



EDUCATION IS KEY TO ENDING POVERTY:

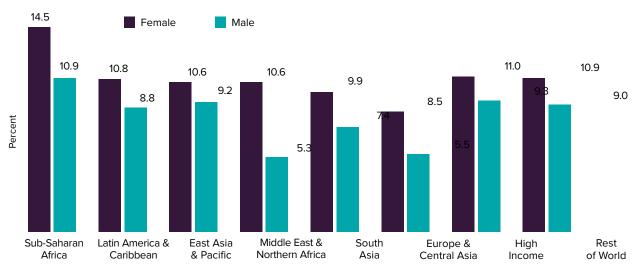
Education is a child's greatest opportunity to end the generational cycle of poverty.

For a child living in poverty, the more time she spends learning in a classroom, the greater her chances of success are in every facet of her life.

- ▶ Her future wages will increase up to 19% if she completed primary school, and her wages will double if she completes secondary school.
- Additionally, every \$1 invested in an additional year of schooling yields \$10 in benefits for low-income communities.
- If all students in low-income countries left school with basic reading skills, 171 million people could be lifted out of poverty, which would be equivalent to a 12% cut in world poverty.

More Schooling Leads to Higher Wages – Especially In Africa and for Girls

Wage Growth Associated with an Additional Year of School



Source: World Development Report (2018)





7 out of 10 children

around the world are not learning.



244 million children and youth

never started school or already dropped out.



361 million children and youth

go to school but aren't learning.



92% learning poverty

In 2022, the rate of learning poverty – unable to read and understand a simple text by age 10 – in **low-income countries** was predicted to reach **92**% compared to **14**% in high-income countries.



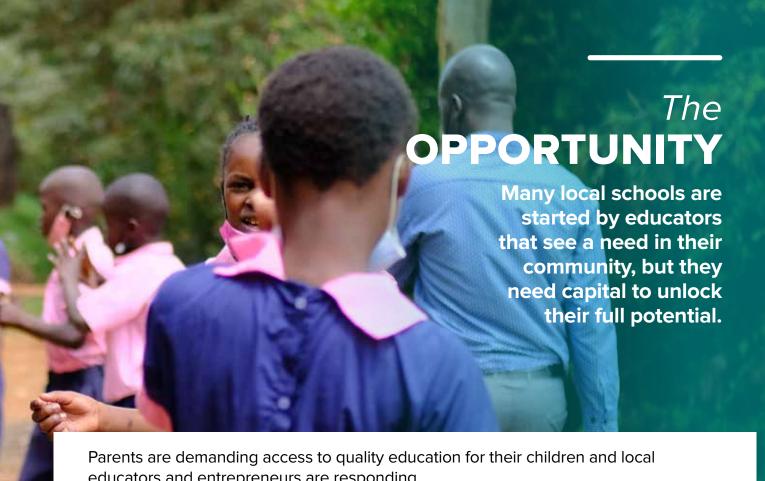
67 million out-of-school primary-age children

Of the **67** million out-of-school primary-age children in the world, more than half (36mn) live in sub-Saharan Africa.



8 out of 10 students

In South Asia, **8 out of 10 students** will not meet minimum proficiency standards.



educators and entrepreneurs are responding.



1 in 4 schools globally are non-state

As of 2020, non-state schools comprised more than 1 in 4 schools globally - the majority which are owned and operated by local entrepreneurs in the community.



US\$15 per month fees

On average, these local schools charge less than US\$15 per month in fees to serve low-income families.



3 in 4 partner schools are low-cost

Currently, 3 in 4 EduFinance partner schools charge fees that are affordable to a low-income family.

Global trends show that enrolment at non-state schools is steadily growing. If these trends continue, we expect non-state schools to grow to 27% of the low- and middle-income global school sector by 2025, and yet this growth will still mean 56 million seats needed for children are missing.

Filling this gap requires a catalytic solution — a solution that builds local market capacity to equip entrepreneurial educators to grow and invest in their own quality, affordable schools to give children the best possible education.

