

# Mesofinance Monthly

## THIS ISSUE INCLUDES

**Building financial projections with Microfin**

**Klas raises \$1m to expand platform for teachers, learners,** as part of a selection of news items on Africa, sponsored by Frankfurt School of Finance and Management

**Qul Fruit Wall of India secures the euro equivalent of \$6m from Incofin to invest in agricultural value chains, supporting 5,000 apple farmers in Kashmir,** in our listings of recent investments

**Private asset impact fund report 2023,** a summary of this paper from Tameo Impact Fund Solutions

March 2024

*Mesofinance Monthly shares information on impact investment, with a focus on how financial services can help reduce poverty and otherwise contribute to reaching the UN Sustainable Development Goals.*

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## Building financial projections with Microfin

Chuck Waterfield and Tony Sheldon released Microfin in 1997 to fill a widely acknowledged need for a financial projection tool to help microfinance professionals quickly and systematically identify a path for MFIs to grow sustainably. A wide range of institutions financed the development of Microfin, including CGAP, Women’s World Banking and World Vision. It remains the most effective budgeting software for MFIs and is available free of charge.

**What does Microfin do?** Users input loan and savings product assumptions into expertly crafted templates through which Microfin tracks activity and calculates revenue. Users can input expenses manually, or the system can derive them from product activity. Microfin can cover up to 20 branches or regions.

The software generates monthly financial statements and budget-to-actual reports to track against goals and enable the periodic refinement of assumptions. Microfin also creates annual summaries of assumptions and financial statements in local and foreign currencies.

The system integrates projections with graphs to provide a visual story-telling experience, as well as offering a double-check on growth assumptions for reasonableness. Microfin is prepackaged with English, French, and Spanish language modules and is open for translation to any other language.

**Who maintains Microfin now?** Howard Brady succeeded Chuck in 2016 as the primary trainer and developer of Microfin. Howard has automated principal debt repayments and created Microfin Consolidation, which produces consolidated statements from up to 20 separate instances of Microfin. Two optional modules allow for: (1) calculating loan-loss reserves by aging bucket; and (2) allocating loan officer salaries by product type.



### Planned enhancements

- Graphs highlighting the divergence of actual from budget
- Expansion of the budget-to-actual report from one year to two years
- Financial statements displayed in thousands, millions, lakhs or crores
- Conversion to allow Microfin to work on Apple systems



**From Strategic Plans to Monthly Financial Projections**

*“Microfin is by far the best budgeting tool that I have experienced.”*

*“Howard is a great teacher. He carries everybody along and always happy to help. I give him maximum points of 10.”*

**2024 Training Schedule:**

Washington DC, USA.....April 15-19	Lagos, Nigeria.....July 8-12
Casablanca, Morocco <b>FRENCH</b> .May 6-10	Puebla, México <b>SPANISH</b> .....October 14-18
Nairobi, Kenya.....June 3-7	Bangkok, Thailand.....November 11-15
Zoom.....June 24-28	Zoom.....December 9-13

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## NEWS FROM AFRICA

### **Ghana Enterprises Agency, Mastercard Foundation launch BizBox program, aiming to help 250k youth acquire employment**

Ghana Enterprises Agency, a unit of the government of Ghana that supports micro-, small and medium-sized enterprises, recently partnered with the Canada-based Mastercard Foundation in an effort to support 250,000 young people in acquiring “dignified and fulfilling jobs.” Among the goals of the project is to serve 25,000 people with disabilities and 175,000 women. The program is called Business in a Box - or BizBox - and includes training in life skills and business skills along with access to technology, finance, markets and networking opportunities. The program has a local-currency budget equivalent to USD 55 million to run until 2027.

### **Rawbank app illicocash to offer virtual Mastercard payment cards in DRC**

Rawbank of Democratic Republic of Congo, through its illicocash unit, recently announced plans to offer virtual payment cards to facilitate its customers’ participation in e-commerce. The cards will carry the brand of the US-based firm Mastercard. Karim Nouri, the general manager of illicocash, said the new service “is a crucial addition to our digital services portfolio that addresses the needs of the unbanked and underbanked.” The app’s other services include paying bills, making online purchases, and sending and receiving remittances. Rawbank has 500,000 users, and illicocash has 300,000.

### **Klas raises \$1m to expand platform for teachers, learners; Ingressive is lead**

Klas, a Nigeria-based facilitator of lessons taught by 5,000 teachers to 300,000 learners in 30 countries, recently raised USD 1 million for its expansion plans. The firm offers live classes, recorded classes and e-books. Its features include scheduling, video conferencing and multi-currency payment management. The investors in the fundraising round include Africa-focused Ingressive Capital - which led the round - as well as Techstars, a US-based startup accelerator, and HoaQ Club, which invests in technology businesses owned by Africans around the world.

