



# IDP Rising Schools

## The Inspiration

In July 2008, IDP Foundation, Inc. President Irene Pritzker traveled to Ghana to look at various microfinance programs. After meeting several loan clients, she was introduced to Paulina, who owned a school in the Agbobbloshie slum market in bustling Accra. Although her main business was selling yams, Paulina felt compelled to open a low cost private school in the market to create a safe learning environment for the children of the traders.

There was clearly demand; her school quickly grew to serve over 400 students. Paulina soon needed to reinforce the second story of her building to safely accommodate her growing student body and approached her loan officer for a microloan. Though she had received loans for her yam-selling business, she was unable to secure a loan specifically for her school.

**Why is it easier to access credit for a yam-selling business than for improving the educational environment of a school?**



The IDP Foundation, Inc. created the **IDP Rising Schools Program** to help solve Paulina's dilemma.



# IDP Rising Schools

## The Need

- After conducting extensive market research, it was clear that Paulina's story was not unique
- The number of private schools in Ghana grew 26% from September 2006 to June 2009, totaling 15,000 private schools. Of these, an estimated 6,000 were low cost private schools. ("Final Ghana Country Report: Market Research Project on Low Income Private Schools" October 2010. Prepared for the International Finance Corporation by CDC Consult Limited.)
- Although low cost private schools are owned by poor people serving low cost communities, multi- and bi-lateral funding agencies support government programs and will not support this sector because the schools are privately owned
- The IDP Rising Schools Program projects there are a staggering 1.6 million children attending these disenfranchised, extremely impoverished, non-government schools in Ghana

## The Obstacles

- Microfinance Institutions (MFIs) have difficulty lending to low cost private school proprietors because proprietors require different types of loan products than group lending models can offer
- It is impossible to create a "one size fits all" loan product across different demographics of proprietors (cash flows or rural schools look different than those of urban schools)
- Proprietors lack basic financial literacy
- The sector is ignored by both government and major funding sources

## The IDP Rising Schools Program

There is clear market demand for an intervention to address the needs of this growing sector of schools. In response, the IDP Foundation, Inc., has partnered with Opportunity International-US, one of the world's largest microfinance networks, and Sinapi Aba Trust, the largest microfinance NGO in Ghana, to create the IDP Rising Schools Program. Through carefully tailored loan products and extensive trainings in financial literacy and school management, the IDP Rising Schools Program is creating a sustainable model for empowering school proprietors throughout Ghana.