

# REFFA Impact Report 2023









## Regional Education Finance Fund for Africa (REFFA)

- Initiated by: KfW Development Bank and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ)
- Fund Manager: BlueOrchard Finance Ltd
- Technical Assistance Facility Manager: BlueOrchard Finance Ltd

## About REFFA

Initiated by KfW Development Bank and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Regional Education Finance Fund for Africa (REFFA or the Fund) is the first regional education finance facility for Africa. It aims to provide customised financial services for the education sector in a demand-oriented, financially sustainable, and socially responsible manner. As part of this innovative approach, the Fund and its Technical Assistance Facility partner with financial institutions by supporting them in the development of sustainable financial services for private education providers as well as learners and their families. In doing so, the Fund and the participating financial institutions help improve access to quality education and affordable education, as well as contribute to the socially responsible economic development of African countries. For additional information, please visit: [www.reffa.org](http://www.reffa.org).

## About BlueOrchard Finance Ltd

BlueOrchard is a leading global impact investment manager and member of the Schroders Group. As a pioneering impact investor, the firm is dedicated to generating lasting positive impact for communities and the environment, while aiming to provide attractive risk-adjusted returns to investors. BlueOrchard was founded in 2001 by initiative of the UN, as the first commercial manager of microfinance debt investments worldwide. Today, the firm offers impact investment solutions across asset classes, connecting millions of entrepreneurs in emerging and frontier markets with investors with the aim to make impact investment solutions accessible to all and to advance the conscious use of capital. Being a professional investment manager and expert in innovative blended finance mandates, BlueOrchard has a sophisticated international investor base and is a trusted partner of leading global development finance institutions. To date, BlueOrchard has invested more than USD 11bn in 100 countries. More than 300 million people in emerging and frontier markets have been reached with the support of BlueOrchard as of December 2023. [1] For additional information, please visit: [www.blueorchard.com](http://www.blueorchard.com).



## About BII

The recently renamed British International Investment (BII), the UK's development finance institution, formerly CDC, helps solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. It is the world's first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in Africa, Asia and the Caribbean. BII is a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all. For additional information, please visit: [www.bii.co.uk](http://www.bii.co.uk)



## About KfW

KfW Development Bank has been helping the German Federal Government to achieve its goals in development policy and international development cooperation for more than 60 years. In this regard, it is both an experienced bank and a development institution with financing expertise, expert knowledge of development policy, and many years of national and international experience. On behalf of the German Federal Government, and primarily the Federal Ministry for Economic Cooperation and Development (BMZ), KfW finances and supports programmes and projects that mainly involve public sector players in developing countries and emerging economies – from their conception and execution to monitoring their success. Its goal is to help its partner countries fight poverty, maintain peace, protect both the environment and the climate and shape globalisation in an appropriate way. For additional information, please visit:

[www.kfw-entwicklungsbank.de](http://www.kfw-entwicklungsbank.de)

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## Contents

### 05 Executive summary

### 06 2023 results

Impact highlights

Impact performance

Technical Assistance Facility

Meet REFFA's investees: Case studies

### 15 The role of financial inclusion in improving access to education

### 17 Conclusions and future outlook

### 19 Appendix: About REFFA

Background

Blended finance vehicle

Impact strategy and Theory of Change

Technical assistance



# Executive summary

REFFA was established in 2012 and is the first fund designed solely to bolster the development of the education finance sector in Africa. This report provides a comprehensive overview of the Fund's activities and achievements over the year 2023 and some insights looking ahead.

## Strong impact in 2023

- In 2023, REFFA financed 22 investees with a combined education portfolio of over USD 208 million, providing loans to more than 6,000 education providers, 147,000 learners, and 25,000 students.
- The Fund added 10 new investees to its portfolio in 2023 and disbursed a total of USD 26.5 million. The investment level stood at 87% by the end of the year.
- As a result of an increased focus on financing education providers, this segment of the portfolio grew by 37% compared to 2022. Overall, the share of the portfolio dedicated to education providers has increased to 24% with 7 investees exclusively financing education providers within their education portfolios.
- The REFFA Technical Assistance Facility (TAF) focused on further rolling out the EduFinance Tracker [2], particularly focusing on the Fund's new investees. A revised approach to rolling out the tracking tool has facilitated a smoother and slightly better acceptance of the tool among investees, as it offers a stepwise onboarding process while starting with the standard reporting requirements to REFFA first.

