WHAT DO YOU WANT TO BE WHEN YOU GROW UP?

It’s a common question we ask our children as they grow and develop. It’s what my own parents asked me as I started school as a kid. It’s one of the first questions that dared me to dream, that allowed me to imagine a future full of possibilities and choices. What I didn’t realize back then, however, was how many children around the world never get that chance.

Today, a girl born in Uganda is four times more likely to have her first child than a high school diploma before reaching adulthood.1 For her, the future is not full of hope, but of worry and uncertainty. Around her, she’ll see families struggle to make ends meet, and the few schools she could attend will not be equipped to teach her.

Facing this crisis, I want to pose another question: What if we could reverse these statistics?

Research tells us that giving a child in a developing country the opportunity to get a good education will change everything about her future. She will be healthier and live longer; she will have fewer children and later in life; she will gain more decision-making power over who her spouse is, and her role in her household. Additionally, she will earn more income to provide for her future children, who will be healthier, more educated, and more likely to succeed in life. The outcomes are evident:

Education reduces poverty.

Education unlocks potential.

Education transforms lives.

Globally, solving the education crisis remains a priority for many governments, bilateral agencies, foundations, and NGOs. Despite these efforts, 617 million children and youth around the world aren’t learning, including 263 million who do not attend school at all.3,4 Given the current pace of progress, many of us won’t see the education crisis resolved in our lifetime—not without a catalytic solution.

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*Lawrence Lugoloobi established Naggalama Junior School in Uganda (from front cover) in 2003 to improve educational standards in his community. Over the years, Lawrence has made dozens of improvements and expansions, including investing several Opportunity School Improvement Loans to build new classrooms and purchase computers. As a result, his enrollment has grown from 54 students in 2003 to now more than 550. Today, Lawrence says fewer girls are dropping out due to the higher quality facilities at his school, and due to the trainings he and his staff have received from Opportunity.

“I’ve seen their behavior change. Girls are more confident and empowered. They feel they should have a right to stay in school.”

*Next page*
The goal of Opportunity International’s EduFinance initiative is to help accelerate an end to the global education crisis. Opportunity’s approach helps more kids go to school and stay in school, while systemically improving the quality of education schools provide.

This work, we believe, is accomplished much faster and more effectively by investing in local parents and educators who, impatient with waiting for their local public schools to improve, build their own affordable private schools to provide the quality education they envision for their children.

With Opportunity’s education loans, parents can afford to send all their children to school when fees and other expenses are due, and school leaders can access capital to invest in urgent improvements, such as building a new classroom or bathroom, or hiring new teachers.

With Opportunity’s education quality trainings and assessments, clusters of local educators are collaborating and learning how to improve curricula, teaching standards, and learning outcomes for their students.

The importance of this approach is that it is both sustainable and replicable. By mobilizing local resources, Opportunity is equipping local educators and parents to be the ones to drive sustainable, positive change in their schools and effectively improve the quality of education for their children. And as loans are repaid—and 98% are—more educators and parents can help more kids go to school, year after year. To date, this work has helped transform the futures of more than 4 million children worldwide.

Everywhere, parents want to give their children a good education, and educators are stepping up to fill the gaps left by public school systems. Access to capital, blended with trainings and localized support, provides the catalyst for affordable private schools to rapidly expand and improve—and continue expanding and improving, long after Opportunity’s first intervention.

For me, solving the global education crisis doesn’t have to be theoretical. I’ve seen parents and educators around the world already doing it—and doing it faster and better than I could have ever imagined. Instead, it’s simply a matter of how soon. How soon can we make sure all children—regardless of where they are born—have the opportunity to gain a quality education?

I have just one last question for you: Will you join us?

Andrew McCusker
Head of Opportunity EduFinance

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CHALLENGES & OPPORTUNITIES

Education is a child’s greatest tool in ending the generational cycle of poverty. Yet today, six out of ten—a total of 617 million—children around the world are not learning the basic skills they need to build a good future for themselves and their families.

617 Million Missed Opportunities

For children in developing regions, access to schools—good schools in particular—is all too scarce. Parents, with limited income, are unable to cover educational expenses for uniforms, fees, and lunches for all their children. Schools with limited funding are unable to build adequate facilities, hire new teachers, or offer transportation for rural students, many of whom must walk miles each day to attend school.

Due to these overwhelming obstacles, 617 million children and adolescents around the world aren’t learning basic skills like reading and writing. This includes 263 million children and youth who never started school or already dropped out, and an additional 354 million who do go to school, but aren’t learning.5

