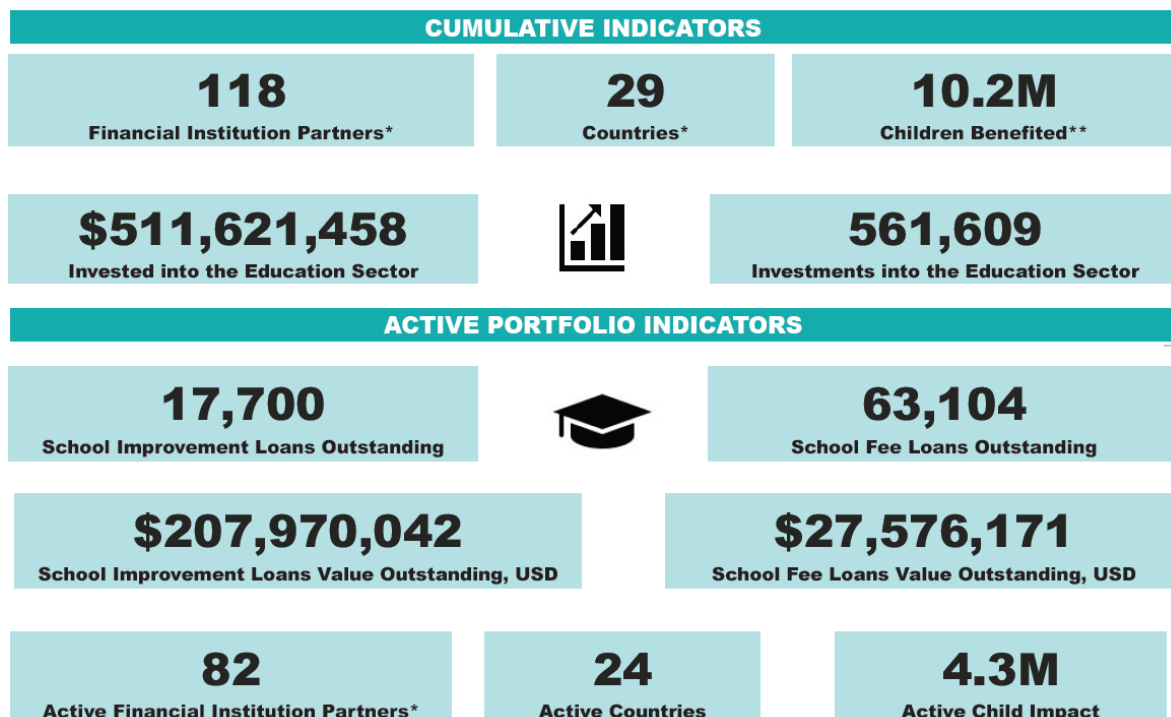
Research shows that children’s access to good education reduces poverty and inequality, increases life expectancy, and gives women and girls more decision-making power. However, 617 million children worldwide are not meeting basic proficiency levels in reading and mathematics—or are not in school at all.

- 1 in 3 children in low-income countries don't complete their primary education
- 59.1 million primary school age children were not in school in 2018
- 28% of girls in low-income countries cannot read or write

In July 2022 *The Economist* projected long-term impact due to the lack of access to education, exacerbated by the pandemic: *“This should be seen for what it is: a global emergency. Nearly every problem that confronts humanity can be alleviated by good schooling.... If the damage the pandemic has done to education is not reversed, all these goals will be harder to reach.... At stake is the future not only of the generation scarred by the pandemic, but of all the pupils who will come after them.”*

**To end extreme poverty tomorrow, we must educate children today.**

Opportunity's Education Finance (EduFinance) program partners with financial institutions to **help independent local schools provide affordable, quality education**. At the same time, it **helps parents access the resources necessary to send their children to school**. By connecting private sector finance to education providers in low- and middle-income countries, we are tackling the global education crisis and helping more children attend better schools.



## GROWING EDUCATION PARTNERSHIPS



As of July 2022, Opportunity's EduFinance initiatives have benefitted **over 10 million children in 29 countries**. Education remains the greatest pathway out of the devastating generational cycle of poverty.

Opportunity remains focused on securing new financial institution partners in key high need and strategic markets. We built a pipeline of financial institution partners in Zambia, DR Congo, Ethiopia, Kenya, Nigeria, Dominican Republic, Indonesia, and others. We recently completed an education roadshow in Ethiopia that included 11 meetings with financial institutions, and interest from six new perspective partners. In Indonesia, we completed an in-person workshop with 70 financial institutions, resulting in interest from 15+ new perspective partners.

