



CHANCEN  
International

FAIR FINANCE FOR EQUAL ACCESS

# FAIR AND ETHICAL FINANCE

FOR SKILLS DEVELOPMENT  
& EMPLOYMENT



## LET US START WITH THE WHY.

9%

Gross Enrollment  
Rate (HE)  
(\* Global: 42%)

63%

Transition Rate  
Secondary to HE  
(\* 54% for female)

<10%

Minuza demand  
vs allocation.

Education Statistical Workbook, Mineduc, Rwanda, February 2022

## LET US START WITH THE WHY.

8%

Drop out rate at  
upper secondary  
level.

12%

Secondary level  
Students enrolled  
in TVET L1-L5

19%

Higher Education  
graduates from  
Polytechnics.

Education Statistical Workbook, Mineduc, Rwanda, February 2022

## LET US START WITH THE WHY.

Transition S3 to  
TVET and Gross  
enrollment are  
low.(\*)

Dropout rate is high  
mainly due to lack  
of financial  
resources.

Available fundings is  
not sufficient to  
address high  
demand in student  
finance.

(\* ) 52% of TVET L1-L5 students are 19 years old and over.

## WHAT WE STRIVE FOR.

Our vision is to build a Global Solidarity Community from which individuals can freely further their education and potential to shape the world of tomorrow.

Our mission is to increase lifetime income of excluded youth with ethical Income Share Agreements.

Education Statistical Workbook, Mineduc, Rwanda, February 2022

# Solution | Income Share Agreements (ISA)



CHANCEN raises funds from social & impact investors



Partner institutions who offer labour market relevant education are vetted and selected.



Excluded youth can sign up for an ISA from CHANCEN, agreeing to repay this money after attaining gainful employment following their graduation



Our algorithm calculates the repayment % and period. The CHANCEN platform manages all of our students and graduates



We re-invest these repayments in the next generation or repay our investors, thereby closing the funding circle



We currently operate in Rwanda, South Africa, Kenya and Ghana.

# ISA vs TRADITIONAL LOAN

ISAs are better because:



**No collateral** required  
ensures inclusivity



**No payments during  
the study period**  
ensures they perform  
well at school



Graduates only pay when  
they earn above a living  
wage so there is **no risk of  
over-indebtedness**

# ISA vs SCHOLARSHIPS

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## ISAs are better because:



