

# Education Finance: Getting More Children into Better Schools

Spring 2023

## 2023–2025 EDUCATION FINANCE STRATEGIC GOALS

To reach **an additional 9.1 million children** with **\$421M** in education loans disbursed in **29 countries**—**getting more learners in better schools.**

## OUR GRATITUDE

Thanks to your belief in Opportunity International's work in education, 2022 was by far our fastest growth year, welcoming **51 new education market lending partners** across Africa, Asia, and Latin America. EduFinance advisors completed technical assistance projects with **over 40 financial institutions** (45% Africa; 30% Asia; 25% Latin America). Our local partners loaned out **\$58M in School Improvement Loans**—which created **over 230,000 additional school seats**—and **\$31M in School Fee Loans**. Thank you for supporting education, such a critical pathway out of extreme poverty and into sustainable livelihoods.

## THE NEED

Globally 264 million children are currently out of school; a further 353 million children who go to school don't learn basic literacy and math skills. We know that lack of access to education is a global emergency that impacts current and future generations. To end extreme poverty tomorrow, we must educate children today.

## THE SOLUTIONS

Our response is clear and active: **get more children in better schools**. Our program breaks down two obstacles to education: **access and quality**. Since Opportunity's program launched ten years ago, over 10 million children in 30 countries have gotten access to a quality education and over half a billion dollars have been invested in education.

To tackle obstacles of access and quality, we work via two different pathways:

- ▶ **Education Finance (EduFin)** work helps educators, their schools, and parents **access financial resources** to improve schools and provide school fee loans enabling all children in a family to attend school.
- ▶ **Education Quality (EduQuality)** encompasses a holistic three-year program based on a self-assessment tool. Educators diagnose the quality of the school and then create and implement school development plans. EduQuality interventions are delivered through a blended learning model that combines digital content and interactive in-person training and support.

## PROGRESS ON OUR WORK

### Education Finance

A highlight of the year was Opportunity's [2022 Global Education Finance Conference](#) which brought together 155 attendees from 37 countries including financial institutions, impact investors, development finance institutions, bilateral funders, researchers and more. The conference theme highlighted the link between the business case for education financing and the aim of United Nation's Sustainable Development Goal #4: Quality Education for All.

- ▶ **Africa:** In 2022, more than 800 schools participated in School Leadership Academies across Tanzania, [Ghana](#), Zambia, Senegal and DR Congo. A school leadership academy brings together local financial institution partners with schools to fully explain lending possibilities.
- ▶ **Guatemala and Peru:** Financial institution partner Cosami (Guatemala) visited Abaco saving and credit union (Peru) to [learn from each other](#) and compare EduFinance lending practices.
- ▶ **India:** In July 2022 we launched [new market research](#) on Technical and Vocational Education and Training in partnership with National Skill Development Corporation in Delhi, India. The goal is to make skill training accessible through affordable fee financing for students enrolled in skill training courses.
- ▶ **India and Uganda:** The EduFinance team hosted a virtual knowledge exchange to continue adding value to our financial institution partners via peer-to-peer learning opportunities.
- ▶ **Nigeria:** EduFinance partner Oikocredit recently invested \$1M in Standard Life Organization in Nigeria, a nongovernmental microfinance institution; \$500k will be dedicated to grow the EduFinance portfolio.

2022 Education Finance	
School Improvement Loans	\$58M
School Fee Loans	\$31M
Total Loans Disbursed (incl. add'l types of EduFin loans)	\$128M
Jobs Created (estimated; includes school jobs, short-term construction jobs, community jobs)	119,000
New school seats	230,000
Measurement and Evaluation Data from # Prospective EduQuality Schools	1,500
Measurement and Evaluation School Surveys from # Current EduQuality schools	3,250
New EduFinance Lenders	51



## Education Quality

2022 was the first full year back, post-pandemic, after long school closures. Although many schools had reopened in 2021, many had to close again. Uganda finally reopened in February 2022 after two full years of closures.

- ▶ **Colombia:** In 2022 in the [Colombia Opportunity Zone](#), 34 schools were a part of the EduQuality program, impacting 6,800 children living in poverty. We are developing four new technical assistance curricula.
- ▶ **Nigeria:** The EduQuality program launched in [Nigeria](#) which proved to be a great collaboration between the EduQuality and Technical Assistance teams. There is a lot of need in Lagos and elsewhere in the country. From this strong foundation we hope to expand to further areas of high need.
- ▶ **Rwanda, Kenya, Tanzania:** The team completed all **Teacher Mentor Professional Development** and **School Leadership Professional Development** trainings for Program Year 2; these countries are now beginning Year 3.
- ▶ **Uganda and DR Congo:** Nearly all of Program Year 1 trainings have been delivered; the team is eager to begin Year 2.

## Research



We published the fourth edition of “[The State of the Affordable Non-State School Sector Report](#).” The demand is clear: non-state education market share is on a path to represent over 27% of the education market by 2025. Non-state schools are limited by financing constraints. Our program is tackling the demand with data-driven solutions; we are increasing access to quality schools and sharing our learnings with peers across the globe.

Partner school leaders in EduQuality complete school assessments annually by scoring their school on 18 domains of education quality. [Analysis](#) from two years of data found 50% of schools reported improvements and a further 35% remained stable year-over-year.

Additionally, schools making “[quick win](#)” investments” in the area of School Culture—one of the 18 domains of education quality—have increased the average self-assessment scores for 50% of schools. This includes writing behavior management policies, setting clear rules and expectations for learners, collaborating with other schools, providing extracurricular activities, and even holding more frequent staff meetings. Other more challenging areas for improvement, such as the provision of an inclusive education policy, may be more difficult to achieve in the short-term.

## Growing Recognition as Global Experts in Education Finance and Quality

Andrew McCusker, head of Opportunity International Education Finance, spoke at the [World Bank Education Day](#) panel, discussing the current status of education in Eastern and Southern Africa, exploring the themes of “expand, equip, and empower” through education.

We also hosted a panel during [European Microfinance Week 2022](#). Participants included Opportunity Bank Uganda; the topic was breaking down barriers to microfinance institutions and their investors to invest profitably and get more children into better schools.

Opportunity’s Education Finance team was recognized as a [2022 WISE Award](#) winner in Doha, Qatar, along with five other global winners. The WISE Awards highlight projects that have demonstrated impact in their communities and have the potential to set international standards and best practices worldwide.

## The Heart of Our Work: Opportunity Clients



Like many women leaders in local communities where the public schools are overcrowded, too far, or not meeting needs, Professor Janet saw a need for a quality, low-cost school to serve the children in her neighborhood in Cartagena, Colombia. She started with one room; thanks to her vision, perseverance, and patience, her school now has three rooms and enrolls 50-60 children. Tuition is \$8/month. She partnered with Opportunity’s Education Quality program to improve her school, her leadership, and the children’s learning experiences including improving gender equity. When her learners were asked what qualities they want to learn in school, the responses illustrated a deep sense of family, community, dignity, and hope:

- Education
- Respect
- Responsibility
- Kindness
- Generosity
- Humility
- Tolerance
- Wisdom
- Compassion
- Harmony



*“Knowledge will bring you the opportunity to make a difference.” – Claire Fagin, Educator*