

THE AFFORDABLE PRIVATE SCHOOL SECTOR FINANCING OPPORTUNITIES IN NICARAGUA

FINANCING THE AFFORDABLE PRIVATE SCHOOL SECTOR: SCHOOL IMPROVEMENT LOANS

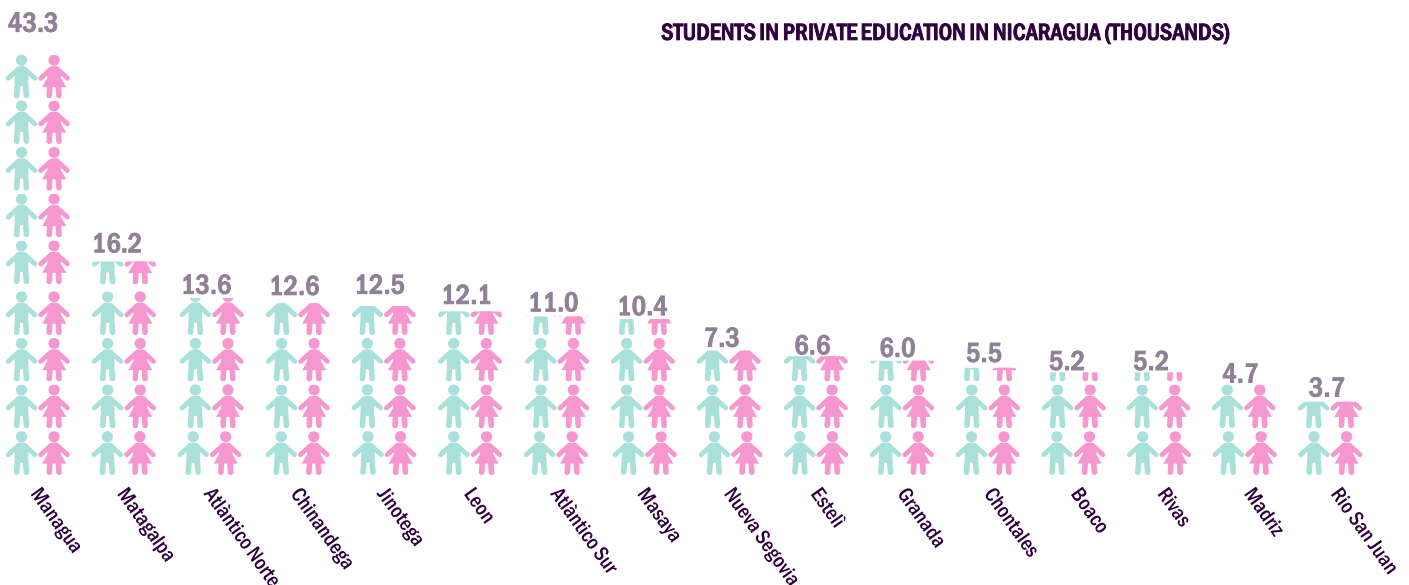
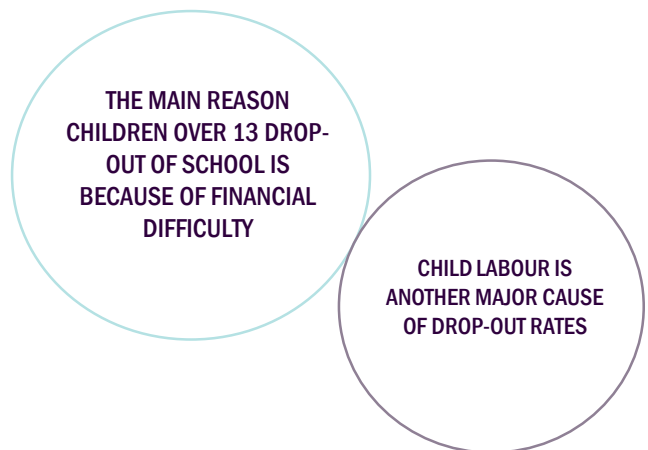
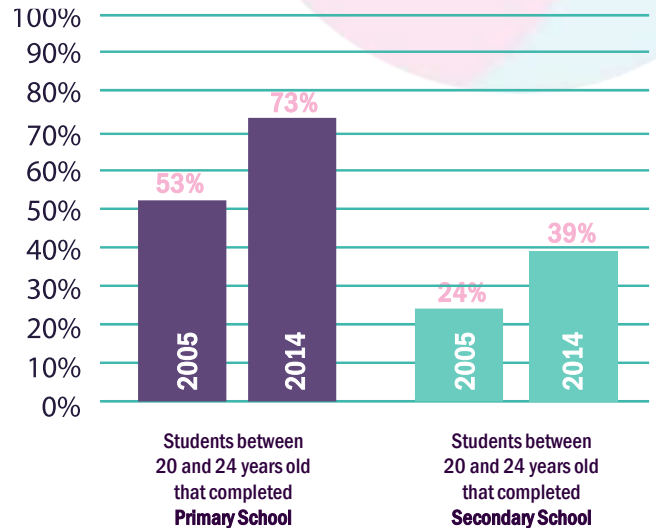
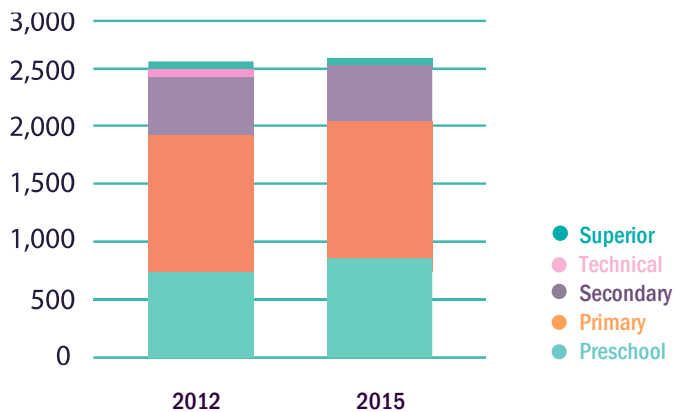
Nicaragua is one of the lowest income countries in Latin America with a per capita gross national income of US\$ 1,800.