- Of all the out-of-school primary-age children in the world, half live in sub-Saharan Africa.1
- 9 out of 10 children and youth in sub-Saharan Africa will not achieve minimum proficiency levels in literacy and numeracy, accounting for one-third of all students in the world who aren’t learning.7
- In Central and Southern Asia, 8 out of 10 students will not meet minimum proficiency standards.2
- Across Africa, public secondary schools can accommodate only 36% of qualifying secondary students.8
- Only half of grade five students in rural India could fluently read text at grade two level curriculum, which include sentences [in local language] such as “It was the month of rains.”10
- 4 out of 5 grade two students in Ghana and Malawi were unable to read a single familiar word such as “the” or “cat”.11
- Despite sizable gains in education quality in Indonesia, the country still won’t reach global averages in mathematics for another 48 years; in reading, 73 years.12
- For primary-age children living in developing countries, 91% will not achieve minimum standards in reading and 87% in math. In developed countries, the rates are 5% and 8% respectively.9
Education is Key for Ending 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 increase up to 20% for every additional year of primary school.\(^{14}\)
- Each year of education adds 0.6 years to her life expectancy.\(^{16}\)
- Her children will be 50% more likely to live past age five, and much more likely to receive a good education.\(^{8}\)
- She becomes far less likely to suffer from ill-health. In fact, if all girls completed primary education, maternal mortality would be reduced by two-thirds globally.\(^{17}\)
- She will gain more decision-making power in choosing her future spouse, and more empowerment within her household to advocate on behalf of herself and her future children, when she has them later in life.\(^{8}\)
- Additionally, every $1 invested in an additional year of schooling yields $10 in benefits for low-income communities.\(^{18}\)

Education Promotes Global Equity and Security

Well-educated citizens are essential in promoting inclusive economic growth, gender equality, and peace and security within developing countries:

- 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.\(^{19}\)
- For developing countries, increasing primary enrollment rates from 50% to 100% leads to an 8% increase in the share of income going to households in the poorest decile.\(^{20}\)
- Across 18 sub-Saharan African countries, those of voting age with primary education are 1.5 times more likely to express support for democracy than those with no education.\(^{21}\)
- Greater education leads to universal declines in gender wage gaps. In Ghana alone, the gender wage gap shrinks from 57% for women without education to 16% for women with a secondary school education.\(^{22}\)

“I want to be a nurse. I want to save people’s lives. Education is important for me so I can learn about everything in the world.”
- Wilfred, Uganda

Why Affordable Private Schools?

Despite the importance of education, the world isn’t likely to achieve universal access to education for all children and youth until the end of the 21st century.\(^{23}\) Even then, learning outcomes will be decades behind those of students from developed regions of the world.

Accelerating this progress requires a catalytic solution—a solution that builds local market capacity to equip entrepreneurial parents to build and grow their own quality, affordable private schools to give children of this generation the best possible education.

Affordable private schools are operated as businesses by local entrepreneurs and help play an important role by providing quality education in underserved communities, often where the public sector has not kept pace with population growth.\(^{24,25}\)

On average, these schools charge less than $30 per month in fees to serve low income families in their communities. A 2017 Opportunity survey in Africa found that parents who send their children to an affordable private school are low-income and self-employed, and themselves received very little education.\(^{26}\) Regardless of education levels, parents are conscious consumers and prone to move their children to new schools if they perceive the quality of education to be better.

This is reflected in the global trends that show attendance at affordable private schools in developing communities is steadily growing. As of 2016, 15% of primary-age students and 19% of secondary-age students across low-income countries attended affordable private schools, accounting for 228 million children worldwide. The sector is likely to grow by another 48 million more students by 2023.\(^{27}\) Mobilizing local capital to meet the growing demand from school owners and parents will help accelerate the growth of the affordable private school sector, providing millions more children of this generation with quality education opportunities.

The Critical Importance of Girls’ Education

Girls in developing countries are less likely to go to school and more likely to live in poverty than their male counterparts. For a girl, a good education is vital and can yield powerful, generational ripple effects:

- She will build a stronger family, as she is less likely to become a teen mother or a victim of child marriage and much more likely to ensure her own children (when she has them later in life) are healthy, safe, and educated.
- She gains more confidence and decision-making power over her future, as well as a greater understanding of her rights.
- She will have better health by learning about how to prevent infections, complications during childbirth, and contraction of diseases like HIV/AIDS.
- She will earn a better livelihood due to learning marketable skills in school that help her find good-paying jobs later in life.
THE OPPORTUNITY MODEL

By blending financing with quality improvement support, Opportunity is empowering educators to grow and improve local schools while helping parents and caretakers afford the up-front costs of education to send all their children to school each term.

Rooted in Microfinance, Focused on Sustainability

Today, UNESCO estimates that the world isn’t likely to achieve universal access to education for all children and youth until 2084— even then, learning outcomes will be decades behind those of students from developed regions of the world.

This need for better education is immediate, so the solution should be too. The stakes are too high to wait even one more generation to secure the right to a good education for all.

For 48 years, Opportunity International has worked to lift families out of poverty by pioneering innovative financial solutions, including savings-led banking for the poor, rural and agricultural lending, and micro-insurance development.

Recognizing the need for better education in developing communities, Opportunity launched its EduFinance initiative in 2007 to offer a new, entrepreneurial approach to help solve the global education crisis. Through EduFinance, Opportunity addresses some of the biggest systemic barriers that prevent families from sending their children to school and school owners from making much-needed improvements to their affordable private schools.

Instead of building schools, Opportunity builds the capacity of local communities to grow their own quality, affordable private schools. This empowers local educators and parents who are impatient for change to build the schools they envision to give their children the best possible education.