*You may also find several stories that span Africa & other regions on pages 5 & 6.*

## **FUNDING FLOWS**

### **Ghana:**

*E-Services Africa, an undisclosed sum from BII via Growth Investment Partners Ghana to expand its business process outsourcing*

### **Mauritania:**

*Banque pour le Commerce et l’Industrie, ~\$22m from EIB with risk sharing from the European Fund for Sustainable Development Plus, for SMEs and mid-caps*

### **Tanzania:**

*VisionFund Tanzania, ~\$2.2m from Grameen Crédit Agricole Foundation for microlending*

### **Zambia:**

*Seba Foods, a division of 260 Brands, \$10m from DFC to expand production and storage capacity, including of maize and soy sourced from smallholders*

*~ indicates transaction denominated in euros*

*This selection of news on Africa appears compliments of:*



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## NEWS

### **BlueOrchard, Tata, Prime Venture Partners, SIDBI participate in \$11m equity round for FinAGG to expand insurance, loans for MSMEs in India**

BlueOrchard Impact Investment Managers, a unit of UK-based Schroders Group, recently placed USD 6 million in equity from its InsuResilience Investment Fund II into FinAGG Technologies, a provider of cash flow financing and insurance to micro-, small and medium enterprises in India. Tata Capital, the Small Industries Development Bank of India, and Prime Venture Partners invested additional funds totaling USD 5 million in the Series A round. FinAGG CEO Nipun Kohli said, “We are excited to... further drive the penetration of climate insurance to our clients.” Mahesh Joshi, BlueOrchard’s Head of Private Equity Investments in Asia, described the overall aim as to “improve access to financial services, drive growth and improve the resilience of the vulnerable MSME sector in India.” In support of the investment, IIF will provide technical assistance to FinAGG to help it boost its financial literacy efforts. Further, a representative of the fund will take a seat on the FinAGG Board of Directors.

### **ITU offers tools, training to boost resilience of digital financial services infrastructure**

The UN’s International Telecommunication Union recently rolled out a “Cyber Security Resilience Assessment Toolkit for DFS Critical Infrastructure” to help regulators and practitioners protect the systems that enable digital financial services. The toolkit is based on the following “pillars”: Risk Management, Governance, Testing, Protection, Incident Response, and Training & Awareness. In support of these efforts, ITU offers in-person and remote “security clinics” several times per year.

### **EIB launches Women Climate Leaders Network**

Forty-seven women who work for private companies, including representatives of all 27 countries of the EU, have joined the Women Climate Leaders Network, which the EIB Group recently convened. The goal of the network is to “share knowledge and best practices for accelerating climate action, and work on new business models and ways to enable the low-carbon and green transformation.” Among the motivations for creating the group is EIB research that indicates women-led firms perform better on ESG measures than do companies run by men.

### **Revolut links e-wallets in Europe to bKash of Bangladesh, M-Pesa of Kenya**

Revolut, a UK-based fintech with 35 million customers in 150 countries, recently added a mobile wallet feature to its product menu, allowing users in Europe to send money to individuals in Bangladesh and Kenya, based on the recipient’s phone number or email address. People in Bangladesh can access funds via the bKash mobile money services, which is affiliated with the Bangladeshi NGO BRAC. In Kenya, recipients can access funds via M-Pesa, a service of UK-based Vodafone. “Sending money home is a problem many expats face and so it is essential to provide a service that simplifies this and facilitates affordable and convenient international money transfers,” said Akshat Mittal, Revolut’s General Manager for International Payments. Revolut, which was launched in 2015, offers services such as payments, insurance, investments, peer-to-peer chat, payment-card processing and vacation-home rental. The firm reports having brought in total revenue of USD 1.1 billion during 2022.

## FUNDING FLOWS

### *Bulgaria:*

*Bulgarian Development Bank, ~\$188m from Council of Europe Development Bank for on-lending to MSMEs for activities such as adopting renewable energy and digitizing internal operations*

### *Global:*

*Apis Capital Markets Fund, \$40m from British International Investment for fintechs that “serve low and middle-income consumers (directly and indirectly)”*

### *India:*

*Light Microfinance, \*\$2.2m from Grameen Crédit Agricole Foundation for microlending, mainly for women in rural areas*

*Mitrata, \*\$1.6m from Grameen Crédit Agricole Foundation for lending to women-owned SMEs in rural areas*

*Qul Fruit Wall, ~\$6m from Incofin to invest in agricultural value chains, supporting 5,000 apple farmers in Kashmir*

*\* indicates transaction denominated in local currency*

*~ indicates transaction denominated in euros*

### **Blue Earth buys stakes in Africa-, Asia-focused funds from BII**

Blue Earth Capital, a Switzerland-based firm owned by the Blue Earth Foundation, recently paid an undisclosed sum to acquire portions of the stakes that British International Investment holds in three funds: Aavishkaar Goodwill India Micro-finance Development Company II, Novastar Ventures Africa Fund II and the Africa-focused Adenia Capital Fund IV. BII describes the transactions as the government-backed institution's "first portfolio secondary transaction... structured as a pilot to support the development of a more robust secondaries private equity market [in] emerging markets."

