



EduFinance business hackathon: Supporting MFIs and investors

Opportunity International EduFinance

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Panel Discussion



**Opportunity
International
EduFinance**

Mathieu Fourn

Director of technical assistance



Kashf Foundation

Roshaneh Zafar

Managing Director



**Opportunity Bank
Uganda LTD**

Amos Bonna

Chief Relationship Officer



**Opportunity
International
EduFinance**

Antonella Abategiovanni

Technical assistance advisor
Latin America



BlueOrchard

Yann Groeger

Regional Director, Latin America
and Africa



AGENDA

- The challenges of sustainable education lending: Panel Discussion
- Breaking down the barriers of Education Finance: Groups activity
- Solutions to Effective Education Lending

HOW CAN WE HELP: THE OPPORTUNITY EDUFINANCE MODEL

INCREASE ACCESS TO EDUCATION

EDUFINANCE TECHNICAL ASSISTANCE FACILITY

Provides tools and services to local **financial institutions**, accelerating sustainable investment to increase the supply of, and demand for education

INCREASING SUPPLY OF SCHOOLING

Finance **school leaders** to add more classroom seats and other facilities

INCREASING DEMAND FOR SCHOOLING

Finance **parents and students** to go to (and stay in) school, university and training



IMPROVE THE QUALITY OF EDUCATION

EDUCATION QUALITY PROGRAM

Provides tools and training to **school leaders and teachers** to increase the quality of education and improve the financial sustainability of low fee schools

SCHOOL DEVELOPMENT PLANNING

Professional development for **school leaders** in planning and implementing school improvements

IN SERVICE TEACHER TRAINING

Professional development for **teachers** to drive systemic improvements in teaching practices



OUR IMPACT TO DATE

Cumulative since 2016:

130

Financial institutions
partners

\$0.5B

Loaned to education
sector

570mn

Loans to education

10.7mn

Children benefited

30

Countries

130 financial institutions have invested US\$541mn into low-cost education.

EduQuality training +1,700 school leaders in 8 countries.

KASHF HAS SUCCESSFULLY DEMONSTRATED THE BUSINESS CASE FOR WOMEN LED MICROFINANCE

Kashf Foundation was set up in 1996 as the first specialized microfinance institution catering to fulfilling the unmet demand for credit of poor households especially women

Inspired by the legacy of the Grameen Bank
Kashf has demonstrated that a women centric model in Pakistan can work successfully.

5.5 million loans
amounting to
over 173 billion

Become
sustainable (OSS
and FSS)

First MFI to have
Cashless branches
via leverage ADC
Network

Introduce micro-
insurance

First MFI to raise
commercial debt
and issued the first
PPTFC (bond)

Over 1.5 million
women trained in
financial education

KASHF ACHIEVEMENTS IN EDUCATION

Cumulative Outcomes



Provided financial assistance to over 4,000 schools

Over 7,000 school owners trained in better school management

Over 20,000 teachers are tutored for better teaching methods

Over 800,000 students influenced through intervention

Impact on Learning Environment



7% increase in schools where lesson plans are used



4% increase in schools using time-table use in classes



23% increase in schools with library corners



8% increase in schools that display students work in class

Impact on School Environment



15% increase in schools with first aid boxes available



17% increase in schools with visible mission & vision



15% increase in schools with emergency exits



8% more schools have an opinion box



ABOUT OPPORTUNITY BANK UGANDA

Opportunity Bank is a Commercial Bank majorly owned by Opportunity International. Other shareholders include: MyBucks, Faulu Trust, and Food for the Hungry.

In the last 27 years, Opportunity Bank has extended all inclusive financial services to approximately 300,000 Ugandans with the aim of transforming their businesses and lives.

We offer financial and non-financial services that are relevant to the increasingly economically vibrant Ugandan communities through strategic partnerships with government, development partners, the Community and international Based organizations.