To date, Opportunity has helped expand access to education for 4 million children in 20 countries throughout sub-Saharan Africa, Latin America, and Asia.

By combining the power of financial solutions with innovative quality improvement services, Opportunity’s proven model offers one of the industry’s only sustainable, market-based, and scalable approaches to help close the global education gap for this generation of students.
A Sustainable Approach to Close the Global Education Gap

Low-income parents know that a good education is their children’s best chance out of poverty. In developing communities, parents often spend between 10-25% of their total household expenditures just to send their children to school, but the poor quality of schools in many developing communities, as well as the significant financial burden on the household, still causes children to drop out and fall behind.

Opportunity EduFinance provides a finance-based approach that helps parents finance their children’s education and helps owners of affordable private schools access the capital and support they need to grow and improve their schools.

To date, more than $260 million has been loaned to school owners and parents via Opportunity’s two flagship education loan products, the School Improvement Loan and School Fee Loan, benefiting more than 4 million students throughout 20 developing countries.

Loans are provided by Opportunity’s local financial institution partners, which are vetted by Opportunity to ensure mission alignment. Opportunity works closely with staff at the financial institutions to help them launch and sustainably manage an education loan portfolio, which include Opportunity’s education loan products adapted to the needs within their specific markets. Loan products and loan approval processes are always designed to minimize the risk that parents or school leaders would become over-indebted.

In addition to increasing access to capital for parents and school leaders, EduFinance also offers quality improvement support for school leaders through its Education Quality (EduQuality) program.

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<td>School leaders lack capital to grow and improve their affordable private schools, limiting their ability to build new classrooms, hire new teachers, or purchase supplies.</td>
<td>School Improvement Loans provide school leaders with capital to meet their unique needs, including building new facilities to accommodate more students, and making infrastructure improvements to enhance school quality.</td>
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<td>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.</td>
<td>School Fee Loans provide parents with extra capital, on top of their business loan, so they can send their children to school without sacrificing other needs like food, healthcare, or growing their small business.</td>
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<td>School leaders often operate independently without access to a network of peers to learn best practices, leaving many to tackle challenges, design curriculum, and train teachers all on their own.</td>
<td>Education Quality School Clusters bring together small groups of educators from different schools, who meet regularly to share best practices, collaborate on curriculum, and build standards of teaching excellence to improve student outcomes.</td>
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<td>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.</td>
<td>Pathways to Excellence offers a customizable road map to help school leaders assess their strengths across 42 domains and develop step-by-step action plans to make targeted improvements to their schools, according to their unique needs.</td>
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The EduQuality program is derived from the “Self-improving School System” model, which was designed as a bottom-up approach to empower local educators to define and drive quality improvements within networks of school clusters. While this approach has been implemented in developed nations, Opportunity is the first to adapt and pioneer the Self-improving School System approach in developing countries.

In select markets, Opportunity partners with financial institutions to launch EduQuality services, in addition to providing loans, to help school owners more effectively grow and improve their schools—creating a channel of engagement with school leaders through financing.

With the addition of EduQuality, school leaders gain hands-on guidance through local School clusters, workshops and trainings, and Opportunity’s Pathways to Excellence assessments and guides, which are designed to help educators improve conditions for learning and strengthen the long-term financial sustainability of their schools.

School clusters and school leaders are supported by local Opportunity Education Specialists. In their roles, they facilitate the organization of clusters, run training sessions for both school leaders and teachers, and provide localized, face-to-face support and mentorship to help school leaders in their journeys toward quality improvement. Each Education Specialist serves up to 80 schools, or 13 clusters, providing ongoing support and guidance.

Over time, Education Specialists build the capacity of School Clusters to begin operating and meeting independently, eventually requiring little or no support from Opportunity after the first few years.

Today, Opportunity EduFinance is one of the only programs in the world that addresses both the capital needs of parents and school owners, while also deepening the skills and competencies of local school leaders, teachers, and staff—all within a sustainable, low-cost framework that can be replicated worldwide.
School Improvement Loan

After a local educator starts a school in her community, and as more students enroll, one of her most immediate needs is for capital. With a School Improvement Loan, she can invest in her school’s most immediate infrastructure or staffing needs. For some school owners, it’s adding classrooms, textbooks, and desks; for others, it’s installing running water, dormitories, or gender-separated bathrooms—all of which are important provisions that keep students, especially girls, in school.

School Improvement Loans set the stage for rapid and sustainable improvements to schools in low-resource environments, ensuring more students will gain access to a better education, much faster.

School Improvement Loan Client Profile

Clients are most often a local entrepreneurial parent or educator who has started an affordable private school in an under served community and has sustained good enrollment rates for at least two years (demonstrating the school has earned the support of the local parents and community members).

Loan Tenure

Loan tenures vary from 6-36 months. Average loan tenure is 24-30 months.

Loan Amount

Average loan amount is approximately $11,000 and varies by market.