The public **education system** in Nicaragua has five subsystems. The largest is the school subsystem that includes preschool, elementary and high school, with about 1.5 million students and 50,000 teachers.

Nicaragua suffers from high repetition and dropout rates. One of the main reasons why children aged 6 to 18 drop out of school are **financial limitations**.

PRIVATE SCHOOL PENETRATION

In 2015, there were 2,575 private schools and preschools, representing **12%** of all educational institutions.



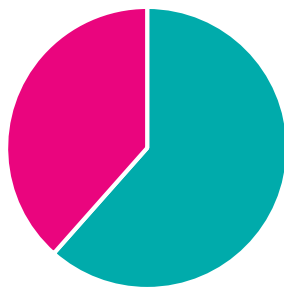
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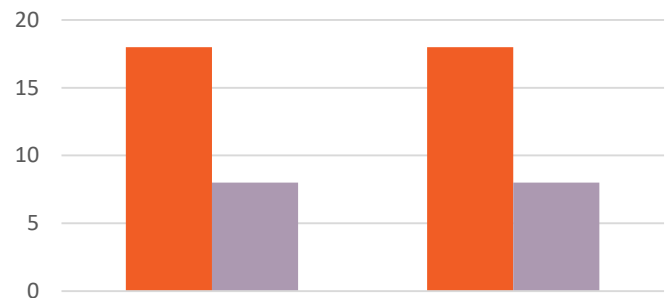
MARKET OVERVIEW

There is consistency between the credit needs declared / estimated by the schools and the estimated possible credit, taking into account the quota that they declared to be able to pay, an interest rate of 3% per month and a term of three years

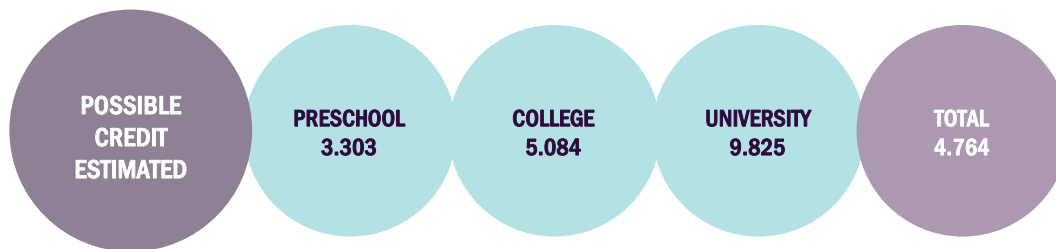
62% of schools have had previous access to credit



■ Yes ■ No



■ Yes ■ No



Factors in common

Most of the Educational Centers surveyed increased their student membership in the last three years in the order of 10 to 15%, being their main challenges:

KEEP THE RHYTHM OF GROWTH AND IMPROVE THE INFRASTRUCTURE

IN SEVERAL CASES IT IS URGENT TO CONDITION THE AREAS OF SANITARY SERVICES THAT ARE DETERIORATED OR DO NOT HAVE HELTHY WATER SUPPLY TOILET

ABSENCE OR OBSOLESCENCE OF COMPUTER EQUIPMENT FOR THE TEACHING OF UTILITY PACKAGES OF COMMON USE ON THE LABOR MARKET

MAIN CONCERNS OF CHANGE THAT THE SCHOOLS FACE

Have adequate physical facilities for the development of educational processes

Have qualified teachers to care for preschool children

Parent's payment capacity

Teachers rotation

High costs of education in general

Investment in facilities

Sources of financing for education

SUGGEST ON HOW THE EDUFINANCE PRODUCT CAN BE DELIVERED TO MORE SCHOOLS

Specialized analysis of loans to schools and good marketing and advertising strategy

Direct and specialized liaison in education and financial services with parents and school principals

Provide clear information about financing conditions

A good study of condition terms and financing rate amounts

Establish a link between the institution recognizing the quality of service and the transparency of its work