56 million new seats in

non-state schools are needed to meet demand through 2025



Who is OPPORTUNITY EDUFINANCE?

Opportunity International EduFinance is a global non-profit organization that partners with financial institutions around the world to help them develop, launch and grow sustainable education lending portfolios, primarily focusing on two flagship products: School Improvement Loans and School Fee Loans. The EduQuality Program at Opportunity EduFinance offers school borrowers capacity building and training to run sustainable, quality schools.

OPPORTUNITY EDUFINANCE INVESTS IN ACCESS TO QUALITY EDUCATION

Opportunity EduFinance partners with financial institutions to mobilize capital to school owners & parents, and boosts the capacity of school leaders & teachers.

FINANCIAL INSTITUTIONS INVEST IN SCHOOLS AND PARENTS

Financial institutions provide essential education financing through school improvement loans and school fee loans.

IN LESSONS

Teachers actively engage learners and provide quality instruction that drives learning.

TEACHERS DEVELOP THEIR SKILLS

Teacher mentors provide ongoing lesson observations and feedback to teachers to continue developing their skills.



SCHOOL OWNERS INVEST IN ACCESS & QUALITY

School owners invest in more seats and education quality improvements at their schools.

PARENTS INVEST IN THEIR CHILDREN

Parents access school fee loans to invest in all of their children's education.

SCHOOL LEADERS MANAGE SUSTAINABLE, QUALITY SCHOOLS

School leaders have the financial, business management and instructional leadership skills necessary to manage high performing schools.

The OPPORTUNITY EDUFINANCE MODEL

- How it works

Opportunity EduFinance addresses both the capital needs of school owners and parents, while also deepening the skills and competencies of local school leaders and teachers—all within a sustainable, low-cost framework that can be replicated worldwide.



- ▶ Edufinance Technical Assistance Facility
- ► Investment Capital

CHALLENGES

School owners lack capital to grow and improve their affordable non-state schools, limiting their ability to build new classrooms, add seats, hire new teachers, or purchase ICT.

Parents struggle to afford the up-front costs of uniforms, fees, shoes, and supplies for all their children due to irregular, unpredictable, or seasonal income, which lead many to face the impossible choice of sending just one, or none, of their children to school when money is tight.



SOLUTIONS

School Improvement Loans provide school owners with capital to meet their unique needs, including building new facilities to accommodate more students, and making infrastructure improvements to enhance school quality.

School Fee Loans provide parents with extra capital so they can send their children to school with risk of being sent home or without sacrificing other needs like food, healthcare, or growing their small business.



2

Improve the Quality of Education

▶ Education Quality Program

CHALLENGES

School owners often operate independently without access to a network of peers to share best practices, leaving many to tackle the challenges of running a local, affordable school on their own.

School leaders struggle to identify the best steps to take to achieve their vision for a quality school, and often must make choices on how to invest in their schools with limited resources and limited knowledge of education best practices.

School leaders have a variety of backgrounds, and often lack all the skill sets necessary to run a sustainable, growing quality school, or access to the training necessary to build their capacity in key areas.

Teachers in non-state schools may have limited access to professional development offered to teachers in state schools. Teachers may also have limited training, which impacts their ability to use best practices in the classroom to help children learn effectively.

SOLUTIONS

Network of School Clusters formed through EduQuality to bring together small groups of educators from different schools, who meet regularly to share challenges and best practices, attend professional development training together, and collaborate on areas for school development planning.

The Pathways to Excellence guide offers a customizable road map to help school leaders assess their school's level of quality across 18 domains and then develop and implement a step-by-step school development plan to target areas for improvement based on their key priorities.

School Leadership Professional Development

workshops are designed to build the capacity of school leaders by offering practical, hands-on training focused on critical skills for running a school, including business and financial management and instructional leadership.