Sustainability

School Improvement Loans are used by school owners to invest in their schools’ most pressing needs. Most commonly, loans are used for:

- **Infrastructure and expansion:** Building new classrooms, bathrooms, or dormitories—all of which are especially important for helping improve girls’ attendance and enrollment.
- **Improving educational provisions:** Hiring new teachers to reduce class sizes, or purchasing textbooks, classroom supplies, desks, or computers.
- **Enhancing health and safety:** Adding metal roofs, concrete floors, and refrigerators, or wells, piping, or filtration systems for clean water.

BY THE NUMBERS

**as of June 2019**

- **8,497** school leaders around the world are currently using a School Improvement Loan
- **$109M** value of active School Improvement Loans
- **21** financial institution partners are providing School Improvement Loans in their markets
- **250** students benefit from one School Improvement Loan, on average

Impact

School Improvement Loans are used by school owners to invest in their schools’ most pressing needs. Most commonly, loans are used for:

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- **Enhancing health and safety:** Adding metal roofs, concrete floors, and refrigerators, or wells, piping, or filtration systems for clean water.

School Fee Loan

Low-income families usually rely on seasonal income, and cash is often not readily available to cover educational costs at the start of school terms. This lack of cash at the right time often results in a child not enrolling or being pulled out over a temporary cash flow issue. Opportunity offers School Fee Loans that help ease the pressure of up-front educational costs, effectively spreading out the costs of their children’s education and preventing dropouts or missed classes during times of economic uncertainty.

School Fee Loan Client Profile

Clients are most often a low-income family with seasonal or irregular income, likely with multiple children. Parents may be using part of a microfinance business loan to pay for educational costs, limiting the amount they can invest in growing the family’s small business or farm.

Loan Tenure

Loan tenures vary according to the two main types of income earners:

- **Parents with seasonal income, usually farmers who earn the bulk of their income after harvest season(s), use 10-12 month loans to cover the full school year and keep their children in school between harvests.**
- **Parents with inconsistent monthly cash flow, usually day laborers or shop owners who earn varying amounts each month, use 3-4 month loans to help cover a school term before cash comes in.**

Loan Amount

Average loan is approximately $100-$250, which helps send three kids to school. Amounts vary from market to market and for different loan tenures.

Sustainability

With School Fee Loans, parents can invest their full business loan in their business, and use School Fee Loans to send their children to school—the result of which has helped parents grow their businesses and increase their incomes faster, significantly more than they would have without the School Fee Loan.

Impact

School Fee Loans are helping:

- **Students stay in school:** Even when students attend free public schools, parents must pay for expenses such as transportation, uniforms, food, and classroom materials. When families are unable to cover the costs, children skip a term or drop out.
- **Girls go to school:** When money is tight, parents will often choose to send their sons to school before their daughters.
- **Improve learning:** With fewer gaps in attendance, students keep up with their studies and teachers spend more time progressing through curriculum.

BY THE NUMBERS

**as of June 2019**

- **82,646** parents around the world are currently using a School Fee Loan
- **$14M** value of active School Fee Loans
- **18** financial institution partners are providing School Fee Loans in their markets
- **3** average number of children whose fees and other costs are covered when a parent uses a School Fee Loan
School Clusters

School clusters are small self-led networks ("Self-improving School Systems") of local educators from affordable private schools that work together to spark collaboration, share best practices, and provide professional support. Opportunity works through clusters to deliver training and resources to teachers and school leaders.

About EduQuality School Clusters

Opportunity’s EduQuality program helps educators coordinate and organize into school clusters, which are made up of groups of 4-12 schools in close proximity to each other. Through clusters, educators benefit from:

- **School Leadership Professional Development Training:** School leaders learn how to successfully and sustainably manage their school as a business through improved bookkeeping, financial planning, and recruiting and retaining quality teachers and staff.
- **School Development Planning with Pathways to Excellence:** With Pathways to Excellence assessments, school leaders collaborate with teachers and parents to identify 2-5 areas for improvement, and create an annual plan for school development.
- **Capacity Building for Teacher Mentors:** Senior teachers from participating schools can participate in trainings to learn effective pedagogy, become subject area experts, and trainees for less experienced teachers at their schools.

Sustainability of the Self-improving School System

The Self-improving School System model was designed to tap into the natural incentive of school leaders, administrators, and teachers to be better at what they do, offering them a vehicle to achieve their vision for their school. Schools self-select into clusters with peer schools and elect their own leaders: at every stage, educators choose themselves from one to four, with level four indicating excellence, across dozens of domains within key focus areas, including:

- Environment and Physical Setting
- Family and Community Engagement
- School as an Organization
- Pupil Interactions
- Inclusive Learning
- Program Structure and Curriculum
- Health, Hygiene, and Child Protection

Pathways to Excellence

Opportunity’s Pathways to Excellence (P2E) guide provides a comprehensive framework to measure school quality among several key domains. Pathways to Excellence is a first-of-its-kind tool developed by Opportunity in coordination with dozens of education experts and top educators from around the world.

About the P2E Assessment

School leaders annually self-evaluate their schools using P2E to benchmark where they think their school stands on the quality spectrum. This maps out and prioritizes areas for improvement, enabling educators to have full ownership of quality improvement priorities. School leaders score themselves from one to four, with level four indicating excellence, across dozens of domains within key focus areas, including:

- Early Childhood Education
- Program Structure and Curriculum
- Health, Hygiene, and Child Protection

School Development Planning with P2E

After the self-assessment, school leaders engage a committee of teachers and parents to create an annual School Development Plan. Together, with support from their Education Specialist, they choose 2-5 areas to focus on for improvement and use the P2E guide to learn how to graduate to the next level within their chosen domains.