**Lower dropout rates** as young people make a more deliberate decision about their choice of education.



**Cash Flow is not one way**, fair repayments ensure more people have access to quality education.

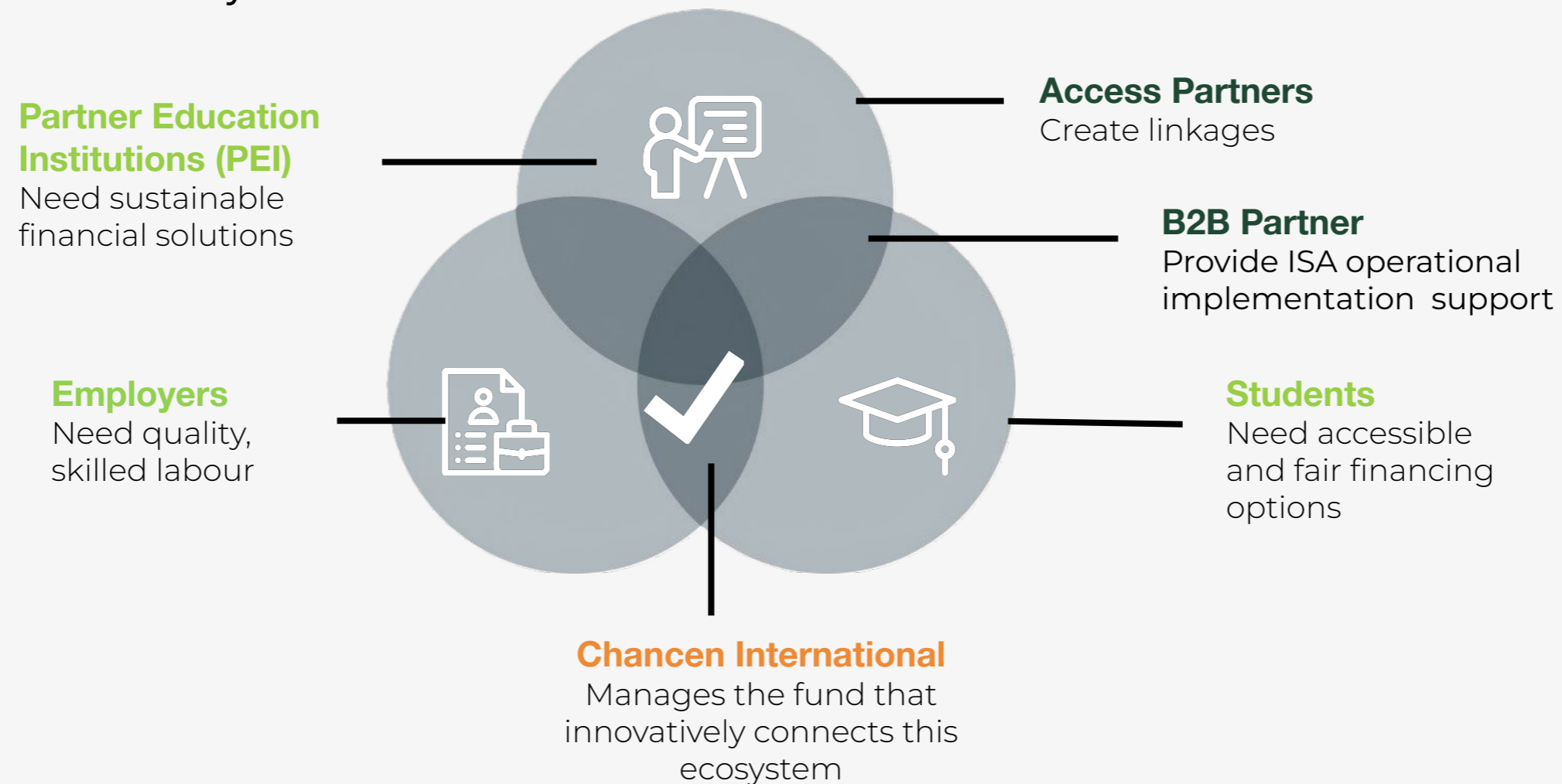


**Financial literacy skills development**, students and graduates are supported in managing their finances better.



# The Ecosystem Approach

Our model supports students to gain access to quality learning with education providers focused on essential future-of-work skills programs that have a clear pathway from learning into earning opportunities for excluded youth.



# From Vetting to Onboarding

## 1. Due Diligence

### Repayment risk assessment

We thoroughly evaluate potential education partners for Chancen International (CI) and assess the risks associated with financing their cohorts.

## 2. Product design

### Financial risk

Data is collated and updated by the Research team to calculate the suitable ISA product for the partner in education.  
We only partner with institutions who have strong transition to employment records or secured pipelines to employment for new programs.

## 3. Onboarding

### Operational implementation risk

CI & the partner agree on impact & performance metrics and contracts are signed.

# Benefits for Education Institutions

## Mission Alignment

Partnership allows for more inclusion and enhanced social impact.

## Treasury

Tuition fees are paid upfront, improving cash flow and eliminating the burden of collecting trade receivables.

## Efficiency

As enrollment increase, infrastructure are more efficiently utilized.

## Performance

Drop out decreases and overall number of graduates increase. This is a good performance indicator resulting from the partnership.

## Career Department

Career department gains strength at institution level as data collection from alumni is pivotal for partnership continuity.

## Market Oriented

Partnering with Chancen offers a great opportunity to align with market demand as financing is based on employability data.

# Partnership Enablers

- **Data:** This is very crucial for the partnership. Accurate and reliable data allow Chancen to design an ISA that is fair and ethical.
- **The First Loss Guarantee:** 20% of every money financed to student is deposited on an escrow account by the partner. This amount is returned to the depositor based on metrics agreed upon, namely graduation rate and expected repayment.
- **Monitoring:** Working hand on hand to monitor financed members is pivotal.
- **Non Financial support:** Chancen offers non-financial support to students (financial literacy, trainings...)
- **Career department:** Maintaining a close relationship with alumni. Crucial for graduates data collection as it impacts future financing.

# SOLIDARITY PRINCIPLE

# ISA Scenario | The Solidarity Principle

## (F) FAUSTINE

Total Cost of Education: 4,000,000 Rwf  
Average Net Salary: 300,000 Rwf  
Repayment Condition: 15% of net salary  
ISA Contract Term: 6 Years

Faustine have experienced a total 2 years of unemployment.

**(A) Total Repayment: 2,160,000 Rwf**

## (S) SAMUEL

Total Cost of Education: 2,000,000 Rwf  
Average Net Salary: 270,000 Rwf  
Repayment Condition: 18% of net salary  
ISA Contract Term: 5 Years

Samuel has never been unemployed. He actually worked 5 years.

**(B) Total Repayment: 2,916,000 Rwf**

## (P) PAULA

Total Cost of Education: 5,000,000 Rwf  
Average Net Salary: 900,000 Rwf  
Repayment Condition: 15% of net salary  
ISA Contract Term: 4 Years

Paula has never been unemployed. He actually worked 5 years.

**(C) Total Repayment: 6,480,000 Rwf (\*)**

**TOTAL FINANCED AMOUNT**

**F+S+P: 11,000,000 Rwf**

**TOTAL REPAYMENTS**

**A+B+C: 11,556,000 Rwf**

# Maximum Capping | Protecting High Earners

## LEONCE'S CASE

Total Cost of Education: 4,000,000 Rwf  
Average Net Salary: 1,880,000 Rwf  
Repayment Condition: 15% of net salary  
ISA Contract Term: 6 Years

**Total Repayment: 20,304,000 Rwf**

**UNFAIR...**

What is the best way to  
protect Leonce?  
Let us discuss.....