Teacher Mentor Professional Development

trainings engage teachers at their level and helps them build up their skills in the areas of learner engagement, teaching and learning, and literacy. Teacher mentors also receive training on delivering effective professional development, observing classroom instruction, and coaching their peer teachers.

OPPORTUNITY EDUFINANCE

Global Outreach & Impact

December 2022























as of January 2023



11.4mn **MORE CHILDREN**

are accessing a quality education



30 COUNTRIES

benefit from our EduFinance program



143 FINANCIAL INSTITUTIONS

have benefitted from our expertise



US\$600mn

invested into the education sector



2,000 SCHOOLS

benefit from our EduQuality program







Evidence of IMPROVED ACCESS to QUALITY EDUCATION

Schools with access to loans invest to grow their schools

School owners most commonly borrow from local financial institutions to invest in growing their schools and upgrading school facilities. Most school improvement loans are used to finance:

- new construction for additional classrooms adding more seats for students (94%)
- new dormitories (24%)
- construction and upgrading washrooms (22%) a proven method for keeping girls in school and students healthier

Schools are taking action to improve their quality

- 50% of schools in EduQuality show improvement in selfassessment education quality, covering all three key areas: School Culture, School Management, and Teaching & Learning
- Schools are using their school development plans to improve quality, as data shows domains selected for plans are more likely to improve in quality over the year

Parents using school fee loans decrease absenteeism

 Households borrowing school fee loans report lower student absenteeism rates than households that did not borrow





3-Year VISION for GROWTH



Accelerate Investments in Underfunded Education Systems

Objective 1

Opportunity is working with financial institutions in low- and middle-income countries to help launch or grow education loan portfolios, accelerating investments in local education using Opportunity's School Improvement Loans and School Fee Loans as core lending products.

Goals 2023-2025

- 1. Expand to **163 financial institutions**
- Grow the active lending portfolio to serve more than 20,000 school owners and 100,000 parents
- 3. Impact more than **19.3 million children** in total (cumulative) through lending
- 4. Integrate **gender aware lending** guidance into technical assistance delivery



Build School Capacity to provide **Quality Education** for all

Objective 2

Through its EduQuality program, EduFinance is working with leaders of affordable non-state schools to help them effectively improve both the conditions for learning and the financial sustainability of their schools.

Goals 2023-2025

- Expand to reach more than 3,050 schools through EduQuality
- 2. Demonstrate improved school quality in at least **1,000 schools**
- Develop and launch a targeted EduQuality program focused on early childhood care and education
- 4. Integrate **gender mainstreaming** into training curriculum for leaders and teachers

Increase Knowledge Leadership in Education Finance

Objective 3

EduFinance is committed to global collaboration and sharing its learnings with the broader industry to accelerate investment in a private sector solution.

Goals 2023-2025

- Hold 2 Global Education Finance Conferences
- 2. Present at >25+ industry conferences
- 3. Publish and widely disseminate on the effectiveness of the EduFinance model

The **Impact**

Today, the demand for quality schools represents one of the biggest unmet market opportunities in the world. Over the next three years, Opportunity EduFinance will continue scaling its work, reaching new financial institution partners and educators around the world to cumulatively impact 19.3 million children by the end of 2025.

EduFinance 3-Year Goals

| | 2022 (Base) | 2023 | 2024 | 2025 |
|---|-------------|---------|---------|---------|
| Cumulative number of children impacted | 10.7mn | 13.2mn | 16.1mn | 19.3mn |
| Number of financial institutions providing EduFinance loans | 130 | 136 | 143 | 163 |
| Number of schools benefiting from Education Quality | 2,011 | 2,845 | 2,965 | 3,085 |
| Number of schools reporting improvements in school quality | 1,006 | 1,423 | 1,631 | 1,851 |
| Number of countries reached | 30 | 30 | 30 | 30 |
| Number of school leaders using active School Improvement Loans | 14,985 | 16,285 | 18,227 | 20,198 |
| Value of investments into the education sector | \$100mn | \$115mn | \$133mn | \$145mn |



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