We pay special attention to women, youth, refugees & PWDs inclusion especially in Agriculture and Education.

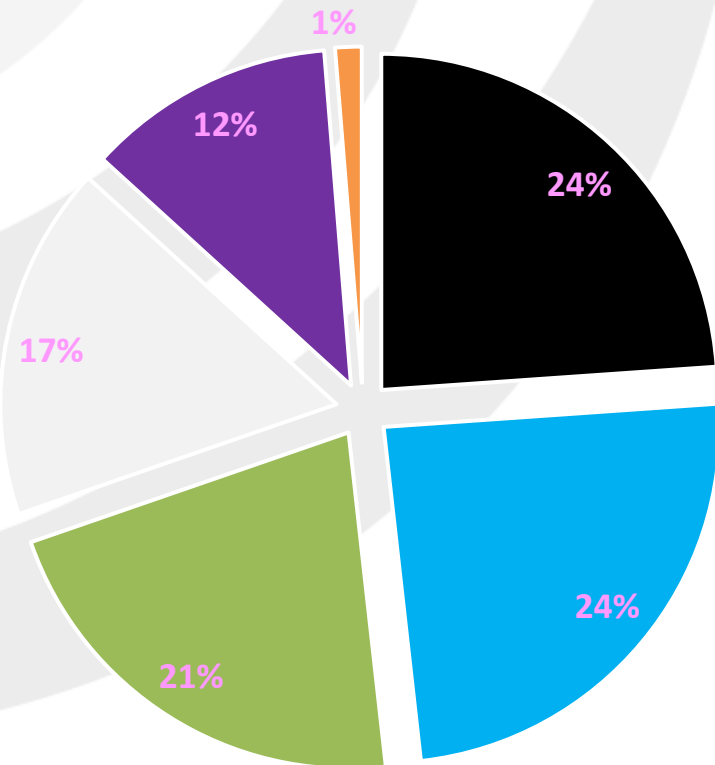
Mission: Offering innovative technology-led financial solutions and training to transform lives of ordinary individuals, micro, small and medium size entrepreneurs. We do this with care, respect and in a sustainable way

Vision: The Bank of choice for all who aspire to a life of dignity and purpose.

Purpose: Making lives of individuals and communities better.

