

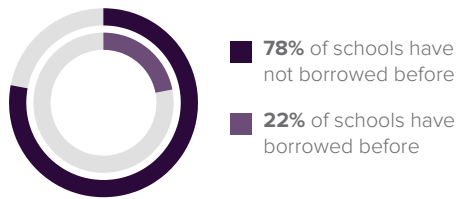
The following report contains research on the Zambian EduFinance market and has been conducted on behalf of Opportunity EduFinance and the technical assistance facility of the Regional Education Finance Facility for Africa (REFFA). The central research question was to gain insight into the size and nature of the private education market in low- and middle-income areas, to understand the challenges that affect schools and parents, and to point towards financial solutions that are likely to best serve these potential clients.

School Improvement Loans (SIL)

Profile of schools interviewed



Previous borrowing behaviour



Loan reasons: Staff/office facilities; WASH facilities; Sports facilities; Construction of school hall; Purchase of school uniforms



Average loan size borrowed



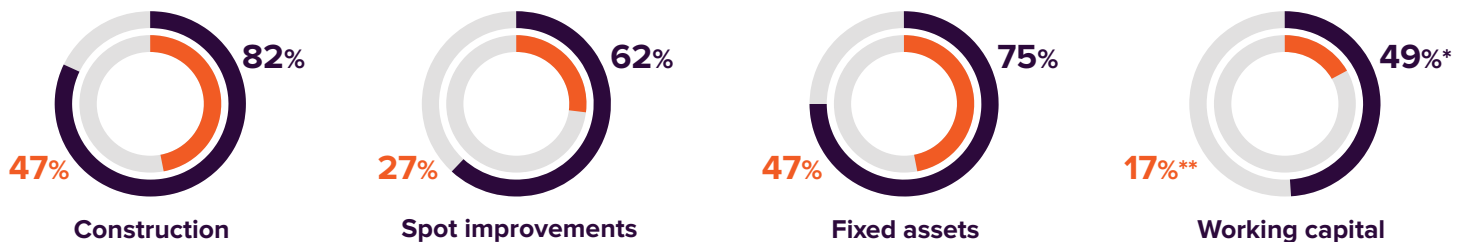
58% had a tenor of 6 months – 2 years



Majority of borrowers given no grace period

Demand for School Improvement Loans

Interested Require financing



*49% experience cash flow challenges; **17% would take a loan to smooth out cash flows

Purpose, size, and duration of loan



Construction
ZMW 242k
2–3 years



Spot improvements
ZMW 82k
1–2 years



Fixed assets
ZMW 174k
1–2 years



Working capital
ZMW 140k
6–12 months

Estimated market size



The estimated potential market for School Improvement Loans is:

ZMW 197mn
(USD \$11mn)

School Improvement Loan **ZMW 93mn** (USD \$5mn)
Construction:

School Improvement Loan **ZMW 18mn** (USD \$1mn)
Spot Improvements:

School Improvement Loan **ZMW 63mn** (USD \$3mn)
Fixed Assets:

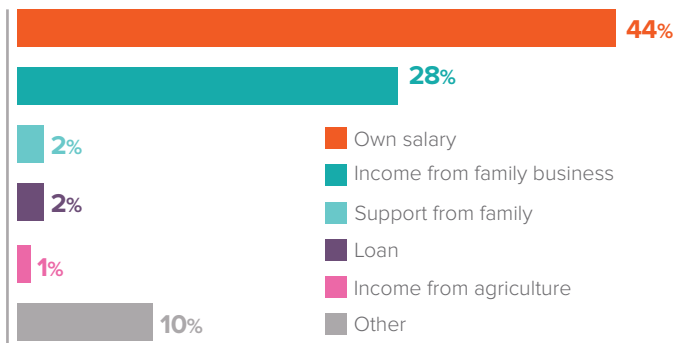
School Improvement Loan **ZMW 19mn** (USD \$1mn)
Working Capital:

School Fee Loans (SFL)

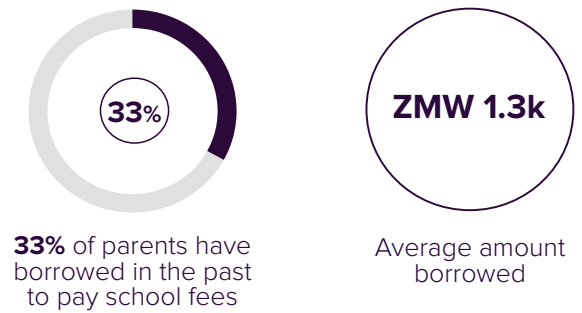
Profile of parents interviewed



Source of funding for school fees



Previous borrowing behaviour



Interest in School Fee Loans



Estimated market size

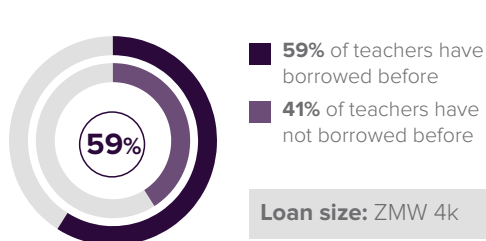


Teacher Loans

Profile of teachers interviewed



Previous borrowing behaviour



Demand for Teacher Loans



Estimated market size

