QUIP IN ACTION

COMMISSIONER: OPPORTUNITY EDUFINANCE

COUNTRY: KENYA

SAMPLE SIZE: 45 INTERVIEWS

YEARS OF STUDY: 2021-22

PROJECT: EXPLORATORY RESEARCH INTO EDUFINANCE SCHOOL FEE LOANS

Opportunity EduFinance aims to increase access to and improve the quality of education. The programme has worked with 91 financial institutions in 27 countries, primarily in Africa Asia and Latin America. EduFinance provides tools and services to their financial institution partners to increase the supply of, and demand for education.

These partners finance schools to develop their facilities and infrastructure, in addition to providing **school fee loans** for parents to send their children to school. EduFinance also works with school leaders and teachers to increase the quality of education and improve the sustainability of low fee schools, this 'EduQuality' programme involves supporting leaders in development planning as well as teacher training.

WHY QUIP:

Bath Social Development Research (Bath SDR) were contracted to support EduFinance to use the Qualitative Impact Protocol (QuIP) methodology as part of their ongoing research into the programme model and theory of change. EduFinance had previously conducted large surveys in other project countries and were interested in incorporating QuIP to help gather qualitative insights alongside the quantitative data.

The purpose of including QuIP style questions into a survey was to better understand respondents' perceptions and experiences of accessing and financing quality education. Through allowing clients to share their own stories of change, the study aimed to identify which factors were influencing their access to education, and how this affected their broader wellbeing, particularly in the context of the Covid-19 pandemic.

The original terms of reference proposed to conduct this study in Uganda, however, due to ongoing school closures the team decided to shift the focus to Kenya, where schools had at least reopened.

> Opportunity EduFinance believes that through access to quality education, children will ultimately have improved livelihoods, reducing the cycle of generational poverty. The EduFinance theory of change is predicated on parents making school choices for their children that lead to meaningful learning. To do so, many parents in low- and middle-income countries must be able to finance and pay school fees for non-state education. To provide greater context and continue informing our work, EduFinance commissioned this QuIP study on School Fee Loans.
>
> - Scott Sheridan, Director of Operations, EduFinance

Bath SDR coded and analysed the additional data collected to produce a summary report of the findings. EduFinance have also turned this into a short briefing paper which they have shared externally.

APPROACH:

The survey questionnaire was adapted to include open-ended questions covering key areas related to educational access and engagement, such as attendance and financing. Respondents were encouraged to discuss which factors acted as enablers or barriers to investing in their children's education, and how this had changed (if at all) over the past three years.

The domains covered were:

- Access to education
- Engagement with education
- Financing education
- Income and living conditions
- Wellbeing

Table 1 below shows the proposed case selection approach for this study, including parents with and without **school fee loans** (SFL), whose children went to schools with and without **school improvement loans** (SIL). The rationale for this strategy was to understand more about how loan use affects parents' attitudes and behaviour to financing education across different types of schools.

However, when the study was moved from Uganda to Kenya the financial institution could not provide the same level of detail in the sampling lists provided to the researchers. The team still attempted to cover the different categories, obtaining some through contacts of their connections at the partner schools, however there were challenges in reaching the intended quota for each group. The numbers in brackets show the intended quota, and the numbers in bold represent the actual sample breakdown.

Table 1: Sample summary

	Parents with SFL	Parents without SFL	Total
SIL borrowing school	**8** (12)	**11** (12)	**19** (24)
Non-SIL borrowing school	**10** (12)	**16** (12)	**26** (24)
TOTAL	**18** (24)	**27** (24)	**45** (48)

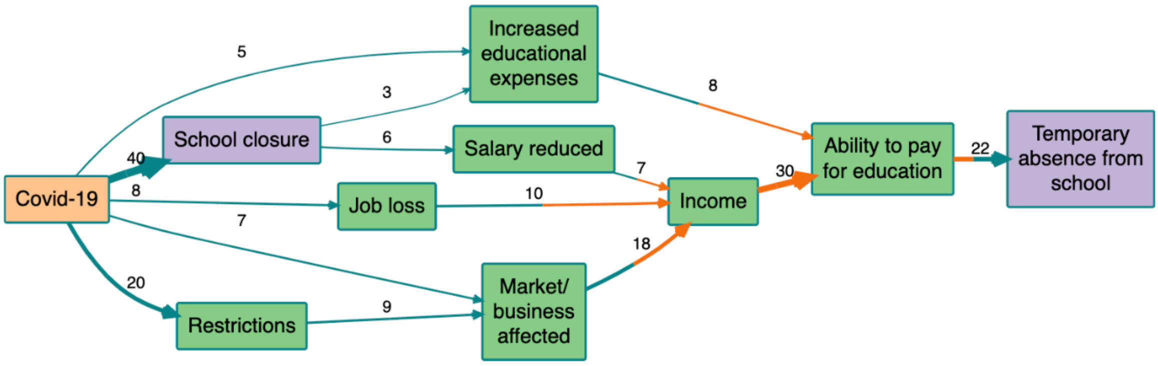
FINDINGS

Covid-19 featured relatively heavily in the respondents' accounts of change over the three years; parents described various restrictions enforced by the Kenyan government in response to the pandemic and explained how these had affected their lives and livelihoods. A range of economic factors were reported as driving down incomes and reducing purchasing power. Some parents' businesses had to shut down or struggled to cope with fewer customers and/or rising prices of goods, others lost jobs or faced salary cuts. Some parents reported that the strain on their finances made it more challenging to meet their household needs, including bills and food. Just over a quarter of respondents said that they had downsized and/or relocated to afford rent.

