

EDUFINANCE MARKET KNOWLEDGE:

Financing The Affordable Private School Sector In Rwanda

The private education sector in Rwanda is slowly expanding driven by government initiatives and the inability of the public education sector to satisfy the needs of families who are increasingly aware of the quality of education on offer. Opportunity International conducted market research to analyse the needs of affordable private schools in Rwanda. 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 Kigali, in the Northern and Southern province, 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
RWF 21bn



School Improvement Loan
RWF 40bn



School Fee Administration & Payment Services
RWF 860m

Demand for School Improvement Loans

Profile of schools interviewed



2-20
Years in operation



469
Avg. students per school



RWF 85K
School fees per term (USD 96)

Interest in school improvement loans



70%
Interest in expanding facilities



60%
Need a loan

Average budget



Construction
RWF 34mn
(USD 38K)



Spot Improvements
RWF 10mn
(USD 11K)



Fixed Assets
RWF 24mn
(USD 27k)

Intended loan purposes



Extra rooms



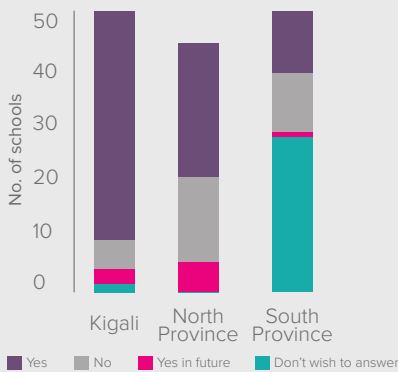
Plastering



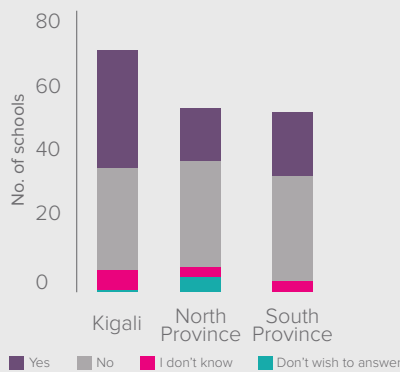
Equipment and furniture

54% of school proprietors interviewed would take a loan to solve their cash flow problems

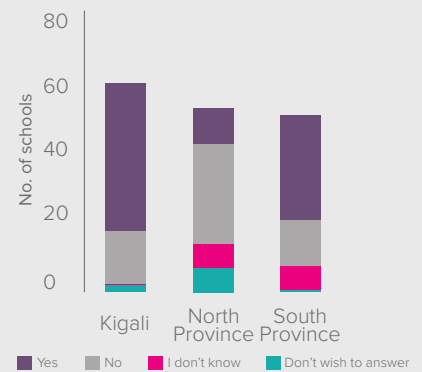
Interest in expanding facilities



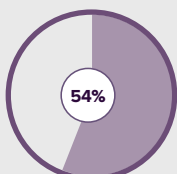
Interest spot-improvements



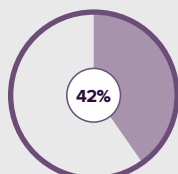
Interest for fixed assets



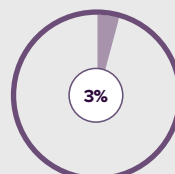
Working capital - financing



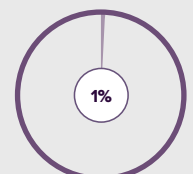
I would take a loan



I would not take a loan



I don't have cash flow problems



I don't want to answer this

Demand for School Fee Loans

Profile of parents interviewed



149

Parents



2

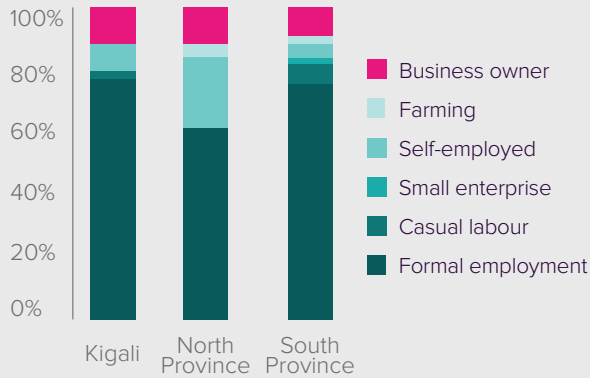
Children in education on average



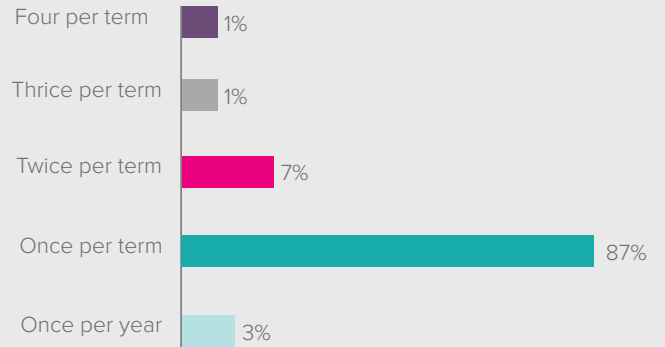
Population spread

- 36%** - Kigali
- 33%** - Northern Province
- 31%** - Southern Province

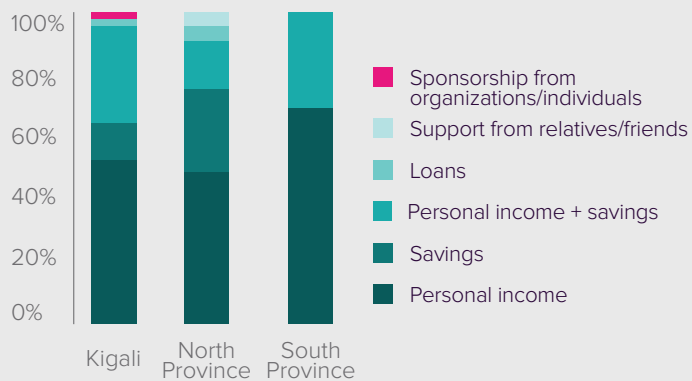
Type of employment



School fee payment pattern



School Fees - Source of funding

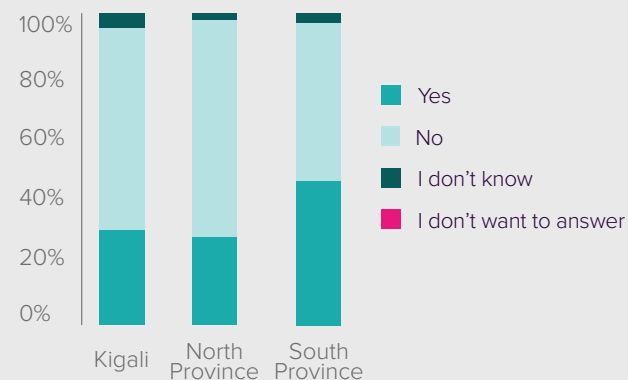


15%
of parents already borrowed with the purpose to finance education



34%
Declared being interested in receiving a loan to support education for their children

Interest in School Fees Loan



Average of loan size requested
RWF 1mn (USD 1K)



48% of the money saved by parents goes to banks/MFIs



42% of savings are through informal mechanism