One of the most common domains chosen is "Clean and Safe Learning Environment," which offers advice in topics such as improving school security, child protection policies, gender-separated bathrooms, and clean and safe classrooms. Through School Development Plans, school leaders identify the areas of greatest need for their individual school, and plan out next steps to implement improvements.

Impact

Through P2E assessments, a school leader:

- Gains an in-depth understanding of her school’s strengths and weaknesses to make systemic changes to improve student outcomes.
- Creates a professionalized environment that can retain high-quality teachers and maintain financial sustainability.
- Provides a higher quality education for her students, who benefit from improved infrastructure, school culture, and teaching standards.

**BY THE NUMBERS**

as of June 2019

1,635 schools in eight countries are currently participating in clusters

28 Education Specialists are providing training and support to schools through clusters

408K students are currently benefiting from quality improvements as a result of clusters

24 domains used to help schools identify areas for improvement, including in Early Childhood Education

2-5 domains are chosen by each school leader to focus their school improvements

84% of school leaders participating in school clusters have completed P2E assessments

Impact

Through EduQuality school clusters, educators learn how to:

- Improve conditions for learning at their schools, which includes creating an inclusive school culture and a positive and safe physical environment to help students learn.
- Operate and manage financially sustainable schools to support the school’s long-term growth and development and value-add to its community.
- Teach more professionally and effectively, catering to the needs of different types of learners and integrating more interactive lessons.
Every day, Charles Mugerwa is determined to live up to the name of his school, Top Care Junior School in Uganda. He chose the name because of what it meant—that his students would be able to learn in the best facilities, his teachers would be paid and trained well, and the community would be proud and excited to be able to send their children to a good, local school.

Over the years, Charles has made dozens of improvements and expansions, including investing several Opportunity School Improvement Loans to build new classrooms and dormitories. As a result, his enrollment has grown from 24 students in 2005 to now more than 890. Charles focuses especially on helping girls stay in school, which is one of his biggest priorities for his own three daughters. Charles plans to use his next loan to expand his school’s boarding facilities to provide more girls from rural communities with a safe place to stay and get an education.
3-YEAR VISION FOR GROWTH

Today, Opportunity EduFinance is one of the only programs that offers systemic solutions for helping more children go to school while improving the quality of education schools provide. With catalytic capital and committed partners, EduFinance can accelerate our work to impact 11.2 million children throughout 23 developing countries by the end of 2022, unlocking limitless possibilities for their futures.

What’s Next

In 2015, the United Nations outlined 17 Sustainable Development Goals to achieve by 2030. Though ambitious, these goals illustrate the milestones the global community must meet to fulfill our moral imperative and improve the human experience for everyone on the planet. Undoubtedly, one of the most important of these is Sustainable Development Goal #4: Ensure inclusive and quality education for all and promote lifelong learning.

Opportunity EduFinance is committed to working as fast as possible—and will continue to until the right to receive a good education is secured for every child around the world. EduFinance believes this can be accomplished by focusing on the entire ecosystem of a school—from school leaders’ need for finance and their skills as managers and business operators, to professionalizing hiring and training processes, to strengthening pedagogical practices of teachers—to drive systemic changes within local education systems. As more schools develop foundational best practices and gain financial resources to implement improvements, and as more parents access much-needed capital for education expenses, more children around the world will benefit from attending better schools.

The Opportunity EduFinance model can—and must—be accelerated to ensure children of this generation have the chance to learn valuable skills, unlock their potential, and end the generational cycle of poverty.

Today, Opportunity is at an important inflection point. With catalytic capital and committed partners and advocates, we can accelerate our impact to reach a cumulative 11.2 million children and youth in at least 23 developing countries by the end of 2022.
Opportunity is working with financial institutions around the world to help launch or grow education loan portfolios, with Opportunity’s School Improvement Loans and School Fee Loans as core lending products.

Through lending, Opportunity is expanding the capacity of the affordable private school sector. Loans to school owners help create more seats in more classrooms for more students, while loans to parents help more students attend school more regularly, even when household cash flow is limited.

Opportunity expands access to education loans by working through local financial institutions, which are the entities that ultimately provide the capital to school owners and parents. Many financial institutions, however, are hesitant to enter the commercial education finance sector due to lack of technical expertise and lack of understanding around risk, margins, and regulations.

To address these barriers, Opportunity EduFinance’s technical assistance team works with financial institutions to teach them how to sustainably offer Opportunity’s education loans to their communities.