Unsurprisingly, Covid-19 directly affected children's attendance through **school closures**, which parents reported had negatively affected their children's performance upon returning to school, as well as their wellbeing and behaviour during the lockdown. The map below illustrates how the pandemic also affected attendance through impacts on parents' **income** and the **affordability** of education. The only other factor reported as driving absenteeism was temporary ill-health.

Please note, in the two maps presented below orange links represent less of something (decreased/reduced) and blue links represent more of something (increased/improved).

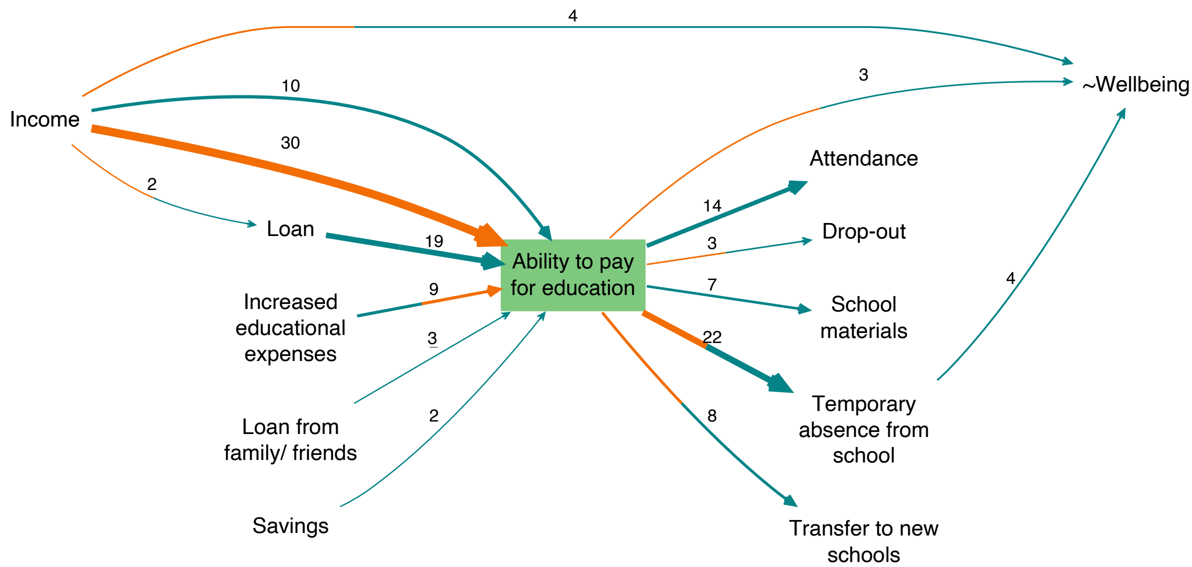
Map 1: Most common direct and indirect impacts of Covid-19 on school attendance



Filters: zoom level 1, combine opposites, path tracing from factor 'Covid-19' to 'School closure' and 'Temporary absence from school', 2+ citation count

All the parents who received a **school fee loan** reported that it helped them cover the costs of their children's educational expenses, including fees and school materials.

Map 2: Factors affecting parents' ability to pay for education



Filters: zoom level 1, combine opposites, 1 step up/down from factor 'Ability to pay for education', 2+ citation count

However, even parents who received loans sometimes reported struggling at points over the 3-year period; although none of their children dropped out, some were temporarily absent or moved to lower-cost schools. Loans did help these parents to finance education, but they were not always enough to prevent short-term absences in the face of economic challenges.

Respondents were generally positive about the loans because they were helping to keep their children in school. However, many described the lengths they went to to keep up repayments, including **reducing the quantity/quality of food consumption** for the household and **working extra hours**.

Some parents shared that they didn't see using loans as a good change because loans are a **last resort**. Respondents who had not received a loan mostly explained this through financial barriers such as **high interest rates** or **collateral requirements**. **Fear of debt** or stress from keeping up with repayments were also reported as putting people off. EduFinance reflected that this study highlighted the need for financial institutions to carefully consider the design and appropriateness of a loan for each household as loans can cause significant financial stress and have a negative impact on wellbeing if the household is unable to afford it.