

# EDUFINANCE MARKET KNOWLEDGE: Financing the Affordable Private School Sector in DRC

The private education sector in The Democratic Republic of the Congo is expanding driven by the population growth, an increase of enrolment and the willingness of parents to provide their children with quality education. Opportunity International conducted market research to analyse the needs of affordable private schools in The Democratic Republic of the Congo. The intention of the research was to gain insight into the size and nature of the private education market in low- and middle-income areas in Kinshasa, Lubumbashi and Goma, in order to understand the problems that affect affordable private schools and to show financial solutions that are likely to best serve them.

## Estimated Market Size



**School Fee Loan**  
237mn USD



**School Improvement Loan**  
193mn USD



**School Fee Administration & Payment Services**  
7mn USD



**Teacher Loan**  
102mn USD

## School Improvement Loans (SIL)

### Profile of schools interviewed



**10**  
Years in operation



**614**  
Avg. students per school



**82 USD**  
School fees per term



**147**  
Number of schools interviewed

- Nearly all schools provide pre-primary, primary. **84%** of schools provide lower secondary and **61%** upper secondary.
- The average school fees charges were between **50** and **99 USD** per term and schools had an **average of 614 students**.
- Average **annual income estimated at USD \$8k** for pre-primary, USD \$29k for primary, USD \$15k for lower secondary and USD \$17k for upper secondary education

### Demand for School Improvement Loans



**Construction**



**Spot improvements**



**Administration & Payment Services**

Require financing



**Average of loan size requested**  
USD 19.9k



**Construction**  
USD 30k



**Spot Improvements**  
USD 9.7k

### Previous Borrowing Behaviour



**31%** had an outstanding loan or had borrowed in the past



**9.5k USD**  
Average loan size



**1 Year**  
Most common loan duration



**33%** of loans were used to build extra classrooms

### Estimated market size in study



**Construction**  
**133mn USD**



**Spot Improvements**  
**60mn USD**

# School Fee Loans (SFL)

## Profile of parents interviewed

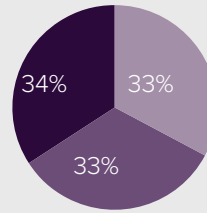


**61** Parents



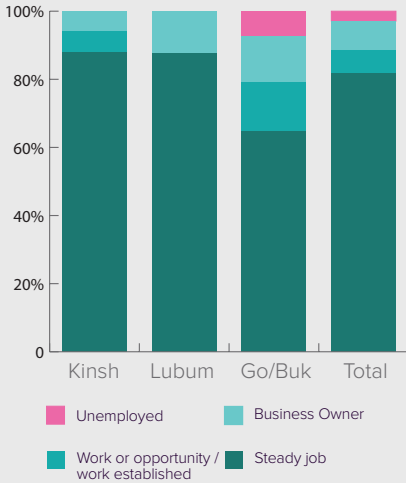
**3.5** Children in education on average

## Population Spread

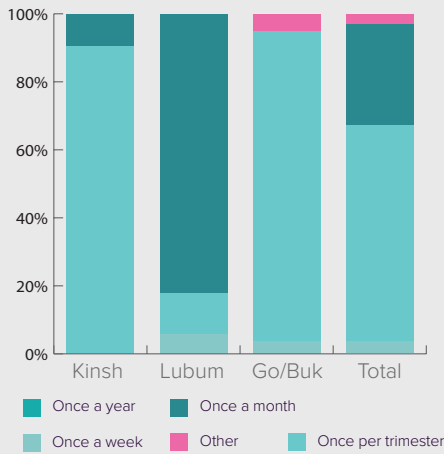


- Kinshasa
- Lubumbashi
- Goma/Bukavu

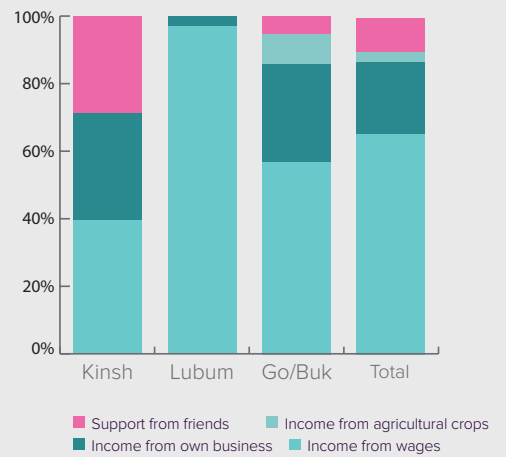
## Type of employment



## School fee payment pattern



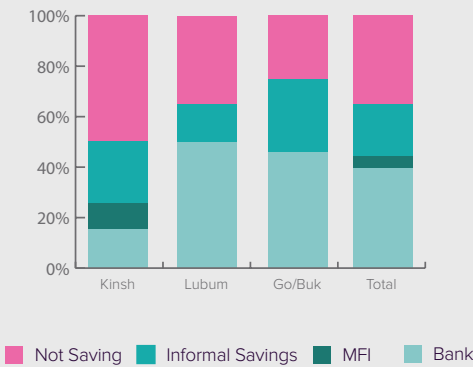
## School fees - Source of funding



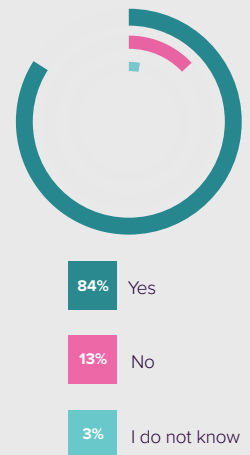
## Profile of parents that send their children to low- and medium-cost private schools

- The majority of parents described their **income as stable** with 78% in formal employment and 10% as business owners.
- 75% reported stable income** but experienced some variations **during January and December**.
- Families typically had around **3.5 children in education** and spent an **average of USD \$720** on their children's education per year.
- 90% of parents paid their school fees termly** in Kinshasa and **85% of parents paid their school fees monthly** in Goma.

## School Fees – Savings behaviour



## Interest in School Fees Loan



## Estimated market size in study



The estimated market size for School Fee Loans is

**237mn**  
(USD)

## Recommendations

- School improvement loan:**
  - » Investment in infrastructure (construction, renovation)
  - » Investment in equipment or purchase of school materials
  - » Creation of boarding school, canteen or implementation of means of transport to secure the path of students to school
  - » Fee collection management system
  - » Assistance or training in financial management
- School Fees Loan:**
  - » Advance payment of tuition fees disbursed by the FI and loan to reimburse with repayment frequency based on income
  - » Savings products with adapted services allowing specific management in order to pay tuition fees
  - » Assistance or training to ensure a better understanding of the school fees for enrolling one of their children