## Looking ahead

- REFFA is expected to onboard four new investees in 2024 and renew exposure to around five investees, demonstrating a commitment to both strengthening existing relationships and expanding the education portfolio with new partners.
- The Fund is expected to remain resilient and adaptive in the face of challenging macroeconomic conditions in Africa with soaring interest rates, inflationary pressure, and unstable political conditions.

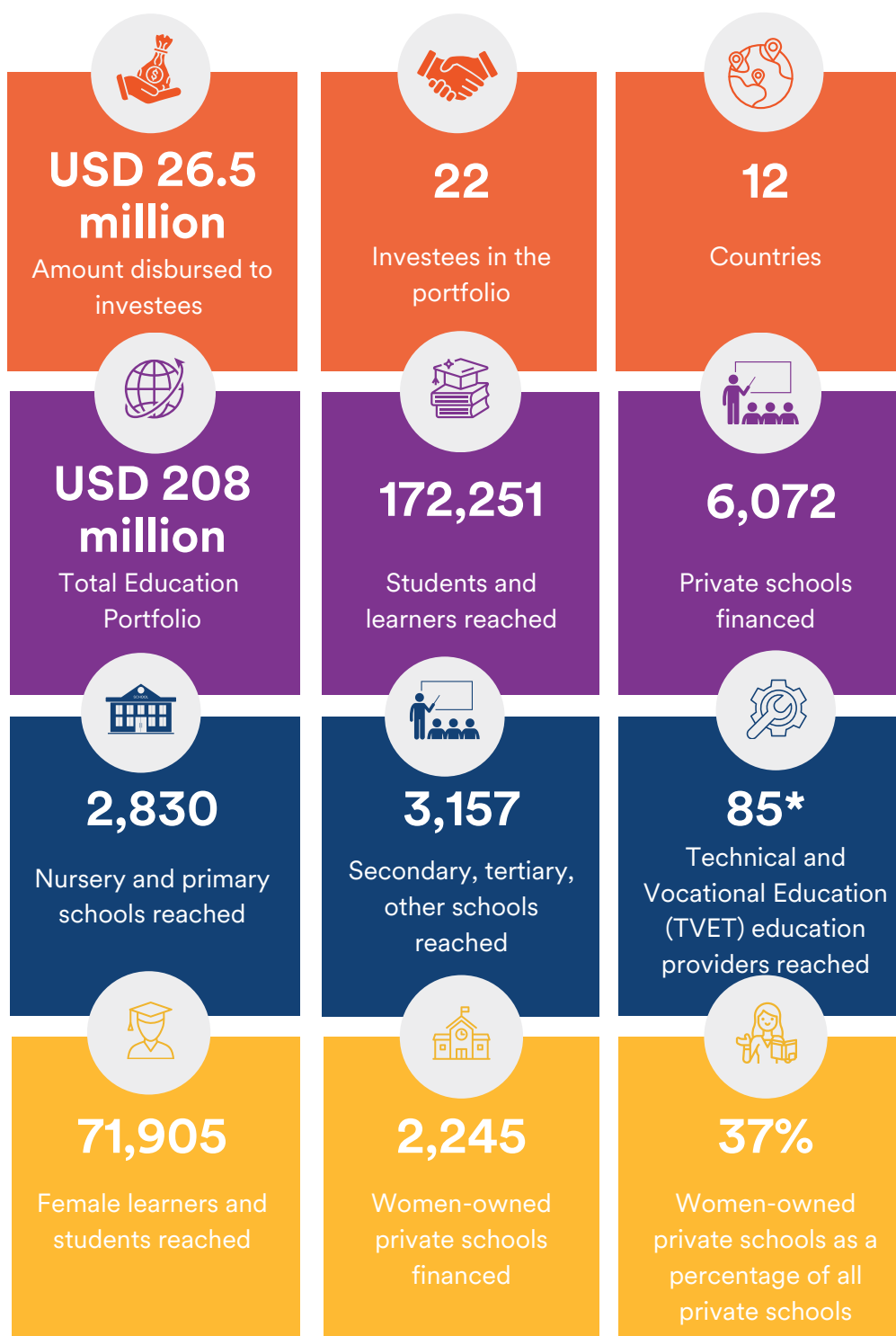


[2] A customised MIS system to track education portfolio data of REFFA's investees and create a scoring on the levels of education quality and affordability of education providers financed by REFFA investees.