# Maximum Capping | Protecting High Earners

## LEONCE'S CASE

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Average Net Salary: 1,880,000 Rwf  
Repayment Condition: 15% of net salary  
ISA Contract Term: 6 Years

**Total Repayment: 20,304,000 Rwf**

### CAPPING

Capping repayment protects higher earners like Leonce.

ISA is fair and ethical.

### MARKET ALIGNMENT

- Alignment with Market Rate: 20% (\*)per year.
- However, ISA lower than market rate as disbursement kicks of after completing program and is income-linked.
- Leonce contribution is capped.  
Repayment will stop after 31 Months if she earns the same monthly salary.

*(\*) Some MFI apply a rate of 3.3% per month, i.e. 39.6% for micro loans below 5m.*



# Our Partners

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## Rwanda

- APEFE
- INES RUHENGERI
- KEPLER
- CUR
- MPIC
- KETHA
- RICEM

## South Africa

- BLULEVER
- NIDO
- CARE CHAMP
- CODE SPACE
- UMUZI
- INTERNMATCH

## Kenya

- NEXT STEP  
FOUNDATION
- GENERATION KENYA
- SIGMA ACADEMY

## Ghana

- CODE TRAIN
- ADAIRE

# IMPACT

# Impact | Sustainable funding for education



## Impact Highlights

- 3,367 Members. 2,360 in Rwanda.
- 1,056 Graduates
- 61% + are women
- >72% come from out of Kigali
- ER: 83%(\*)
- Earning: x5 national median income
- >90% are in good repayment standing

(\* ) Lower ER for graduates from pilot

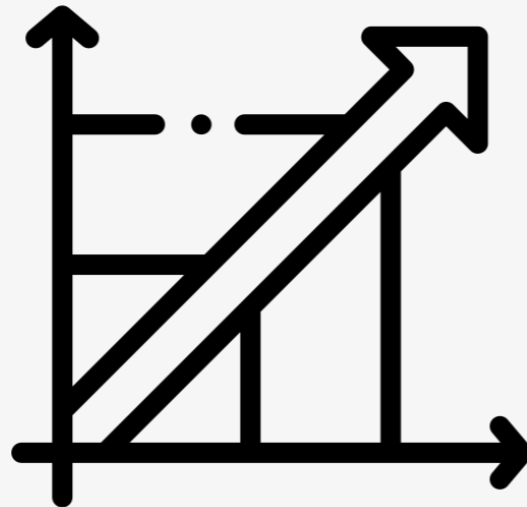


# Partnership with APEFE



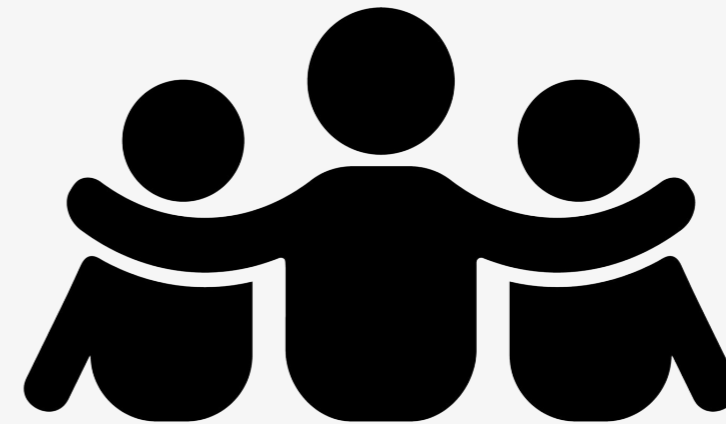
## MISSION ALIGNMENT

We work together for the integration of youth into workforce through income-generating training.



## SCALABILITY

We aim at increasing the number of beneficiaries.



## SUSTAINABILITY

We want to create a sustainable community by fostering a among members (beneficiaries).

# Partnership with APEFE: Modus Operandi

## 80/20

- APEFE contributes 20% of the financing which alleviates FLG for TVET schools.
- APEFE contribution is held in an escrow account and will reduce outstanding as per repayment plan.
- CHANCEN finances tuition fees.

## PARTIES

- 4 Parties are involved:
  - **APEFE**: facilitates access to ISA to TVET Schools.
  - **RTB**: oversee contract signed between Chancen and the TVETs.
  - **TVETs**: provide relevant data to be eligible to ISA.
  - **CHANCEN**: provide ISA, study now pay later.

## TRADES

Focus will be on trades that lead to income-generating activities (employment or entrepreneurship).  
Data will drive the decision.

# WE VALUE YOUR QUESTIONS