### **Equal Exchange engaging retail investors to support smallholder farmers**

Through April 2024, the US-based cooperative Equal Exchange is offering 3-year notes that promise an annual return of 3%. Retail investors can purchase the notes on Crowdfund Mainstreet, a website owned by the US-based public benefit corporation MiTec. Equal Exchange, which is seeking to raise USD 1.5 million through the offering, sells coffee, chocolate, bananas and other food products on a wholesale basis. It sources these products from small-scale farmers in Latin America and Africa, whom it supports with services such as pre-harvest financing.

### **Techreo raises \$3.4m from Creation, G2 Momentum to expand in Americas**

Techreo, a digital financial services firm serving 480,000 people in Mexico and Bolivia, recently raised USD 3.4 million in bridge funding to support its expansion into Colombia, Ecuador, Peru and the US. The funders are the US-based impact investor Creation Investments and the Mexican venture capital firm G2 Momentum. The head of Creation's investment team in Mexico, Amadeo Ibarra, described Techreo's app as "uniquely designed to serve people at the base of the economic pyramid." Its offerings include financial services, financial education and business solutions. Techreo was founded in 2022.

### **USAID expands Feed the Future program to Guatemala in effort to boost incomes, food security, resilience in rural areas**

The US government's Agency for International Development recently announced it has budgeted USD 6 million to support the financial inclusion of micro-, small and medium-sized enterprises owned by people in Guatemala who are members of one or more of the following groups: women, young people and indigenous citizens. Elements of the program are aimed at "enhancing financial literacy... and helping financial service providers reach underserved rural markets with better, tailored products." The goals include to boost saving balances, investments in agriculture, food security and access to digital financial services. Another part of the program is to help people who receive remittances to leverage these funds to meet community goals. The effort is part of a project called Feed the Future, which is active in 20 countries in Africa, Asia, Latin America and the Caribbean.

### **Intesa Sanpaolo expanding services for SMEs in Albania, Serbia**

Intesa Sanpaolo, an Italian bank with operations in 12 countries in Europe and North Africa, recently expanded a program for small and medium-sized enterprises so it is available via Intesa Sanpaolo subsidiary banks in Albania, Croatia, Serbia and Slovenia. The program supports SMEs with greater access to finance and cross-border services. In other countries where Intesa Sanpaolo has rolled out this effort, "Just a few months after launch, the project... has achieved results far in excess of the targets set, with more than 600 customers involved and over [USD 270 million] in financing granted," said Giuseppe Ferraro, Head of the Corporate & SME Department of Intesa Sanpaolo's International Subsidiary Banks Division.

## **FUNDING FLOWS**

### *Kosovo:*

*The government of Kosovo, ~\$27m from Council of Europe Development Bank for affordable housing, including for boosting the energy efficiency of homes owned by people with low incomes*

### *Kyrgyzstan:*

*Demir Kyrgyz International Bank, \$4m from EBRD as a synthetic loan to allow local-currency investments in the "Green Economy Transition," including for micro- and small enterprises*

### *Moldova & Ukraine:*

*Horizon Capital Growth Fund, ~\$26m from EIB's EU for Ukraine Fund to invest in 20 SMEs*

### *Mongolia:*

*Golomt Bank, \$10m from Invest in Visions*

*~ indicates transaction denominated in euros*

## CONFERENCES

### **Finnosummit Connect 2024 \ 4-7 March \ Cancún, Mexico**

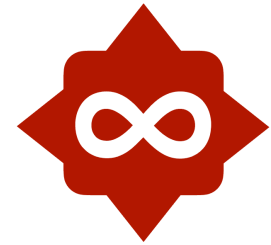
This event includes afternoons free for networking, with sessions in the mornings and evenings on topics such as embedded finance, digital IDs, public policy, AI, collaboration and experience sharing among startups. The fee to attend is USD 1,250. You may seek more details by emailing [tickets@finnovista.com](mailto:tickets@finnovista.com) or calling +56 36 66 48 12.