# 2023 results

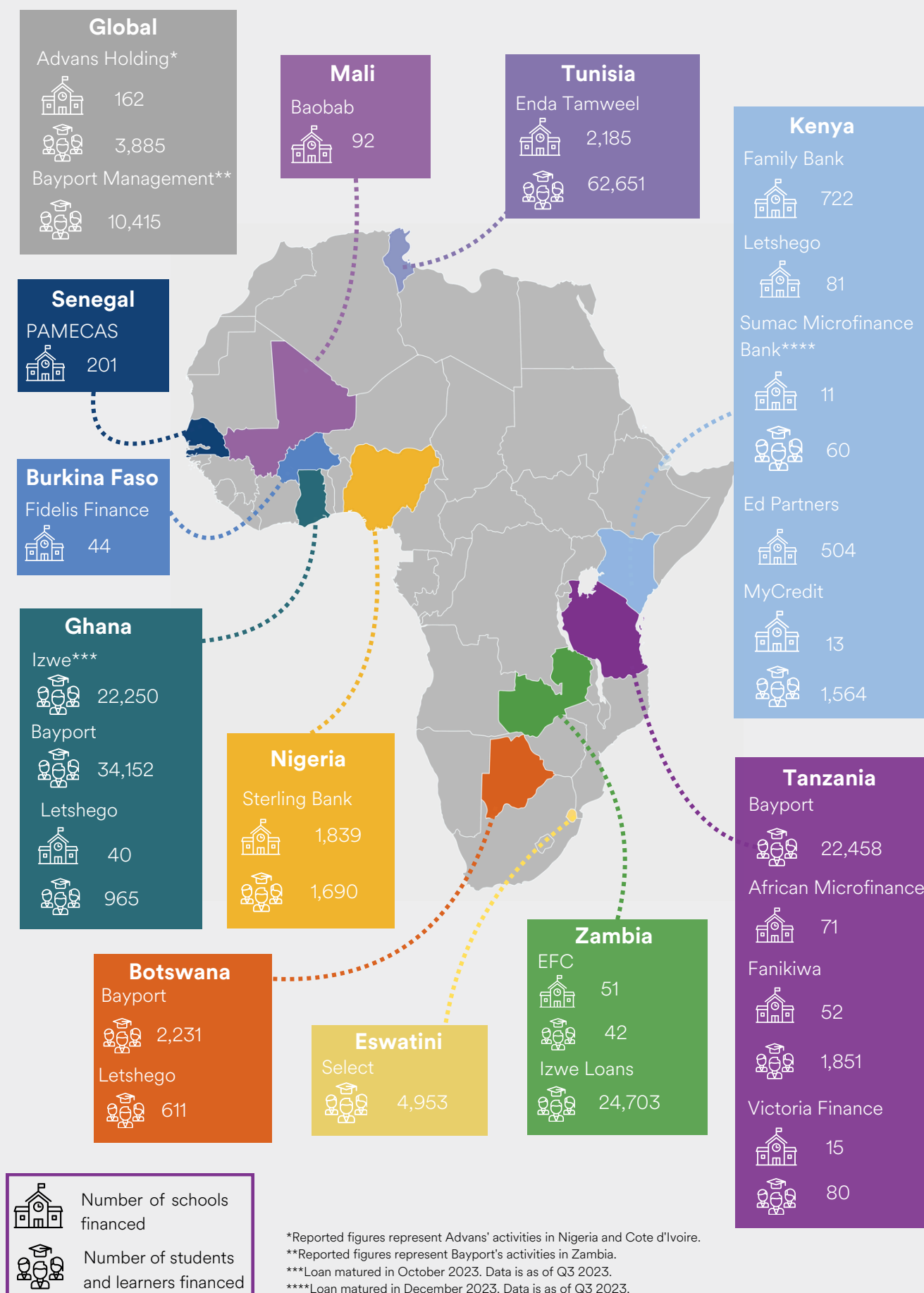
## Impact highlights [3]



[3] Represents REFFA portfolio as of 31 December 2023. Figures may slightly deviate from the Fund's Dec-23 Quarterly Report and SFDR Periodic Report, due to a limited number of investees that provided new data after the cut-off date for these reports. This annual impact report reflects the latest information available as of July 2024. Unless otherwise noted, all impact data refers to the total education portfolio of financed institutions, rather than the share that can be fully attributed to REFFA.