## EDUCATION QUALITY

The EduQuality program is preparing for expansion to seven countries over the next eight months: Uganda, Pakistan, India, Dominican Republic, Nigeria, Guatemala, and Tanzania. All Africa country programs are making excellent progress on the three-year implementation model. Training day numbers have rebounded strongly post-pandemic: more than 1,000 training days conducted since the start of the school year.

EduQuality has launched our own training app on Chalkboard, the digital school leader and teacher training program. The app is being piloted in a several schools across Africa and will increase engagement by:

- Integrating videos and audio into the app, increasing user engagement
- Allowing users to download the Chalkboard App onto a phone in addition to the tablet
- Allowing for multi-user sharing of devices which could reduce the unit costs
- Allowing for other features such as chat, schools sharing content with us, etc.

The EduQuality program has launched its Global Certification and EduQuality Awards program designed to incentivize participation and engagement. Certificates will be introduced for the first time this year to acknowledge strong engagement from schools, school leaders and teacher mentors in the program.

## LATIN AMERICA FOOTPRINT INCREASING

Despite the significant challenges from COVID-19, our work in Latin America is growing. Recently the EduFinance Technical Assistance Team completed two roadshows in the Dominican Republic and Guatemala which included 28 meetings with financial institutions and garnered interest from 14 new prospective partners.

- In the Dominican Republic, the team completed technical assistance with two financial institutions. There are two additional institutions in process and one in the pipeline.
- While Guatemala is a more challenging environment, the team completed technical assistance with one financial institution, now lending to schools. Two additional partners are in the pipeline.
- Colombia will be looking to add financial service provider partners this year. Honduras is a new country for EduFinance.
- Comparatively, Peru has two large financial service partners who achieved very strong outreach in 2021, representing 90% of the child outreach achieved in the region this year.

Opportunity has partnered with the United States Agency for International Development (USAID) for over 30 years, working together to support entrepreneurs and grow businesses. USAID CATALYZE awarded Opportunity International a subcontract to launch or expand EduFinance in the Dominican Republic, Guatemala, and Haiti over the next three years. The funds will improve the quality of education in 1,100 schools serving 220,000 students from low-income households. These funds come with a matching gift requirement; gifts from supporters like you have a critical multiplier effect, enabling:

### Finding, Equipping, and Setting Up Education Finance Partners

- *Staff Training:* Capacity building of 10 new education lenders
- *Market Knowledge:* Strategic planning using market research of national, regional, local insights
- *Product Development:* Education lending products designed with market knowledge to optimize for growth and risk
- *EduFinance Portfolio Analysis:* Monthly analysis to improve portfolio
- *Credit Algorithm:* To reduce risk and improve lending decisions and loan disbursements
- *Financial Partners:* We ask the financial institutions for cost share and we agree on at least a two-year data sharing that allows us to monitor impact and optimize its portfolio.



#### Shadia, Saint Terressa Secondary School, Uganda

*“Before we had the bus I used to have to walk to school and that would take me an hour. Sometimes we missed school if it was raining when we woke up as the roads would be too slippery to walk. When I heard there was a bus coming, I was so excited. They didn’t even ask for money - they just brought it to help us for transport.*

*I have learned about saving. I have chosen to save for my fourth year in secondary school. Each day Mum gives me 1000 shillings for lunch, but I choose to spend only 500 shillings so that I can go to school next year if my Mum can’t afford to pay for it. My savings will add up. I want to be a responsible woman.”*

### Expanding Education Quality

- *Equipment:* Purchase 480 tablets and expand the capacity of school leaders and teachers at 120 new schools to improve learning outcomes
- *Network:* Organize schools into clusters of 4-12 schools to build a network of peer school leaders and teachers to share common challenges and to develop solutions and new best practices. School leaders attend quarterly highly interactive workshops with their cluster members, building group cohesion.
- *Training and Support:* Provide school leaders with financial, business management and institutional leadership skills through School Leadership Professional Development trainings

### LATEST NEWS

This month Opportunity’s EduFinance was recognized as a 2022 WISE Award winner. The WISE Awards highlight projects that have demonstrated impact in their communities and have the potential to set international standards and best practices worldwide.

***As the world continues to recover and rebound from a global pandemic and a rise in poverty, reliable and affordable education is key. Thank you for your commitment to current and future generations.***