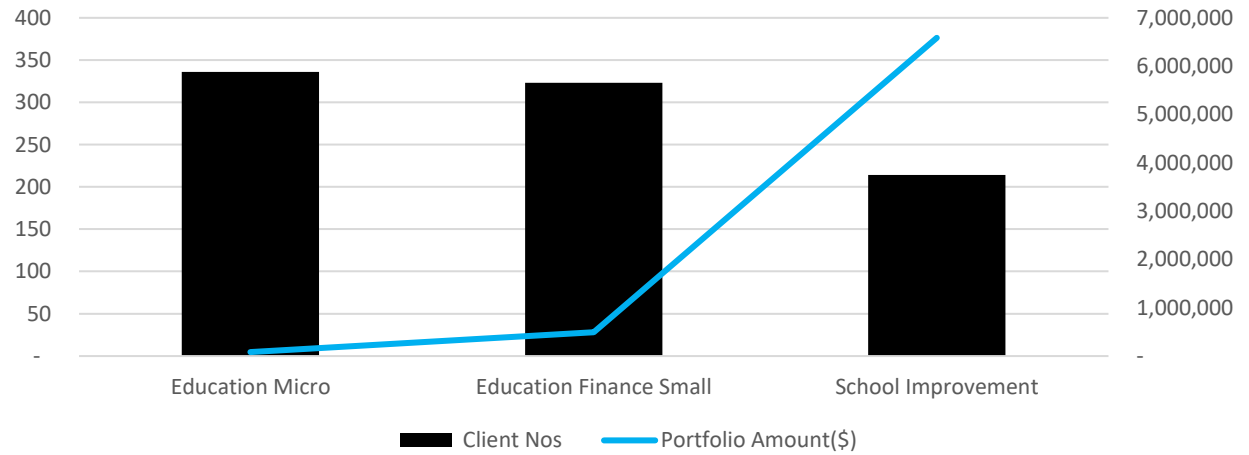
OPPORTUNITY BANK UGANDA: EDUFINANCE PORTFOLIO

Sector Concentration Sep-22

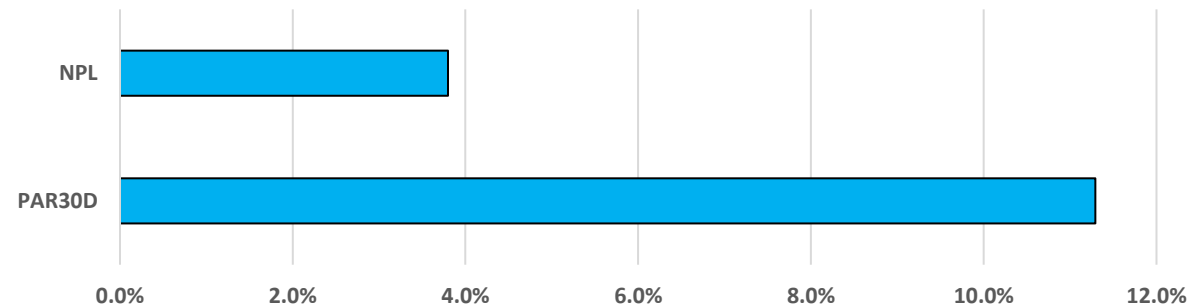


■ Agriculture ■ Business ■ Education ■ Personal ■ Housing ■ Electricity and Water

Education Portfolio



Education Asset Quality



CONTRIBUTING FACTORS TO THE STATUS OF EDUCATION IN PAKISTAN

Supply Side Challenges

- ❑ Low levels of investment in the education sector
- ❑ Lesser number of secondary and higher education schools – an “upward bottleneck”
- ❑ Poor quality of education
- ❑ Regional and urban/rural variances
- ❑ No enforcement of compulsory education

Demand Side Challenges

- ❑ Poverty and the opportunity cost of access to education.
- ❑ Hidden costs of public education, including uniforms, books, and remedial tuitions
- ❑ Social norms and cultural biases that impact girls access to education
- ❑ School education not geared towards jobs

Edufinance Challenges in Uganda

COVID-19 & Economic
disruptions

Legality matters

Cost of Funds

Collateral weaknesses

Poor learning
environment/High drop out
rates.

Poor Business
management skillset/record
keeping.

Edufinance Opportunities in Uganda

Demographics

Partnerships

Growing population

Untapped market

Technical Assistance

Government support

Antonella Abategiovanni | Technical assistance advisor LATAM



OPPORTUNITY
International

Yann Groeger | Regional Director, Latin America and Africa



BlueOrchard
Impact Investment Managers

Member of the
Schroders Group

Breaking down the barriers of Education Finance: Group activity

1. Let's split into working groups of between 5-10 participants to brainstorm
2. Pick 1 challenge either from financial institution or school perspective
3. Brainstorm as a group on potential solutions to address this challenge
4. 1 person per group presenting the main finding

MOST COMMON BARRIERS FOR SCHOOL IMPROVEMENT LOANS

Financial Institutions Side Challenges

High risk perception, FI mindset that education sector is bad

Private schools do not need loans (basic education is government financed)

Poor/disorganized financials

No credit history (lack of customer information)

Schools Side Challenges

Find no need in getting a loan

School lack of trust in FIs

Lack of financial literacy

Different cash flow (seasonality but also additional activities not considered in the analysis)



Mathieu Fourn

Director of Technical Assistance
Email: mfourn@opportunity.org

Antonella Abategiovanni

Technical Assistance Advisor
Email: AAbategiovanni@opportunity.org