The EduFinance Technical Assistance Facility (ETAF) team assesses the specific needs of each financial institution and provides technical support in key areas such as:

- **Market Research** to evaluate the viability of education loans in specific markets
- **Product Design** to create School Improvement and School Fee Loans suitable to the specific, localized needs of parents and educators
- **Staff Training** to support the internal capacity of the financial institution in conducting and managing sustainable education lending over time
- **Business Intelligence** to track and monitor performance of the institution’s education loan portfolio, to minimize risk and maintain quality lending practices
- **Automated Credit Assessment Tools** to expedite and improve the lending process

With technical support from ETAF, financial institutions can more easily become successful participants in the commercial education finance market with minimal initial risk. This approach requires minimal staffing and infrastructure on behalf of Opportunity. ETAF works closely with financial institutions for an average of 6-9 months to train financial institution staff and lay the groundwork to launch education portfolios. The portfolios are then capably managed by local staff, with light-touch business intelligence and monitoring support from Opportunity.

**OBJECTIVE 1**

**Scale EduFinance Lending**

- **Goals 2020-2022**
  1. Expand to **107** financial institutions
  2. Grow active lending portfolio to serve more than **9,300 school owners** and **100,000 parents**
  3. Impact at least **2 million more children** per year through lending

**FIGURE 2**

**$24 Billion Global Demand for Education Financing**

- $7 Billion demand for School Improvement Loans in low- and middle-income markets
- $17 Billion demand for School Fee Loans in low- and middle-income markets

**$7 Billion**

**$17 Billion**

**OBJECTIVE 2**

**Grow and Digitize Education Quality**

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

The quality of affordable private schools varies widely, given that these schools often operate as fragmented, small businesses. Without a support network to offer resources or benchmarks for what a high-quality school should strive for, school leaders struggle to make strategic improvements that result in enhanced learning outcomes for students.

Opportunity launches EduQuality in select markets in partnership with one or more financial institutions. Lending offers the first level of engagement with school leaders, who are invited by the financial
institution and EduQuality to an Introductory Seminar in their community to learn more about the EduQuality program.

Within each market, Opportunity recruits experienced local professionals, often former teachers or education administrators, to become Education Specialists. In their roles, they facilitate the organization of clusters, run training sessions, and provide localized, face-to-face support and mentorship to help school leaders in their journeys toward quality improvement.

To make the EduQuality program available to more schools, Opportunity underwent a significant effort in 2019 to revise, digitize, and migrate Pathways to Excellence onto a customizable digital platform—and launched its first “EduQuality Digital” pilot with 50 schools in Ghana. The educators are testing EduQuality’s new digital learning management system and self-accessing digital training resources designed to help them plan, learn, and lead quality improvement activities at their schools.

Ultimately, digitizing EduQuality will test new strategies of digital delivery of teacher training and school leader professional development content, as well as data collection. The digital solutions will complement in-person trainings delivered by Education Specialists, reducing burdens and costs for the program. Pending outcomes of the pilot, Opportunity will begin implementing localized adaptations of the digitally-enhanced EduQuality program in additional markets, while continuing to focus on improving the effectiveness of the digitally-delivered content, as well as improving operational efficiencies that affect cost, staff well-being, and program quality.

As Opportunity gains more data and feedback from school clusters, EduQuality will iteratively improve its content and tools as a low-cost, effective, and scalable solution for educators around the world operating in low-resource environments.

By joining a school cluster and participating in EduQuality, a school leader no longer has to operate in a silo. Her Education Specialist speaks her local dialect, understands her culture, and offers the expertise and advice she needs to address the educational challenges in her community. School leaders then feel more supported and encouraged and, because they are equipped with data from Opportunity’s assessment tools, they are able to work with their Education Specialist in effectively planning and implementing school improvements.

Figure 3

**A Year in an EduQuality School Cluster**

MEET → ASSESS → LEARN → IMPLEMENT

**OBJECTIVE 3**

Increase Knowledge Leadership

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

Over the last decade, Opportunity EduFinance has developed deep expertise and experience in diverse markets around the world by working with dozens of financial institutions and thousands of school leaders and educators. Opportunity is committed to sharing our learnings and knowledge of the needs of the private education sector and to bring together diverse stakeholders throughout the industry to catalyze this work on a much larger scale.

To do so, Opportunity is working to analyze and use data in innovative new ways. Around the world, data drives effective decision-making, but almost no data exists on a meaningful scale for schools in developing communities. Few, if any, systemic data collection tools exist for this purpose, despite the fact that data can tell us how to get kids in school, keep them in school, and if they are learning the skills they need to succeed later in life.

Opportunity currently captures data on a monthly basis from partner financial institutions and on a daily basis from Education Specialists. Data from cluster meetings, training sessions, school profiles, Pathways to Excellence, and more are continually gathered and analyzed by the EduFinance teams to continuously evaluate the impact of Opportunity’s work and identify areas for improving operational costs.

Opportunity EduFinance team members also actively write editorials for news publications, speak on radio shows, and share learnings at industry conferences. The EduFinance team also regularly publishes blog posts on the program’s website, edufinance.org, which provides ongoing details about the program’s learnings, expansion plans, and research results.

The global education crisis cannot be solved by one organization alone, which is why Opportunity is engaging stakeholders throughout the industry to work together and pool our resources and diverse skill sets so we can accelerate our progress in achieving universal, quality education for all.
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 11.2 million children by the end of 2022.

