



OPPORTUNITIES *for the* MAJORITY

Quality Education for Peru's Emerging Classes

Better Schools at Better Rates

Upwardly mobile Peruvians who want to invest in their children's education have few choices of private elementary and secondary schools that provide solid and modern academic grounding at reasonable rates. Finding topnotch yet affordable private schools in emerging neighborhoods where they live is even harder.

The Inter-American Development Bank's Opportunities for the Majority Initiative (OMJ) is supporting a sustainable and market-based solution for Peru's emerging social classes. Colegios Peruanos is a private company whose schools will help children obtain an education on par with international standards and give them competencies to be citizens and employees in modern economies.

OMJ is lending Colegios Peruanos up to \$15 million to grow its network of private "Innova Schools" from five to 26, and increase its student body by 23,000 by expanding two existing schools and building 21 new ones in upwardly mobile neighborhoods in Lima and other Peruvian cities.

Colegios Peruanos as a Solution

Despite increased enrollment and graduation rates, Peru's educational system needs improvement. In 2009, Peruvian students scored 63rd out of 65 worldwide on the international standardized PISA test, last of nine Latin American countries. Many factors, including low public investment in education and poor teacher training, contribute to these scores.

Yet Peru's sustained economic expansion has led to greater demand for good education from upwardly mobile Peruvians. Parents are willing to make economic efforts to provide their children with the best academic opportunities.

Colegios Peruanos is working to meet that demand and turn test scores around. The company specializes in construction, operation and management of private primary and secondary schools for emerging social classes in neighborhoods where few exist.

Innova schools educate children between the ages of 3 and 18. They focus on technology and intensive use of English, currently for an average \$107 monthly tuition. Educational models are based on life-long learning competencies, inquiry and collaboration are designed along international standards.

Innova's teachers are recruited from Peru's top institutions and receive on-the-job formation, coaching and bilingual training, to master Innova's modern curriculum, lively and interactive instruction. They are motivated to improve their performance and boost student learning through proven incentives.

OMJ aims to partially finance and assess the impact of Colegios Peruanos' academic model. Results will be used to share best practices and increase the potential for the model's most promising aspects to be replicated by private and public sectors in Peru and elsewhere in Latin America.

A Model to Benefit Many

Colegios Peruanos has an efficient business model that is sustainable and market-based. Its network of schools achieves economies of scale for management costs and back office expenses.

Colegios Peruanos' expansion will cost \$74.7 million and reach new markets in Peruvian cities, including Trujillo, Huancayo and Piura. In addition to OMJ's loan of up to \$15 million, IDB is mobilizing international lenders to raise additional financing of up to \$25 million, involving both B and parallel lenders. After this initial expansion, sponsors seek to open up to 70 schools across Peru.



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