### **Global Microfinance Forum \ 14-15 March \ Amsterdam, the Netherlands**

The 19th iteration of this forum will bring stakeholders together to discuss topics such as: (1) Climate-Smart Financing for Smallholder Farmers; (2) Women's Economic Empowerment by MFIs; and (3) Green & Sustainable Finance: Genuine Change from MFIs. The event is hosted by Uniglobal, a firm based in the Czech Republic that was established in 2002 and provides knowledge-sharing and networking opportunities. The registration fee is EUR 1,500. For additional information, you may contact Oksana Zaleska at [oksana@uni-global.eu](mailto:oksana@uni-global.eu) or +420 226 220 450.

### **ICT4D Conference \ 19-20 March \ Accra, Ghana**

This annual gathering is intended to promote data innovations that “are making a measurable difference in millions of people’s lives” through humanitarian relief, development projects and conservation efforts. The event’s themes include digital inclusion, digital health, food security, and youth engagement and employment. The event sponsor is the US-based NGO Catholic Relief Services. The cost to attend ranges from USD 250 to USD 1,000. For further details, you may contact the organizers via +1 757 748 5003 or [adminict4dconf@crs.org](mailto:adminict4dconf@crs.org).



## **LATER IN 2024**

### **2024 Women's Global Leadership Forum**

7-9 May  
Washington, DC, USA & virtual

### **Sanabel 16th Annual Conference**

14-15 May  
Dead Sea, Jordan

### **ARE Energy Access Investment Forum**

21-23 May  
Lagos, Nigeria

### **FinovateSpring**

21-23 May  
San Francisco, California, USA

### **Skoll World Forum**

9-12 April  
Oxford, UK

### **Invest in Africa Summit 2024**

16-17 April  
the Hague, the Netherlands

### **2024 Global Inclusive Growth Summit**

18 April  
Singapore &  
Washington, DC, USA

### **Enlit Africa**

28-30 May  
Cape Town, South Africa

### **CERISE+SPTF Annual Meeting**

4-7 June  
Manila, the Philippines

### **Africa Tech Summit London**

7 June  
London, UK

## RESEARCH

### **The potential for agricultural insurance in the Philippines**

This study evaluates the feasibility and potential benefits of introducing agricultural insurance in the Philippines' Bangsamoro Autonomous Region in Muslim Mindanao. The intent is to enhance the resilience of small-scale farmers in BARMM against extreme natural events such as floods, droughts and hurricanes.

Mr Benni refers to prior research indicating that agricultural productivity in the region is not meeting its potential due to "limited access to credit and agricultural insurance, low farm mechanization and inadequate post-harvest facilities, inadequate irrigation, scant support to research and development, unstable extension service, and incomplete agrarian reform program implementation."

When the idea of purchasing insurance was introduced to farmers in BARMM, some were receptive to the idea while others were not. The latter group may benefit from education on the potential benefits of insurance.

The Philippine Crop Insurance Company is a government entity that protects farmers against losses to crops - based on weather conditions or actual yields - as well as damage to assets such as harvesting and processing equipment. However, PCIC enrollments have been low in BARMM due to conflict in the region and lack of collaboration with local government units.

To improve farmers' access to insurance, Mr Benni suggests: (1) reviewing the insurance projects of the World Bank and the Asian Development Bank that are ongoing elsewhere in the Philippines to see if they can be replicated in BARMM; (2) increasing outreach by PCIC in the region; and (3) piloting a index insurance product in BARMM that complies with Islamic principles.

### **Private asset impact fund report 2023**

This report is derived from a survey of managers of private asset impact funds, which the authors define as investment vehicles "managed by specialized impact fund managers with over 50% of their non-cash assets allocated to private debt or private equity instruments, primarily in emerging and frontier markets, with a development impact bias." The survey sample comprises 194 PAIFs, which are associated with 83 investment managers. The funds hold a total of USD 28.5 billion in assets, comprising one third of the global PAIF market.

The total assets of PAIFs grew 6 percent during 2022, and their managers estimated they would record additional growth of 5 percent during 2023. As of December 2022, 51% of PAIF assets were allocated to microfinance, 28% to small and medium-sized enterprises, 7% to food and agriculture, 5% to the climate and biodiversity sector, and 1% to health and education. Portfolio exposure per investee is highest in the climate and biodiversity sector - at an average of USD 8.1 million - and lowest when investing in the health and education sector - at USD 300,000.

Fund managers may designate the intent of a fund to effect positive change via "a dual or even triple bottom line objective, seamlessly integrating considerations of social, environmental and financial returns." To measure such changes, many managers combine internal systems with external frameworks such as the UN Sustainable Development Goals.

During 2022, the unleveraged PAIFs in the survey generated average financial returns of 2.3%, and the leveraged funds earned returns of 4%.

*This is a summary of a paper written by:  
Niclas Benni*

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