

# EDUFINANCE MARKET KNOWLEDGE: Financing The Affordable Private School Sector In Uganda

Following the implementation of the liberalisation of Education sector in 1993, Ugandan government systematically reduced its role in providing education services while encouraging private investors to fill the gap. Opportunity International conducted market research to analyse the needs of affordable private schools in Uganda. 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 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**  
USD 398mn



**School Improvement Loan**  
USD 336mn

## Demand for School Improvement Loans

### Profile of schools interviewed



**> 5**  
Years in operation



**400**  
Avg. students per school



**195 USD**  
Annual school fees

### Average budget



**84%** of the school proprietors expressed interest borrow



**65%** Never borrowed



**Construction**  
USD 30K



**Spot Improvements**  
USD 7K



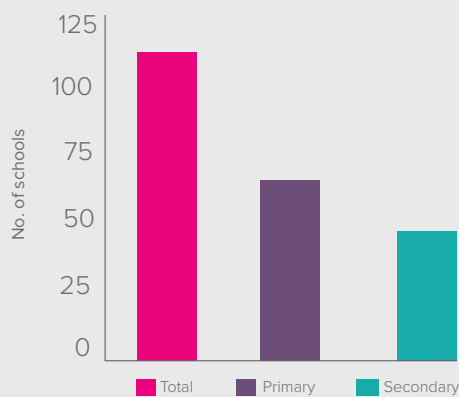
**Fixed Assets**  
USD 27k



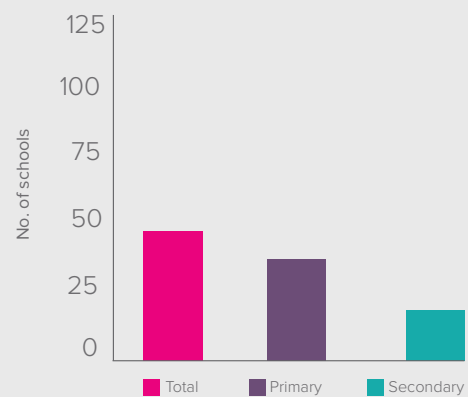
**Working Capital**  
USD 12k

## Willingness to borrow

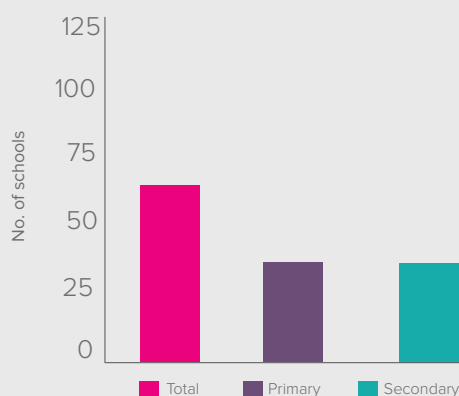
### School improvement loan for expansion



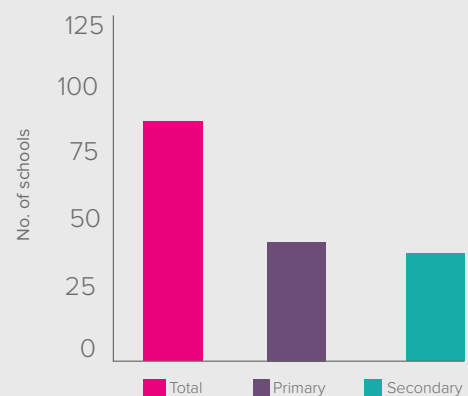
### Spot Improvement



### Fixed Assets



### Working Capital



## Demand for School Fee Loans

### Profile of parents interviewed



**160**

Parents – **51% Male & 49% Female**



**USD 160**

Is the average monthly income



**3**

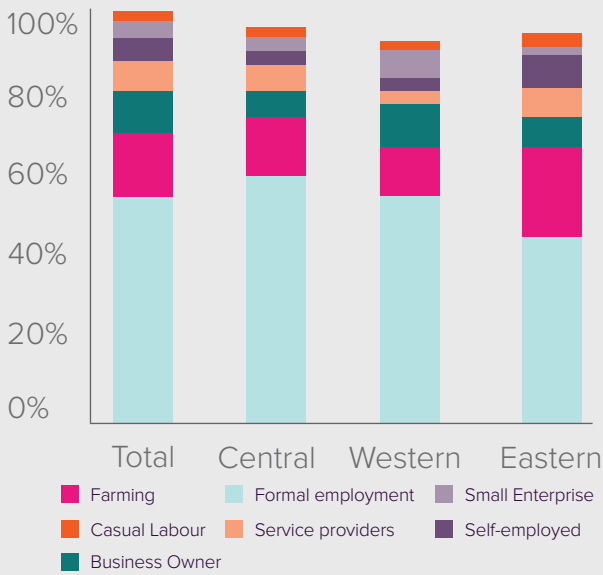
School age children per family



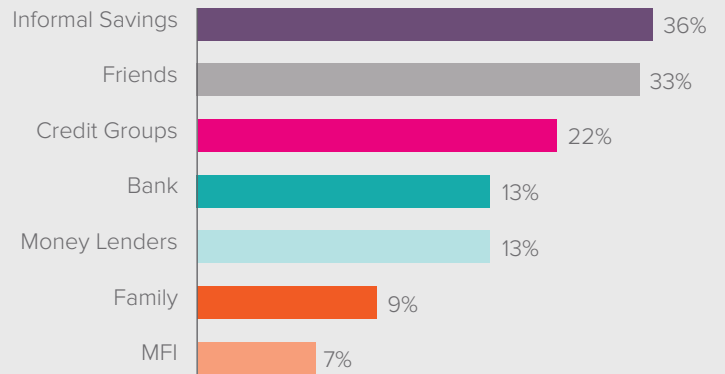
**USD 80**

Is the average spend towards education

### Type of employment



### Sources of funds for school fees in the past

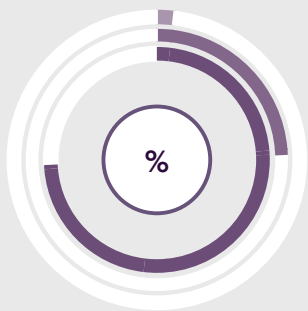


### Average of loan size requested

(on 8 months duration)

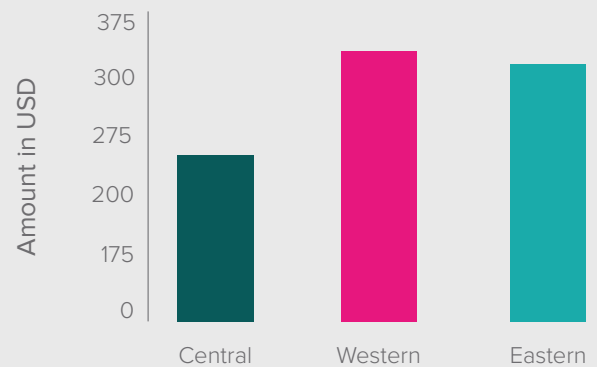
**USD 298**

### Willingness to borrow



- 72%** - Yes
- 24%** - No
- 4%** - I don't know

### Average loan size per region



**44%**

considered borrowing to finance school fees payment