In low- and middle-income communities, the demand for finance from school leaders and parents is estimated to amount to more than $24 billion globally. Yet only a small fraction of affordable private school leaders— who are serving an estimated 300 million students around the world—have access to the capital they need to grow and improve their schools.

Opportunity EduFinance is committed to working as fast as possible to meet this demand—and will continue to until the right to receive a good education is secured for every child around the world.

Given catalytic resources and partners, Opportunity EduFinance can rapidly mobilize to expand to new financial institutions and serve more families in more regions struggling to end the cycle of poverty and improve the quality of education in their communities.

Given the strong year-over-year growth EduFinance has achieved to date, we know that today can be the inflection point from which we reach more children than ever before; it can be the point from which we see the finish line in achieving universal access to quality education for this generation of students.

The graph included below and in the table on the right outline EduFinance’s expansion goals for the next three years.

Cumulatively to date, more than 4 million children throughout 20 different countries have benefited from improved access to higher quality schools. EduFinance aims to more than double this impact by reaching an additional 7.2 million children over the next three years. By 2022, this goal would amount to a total of 11.2 million children and youth reached through EduFinance since its inception.

EduFinance’s growth targets, in addition to its goals of further improving its effectiveness and scalability, also involve targeting the regions of the world most in need and where extreme poverty rates are highest. EduFinance anticipates increasing its focus in markets throughout sub-Saharan Africa, specifically Nigeria and Democratic Republic of Congo, which have some of the world’s highest rates of out-of-school children, and children not learning. For EduFinance, strategic investments in innovation will be essential in serving these markets and ensuring more children can gain the education they need for their futures.
THE OPPORTUNITY DIFFERENCE

To date, Opportunity EduFinance has helped communities improve access to quality education for more than 4 million children and youth in 20 low- and middle-income countries throughout sub-Saharan Africa, Latin America, and Asia.

Accomplishments to Date
As of June 2019

4.0M Children have benefited from EduFinance to date
$230M Value of education loans disbursed to date
312K Number of education loans disbursed to date
20 Countries reached through EduFinance
43 Cumulative financial institution partners
28 Education Specialists are serving educators in local communities
1,635 Schools through 8 countries are participating in EduQuality
250 Students, on average, benefit when a school leader invests in school improvements
3 Children, on average, benefit when a parent uses a School Fee Loan
Opportunity’s Track Record

The more children who can go to school today, the better tomorrow will be for all. EduFinance offers a proven, effective, and sustainable solution that helps more children of today’s generation go to school, stay in school, and gain a better education.

Through research and evaluations, Opportunity measures improvements in schools as a result of EduFinance. Opportunity also gains important insights from educators and students that help drive further improvements to Opportunity’s services to ensure we can achieve the greatest level of social impact and long-term sustainability. Recent studies demonstrate the real impact of Opportunity’s work:

Schools are Growing and Improving

Schools in Uganda that used School Improvement Loans for at least three years have achieved on average 24% enrollment growth, 36% increase in teaching staff, and an increase in income of 63%. Additionally:

- 39% of schools used loans to construct additional classrooms.
- 9% invested in WASH facilities—a proven method for keeping girls in school and students healthier.
- 25% invested their loans in school vans, dormitory beds, and teacher salaries.
- 24% purchased land, built dorms or kitchens, purchased cooking stoves or added new technology, such as computers.

Schools are also conducting a variety of activities dedicated to engaging parents, including establishing parent-teacher associations.

- Schools in Uganda that used School Improvement Loans experienced on average:
  - 19% enrollment growth
  - 20% growth in number of teachers

Students are Learning More, Especially Girls

An independent evaluation measured the impact of Opportunity’s services on schools in Uganda, focusing specifically on girls’ education, financial knowledge, and empowerment. Results demonstrate:

- Students at schools that benefited from an Opportunity School Improvement Loan increased literacy by 17 words per minute over a control group.
- Enrollment of girls in secondary school increased 17% against control schools.

The research also looked at the impact of Opportunity’s financial education on girls with encouraging results:

- 98.6% of girls reported increased confidence in financial planning and budgeting.
- 72.4% of girls have taken up social enterprise projects, most of which aim to address challenges related to hygiene and sanitation, diet, and others.
- 92.8% began saving money formally and 89.6% of those keep a record on their savings cards.

“Before, it would take me an hour to walk to school. When there was rainfall, we would get wet and sometimes missed school if the roads were too slippery. **When I heard there was a bus coming I was so excited.** I appreciate the bus because now I can come to school early and get back home early so I can read my books.”

- Shadia, Uganda

More Teachers and Jobs are Added in Communities

A survey of 94 schools in Uganda reported:

- **New jobs were created by School Improvement Loans** in 80% of all schools surveyed, averaging 3.9 new full time positions per school.
- One school added **19 new jobs** as a result of the loan and the growth the school was able to achieve.
- Schools hired more teachers (averaging 2 new teachers per loan), as well as other support staff, including cleaners, food workers, nurses, and administrative staff.
- Additionally, **95% of the schools hired construction workers** to complete improvements on their schools.
- School owners reported to have **hired an average of 7.4 construction workers** with their most recent loan, with the construction jobs lasting an average of 2.3 months.
Opportunity EduFinance partners with the industry’s leading donors and education organizations to further our shared mission in closing the education gap for millions of children around the world. Below are some of Opportunity’s key partners:

**Projects and Partnerships**

Opportunity EduFinance partners with Credit Suisse’s support in helping children around the world. Below are some of Opportunity’s key partners:

- **Credit Suisse**: Today, millions of children in Latin America, Africa, and Asia can now access education thanks to Credit Suisse’s support in helping EduFinance expand its lending portfolio to dozens of financial institutions around the world.

