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Investing in Education Access and Quality

THE CHALLENGE

Lack of consistent **access** to education is a large and growing problem that disproportionately impacts students living in poverty, especially girls and those living in rural areas. In 2018, one in six children around the world were out of school,¹ and this figure has only risen with the effects of the COVID-19 pandemic.² Girls are twice as likely as boys to never start school at all.³

Education **quality** is also a global challenge: as of 2019, only 41 percent of primary school students reached the minimum proficiency level in reading, and 19 percent reached the minimum proficiency level in mathematics. In Sub-Saharan Africa, those figures were even lower, at 30 percent and 11 percent, respectively.⁴

Diverse factors influence education access and quality. As one among them, many **schools serving low-income students lack the financing and capacity needed to increase enrollment and improve education quality.** Such schools often struggle to provide sufficient classrooms, toilets, safe drinking water, electricity, or library books.⁵ In turn, educators struggle to serve their students and families well in settings that lack adequate educational materials, clean facilities, or transportation to and from school.

THE OPPORTUNITY

Socially oriented financial service providers are tackling this challenge in the regions where Global Partnerships-affiliated funds invest. They are doing so by providing tailored loans and capacity-building programs to schools that serve low-income students.

1. "New Methodology Shows that 258 Million Children, Adolescents and Youth Are Out of School." United Nations Educational, Scientific, and Cultural Organization. 2019. <http://uis.unesco.org/sites/default/files/documents/new-methodology-shows-258-million-children-adolescents-and-youth-are-out-school.pdf>.
2. Bundervoet, Tom, Dávalos, María E., and García, Natalia. "The Short-Term Impacts of COVID-19 on Households in Developing Countries." World Bank Group. 2021. <https://openknowledge.worldbank.org/server/api/core/bitstreams/9e310f88-7152-5f44-82be-a0ef7c280c5d/content>.
3. "World Development Report 2018: Learning to Realize Education's Promise." World Bank Group. 2018. <https://www.worldbank.org/en/publication/wdr2018>.
4. "Data Browser for Sustainable Development Goal 4 (SDG 4), Regional Averages." UNESCO Institute for Statistics. 2023. <http://sdg4-data.uis.unesco.org>.
5. Härmä, Joana, and Pikhholz, Lynn. "Low Fee Private Schools in low-income districts of Kampala, Uganda." CapitalPlus Exchange Corporation, 23. 2017. <https://capplus.org/files/2017/04/Kampala-Private-Schools-Market-Study-2017-03-24.pdf>.



The evidence on these programs – which indicates that they are effective in improving learning outcomes for low-income students⁶ – motivated Global Partnerships (GP) to launch a new Education Finance Initiative, with the first GP-affiliated fund investment in **Ed Partners Africa Limited** (Ed Partners). Based in Kenya, Ed Partners currently supports over 350 schools⁷ by financing the construction of new classrooms, renovations, the purchase of buses and needed school equipment, and other essential projects. Their loans are specialized for schools, with quick processing times and repayment schedules designed to align with school revenue cycles. In addition to loans, Ed Partners offers training in financial and school management, new curriculum implementation, and technology to help schools manage the collection of school-related fees, staff payroll, and communication with parents.

IMPLICATIONS

Preliminary data shows that Ed Partners' loans and capacity-building programs help improve education in participating schools, both in terms of quality and access. In a survey of schools that had worked with Ed Partners, 99 percent of school leaders reported that the quality of their school had improved due to working with the organization. Over 70 percent said that it had "very much" improved.⁸ Schools receiving loans to finance classroom expansion also typically enroll 10 to 20 percent more students after one year of working with Ed Partners.⁹

The results for schools are impressive, and we also look forward to learning alongside Ed Partners as they aim to capture more data on educational outcomes for students. Through GP's Education Finance Initiative, our affiliated funds intend to continue using impact-first fund investments to support social enterprises such as Ed Partners that expand access to education, improve education quality, and ultimately, improve learning outcomes for children living in poverty.

6. Byrd, N., Condie, A., Ogwang, R.O., Rutte, J., Sheridan, S., and Yamamoto, G. "Education Finance: Understanding the Benefits of School Improvement Loans for Schools, Families, and Communities." Opportunity International. 2017. <https://opportunity.org/content/News/Publications/Knowledge%20Exchange/opportunity-international-edufinance-understanding-the-benefits-of-school-improvement-loans.pdf>.

7. Data as of March 31, 2023, as reported by Ed Partners.

8. Based on responses from 116 Ed Partners loan clients (specifically heads of school) in a 2020 study by 60 Decibels, Inc.

9. Based on school borrower enrollment data reported by Ed Partners in 2022.

Photo Credit: Ed Partners Africa Limited