

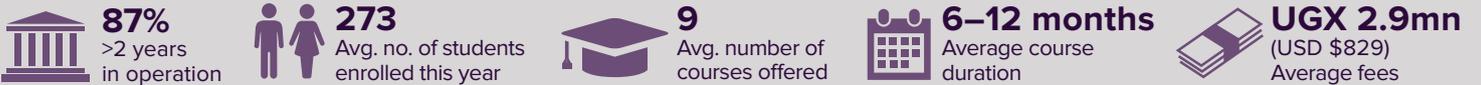
# EDUFINANCE MARKET KNOWLEDGE: Financing the Affordable TVET Sector in Uganda

The public sector has not been able to provide enough employment to Uganda's youth population. As a result, the private provision of vocational education to supply job-ready skills in Uganda has grown significantly in recent years and is expected to continue to grow. The major contributors to Uganda's GDP are three main sectors: services, industry and agriculture. Providing capital to the high growth sectors represents a significant business and employment opportunity.

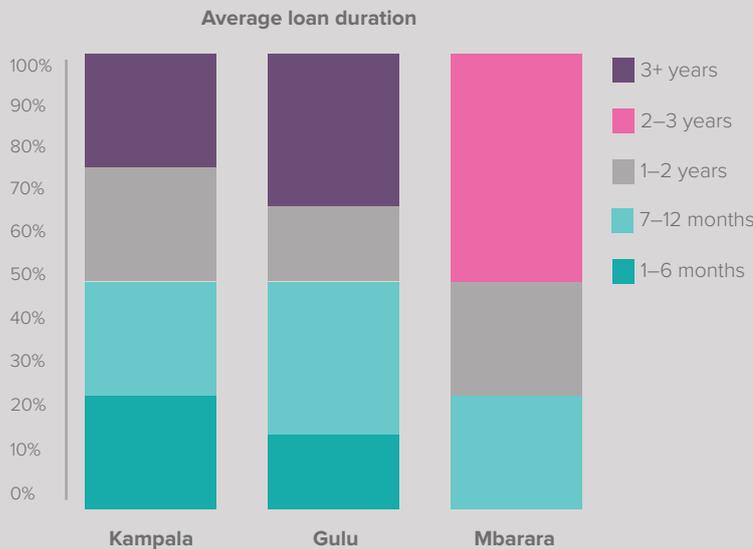
Opportunity International conducted market research to analyse the Technical Vocational Education and Training (TVET) system in Kampala, Gulu and Mbarara. The central purpose of the research is to gain insight into the size and nature of the private vocational education market providing skills for the high-demand sectors; to understand the challenges that affect TVET centres, parents and students, and to suggest financial solutions that are likely to best serve these potential clients.

## TVET Institutions

### Profile



### Previous Borrowing Behaviour



### Demand for TVET Loans



### Average Budget Required



### Estimated Total Market Size



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## Parents

### Profile



**43**  
Average age of parents



**81%**  
Formally employed or business owners



**UGX 1.3mn**  
(USD \$371)  
Avg. monthly income



**UGX 226k**  
(USD \$65)  
Avg. monthly surplus

### Borrowing Behaviour



48% of parents are willing to borrow to pay TVET fees



Current loan size **needed**



41% of parents would also like to borrow for books, exams, rent etc.



88% would like a **127 day** grace period



81% of parents would like to repay monthly and have a loan duration of **2 years or less**

### Fees

The average annual fees are **UGX 2.4mn** (USD \$686).



84% are **currently saving** for TVET fees



61% **would be willing to** currently save through an MFI

### Estimated market size



The estimated market size for loans to parents is

**UGX 100bn**  
(USD \$29mn)

## Students

### Profile



**24**  
Avg. age of students



**28%**  
of students are employed



**49%**  
Would like to start their own business



**UGX 462k**  
(USD \$132)  
Avg. monthly pay



**61%**  
of students are paid monthly. **28% daily**

### Borrowing Behaviour



52% of students are willing to borrow to pay TVET fees



Average loan size needed



70% would like to repay monthly



91% would like a grace period of **89 days**

### Fees

The average fees per course are: **UGX 1.5mn** (USD \$429).

Books and exams are: **UGX 267k** (USD \$76).



### Estimated market size



The estimated market size for loans to students is

**UGX 187bn**  
(USD \$53mn)