- **Chalkboard Education**: Opportunity partners with Chalkboard Education, a Ghana-based e-learning platform designed for low-resource environments, to implement digital EQualty assessments and trainings across multiple markets.

- **Caterpillar Foundation**: Opportunity partners with Caterpillar Foundation, Opportunity launched its EduQuality program and is also helping schools increase access to quality water, health, and sanitation facilities throughout Ghana.

- **Global Schools Forum**: Opportunity is a member of the Global Schools Forum, which is a global network of education organizations committed to improving access to quality education within the non-state sector.

- **UK Aid**: Opportunity partners with Instill Education, a South African accredited teacher training institute, to develop industry-leading training and professional development curriculum for teachers and school leaders.

- **The ELMA Foundation**: Opportunity is refining and adapting its EduQuality trainings and resource materials onto digital platforms in partnership with Cisco Foundation. Educators throughout Ghana and Uganda are now testing the new digital integrations.

- **Opportunity’s Knowledge Management Team**: Opportunity EduFinance is grateful for the past and ongoing support of dozens of other organizations and donors, including the Bill & Melinda Gates Foundation, the Barlow Foundation, and numerous private individuals from the United States, the United Kingdom and Europe, Canada, and Australia.

- **Aflatoun International**: Opportunity partners with Aflatoun International to deliver financial education for children and youth in affordable private schools in Uganda.

- **Teach A Man to Fish**: Opportunity partners with Teach A Man to Fish to provide students with practical entrepreneurial skills training in affordable private schools.

**Monitoring, Evaluation, Research, and Learning**

Opportunity strives to design and deliver best-in-class solutions for educators, parents, and students around the world, while balancing rigorous accountability and transparency through our monitoring, evaluation, research, and learning processes.

**Monitoring & Evaluation**

Opportunity closely tracks the progress and performance of its EduFinance projects and programs and offers comprehensive oversight in measuring program indicators and activities, and tracking expenses. Data and other narrative information is collected from Opportunity’s field staff around the world on a regular basis to develop reports and updates for Opportunity’s stakeholders and donors.

Opportunity EduFinance is committed to ensuring rigorous accountability and transparency of its work and utilizes robust data capture tools and processes to track, monitor, and assess the performance of all areas of the program. Data collection tools include:

- **EdPack**: A business intelligence tool for EduFinance’s financial institution partners. The EdPack is incorporated into routine reporting by financial institution staff, who submit monthly reports to EduFinance on the performance of education loan products, including the number of loans disbursed, value of loans, and PAR. Using the data provided, the EdPack provides ongoing analyses of risk, sales trends, and other insights to improve product performance of education loans within each financial institution and support the long-term viability of education loan portfolios.

- **School Profiles**: A snapshot of schools’ operations, finances, facilities, and student and staff demographics, gathered annually by Monitoring & Evaluation Specialists with a sample set of schools within each market.

- **Pathways to Excellence Assessments**: School leaders complete and submit annual Pathways to Excellence self-assessments that offer comprehensive analyses of the quality of their schools. Data gathered include how well a school maintains a clean and safe environment conducive to learning; depth of staff and teacher engagement; quality of child-centered teaching practices; and how well a school engages with its surrounding community.

- **School Development Plans**: School Leaders’ annual planning documents that identify areas for improvements. Data from School Development Plans provide information for which domains are identified as priorities for improvements by schools, as well as various approaches schools will undertake to make improvements within those domains.

- **Education Specialist Reports**: Forms filled out by Education Specialists on cluster activity and participation. Through these reports, Opportunity is gathering data on which educators from which schools have received each type of training, as well as qualitative data on schools’ progress, challenges, and strategies implemented to improve conditions for learning.

**Research and Learning**

EduFinance’s financial products and services have been developed and improved over time through ongoing research and impact studies. Research and learning activities are conducted by third-party evaluators and by Opportunity’s Knowledge Management Team. Research studies are often implemented alongside EduFinance’s normal operations, or as part of a project. The studies often compare EduFinance beneficiaries to control groups, providing a rigorous perspective on how Opportunity’s interventions are directly affecting improvements in schools over time. Learnings from these studies offer important insights on how to further improve Opportunity’s model and provide valuable data and lessons to share with the wider industry.

EduFinance team members frequently speak at industry conferences and publish briefs and reports to help inform strategy beyond our own organization. Through sharing best practices, Opportunity aims to help more organizations provide effective services to educators and parents around the world.
ENDNOTES


5. Ibid


7. Ibid


10. Ibid


12. Ibid


22. Ibid

23. Ibid


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