\*The large drop in TVET education providers reached compared to 2022 is due to a changed way of reporting from Enda Tamweel, who now reports their education providers financed under secondary and tertiary education.

## Meet REFFA's investees





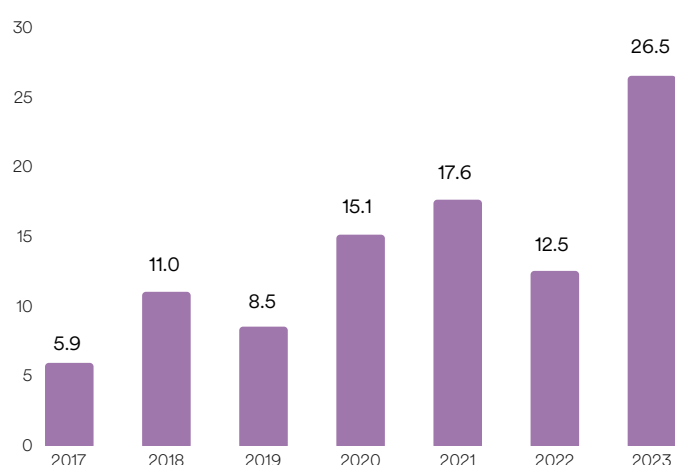


## Impact Performance

At the end of 2023, the Fund had outstanding loans to 22 financial institutions in Africa. In aggregate, REFFA's investees had education portfolios amounting to more than USD 208 million, providing loans to more than 6,000 education providers, 147,000 learners, and 25,000 students.

The Fund disbursed USD 26.5 million to 14 investees in 2023. 10 new investees were added to the portfolio, expanding REFFA's partnerships with financial institutions in the region and allowing the Fund to widen its positive impact on students and schools. REFFA has increased the volume of disbursements by 112% compared to 2022 and exceeded by far all previous years. The investment level at the end of 2023 was at 87%.

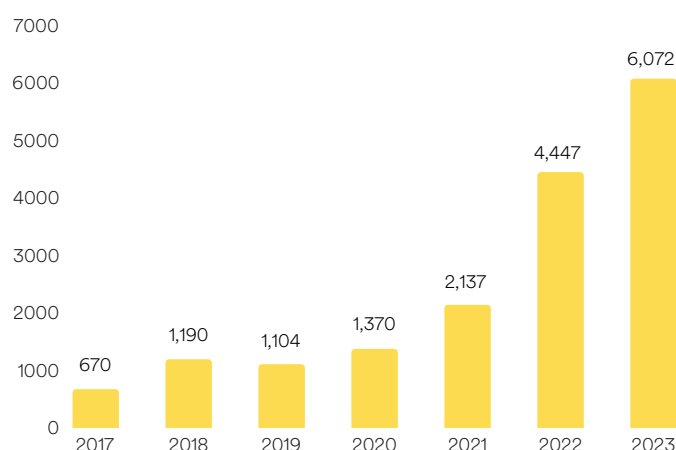
**Figure 1: Investment disbursed (USD million)**



With 6,072 education providers as of December 2023, REFFA's investees increased the number of education providers reached by 37% compared to December 2022 and almost tripled the number compared to 2021. The majority of education providers financed are nursery and primary schools (46.6%) and secondary, tertiary, and other schools (52.0%), while the remaining education providers are technical and vocational education providers (TVET). The significant growth in the number of education providers reached is the result of an increased focus on financing institutions that lend schools and other education providers. These loans

are mostly used to increase fixed assets (school buildings and equipment) that result in an increased capacity of schools to educate more students, as well as an improved learning environment, improving the quality of education. The volume of loans to education providers now represents 24% of the financed education portfolio.

**Figure 2: Number of education providers financed**

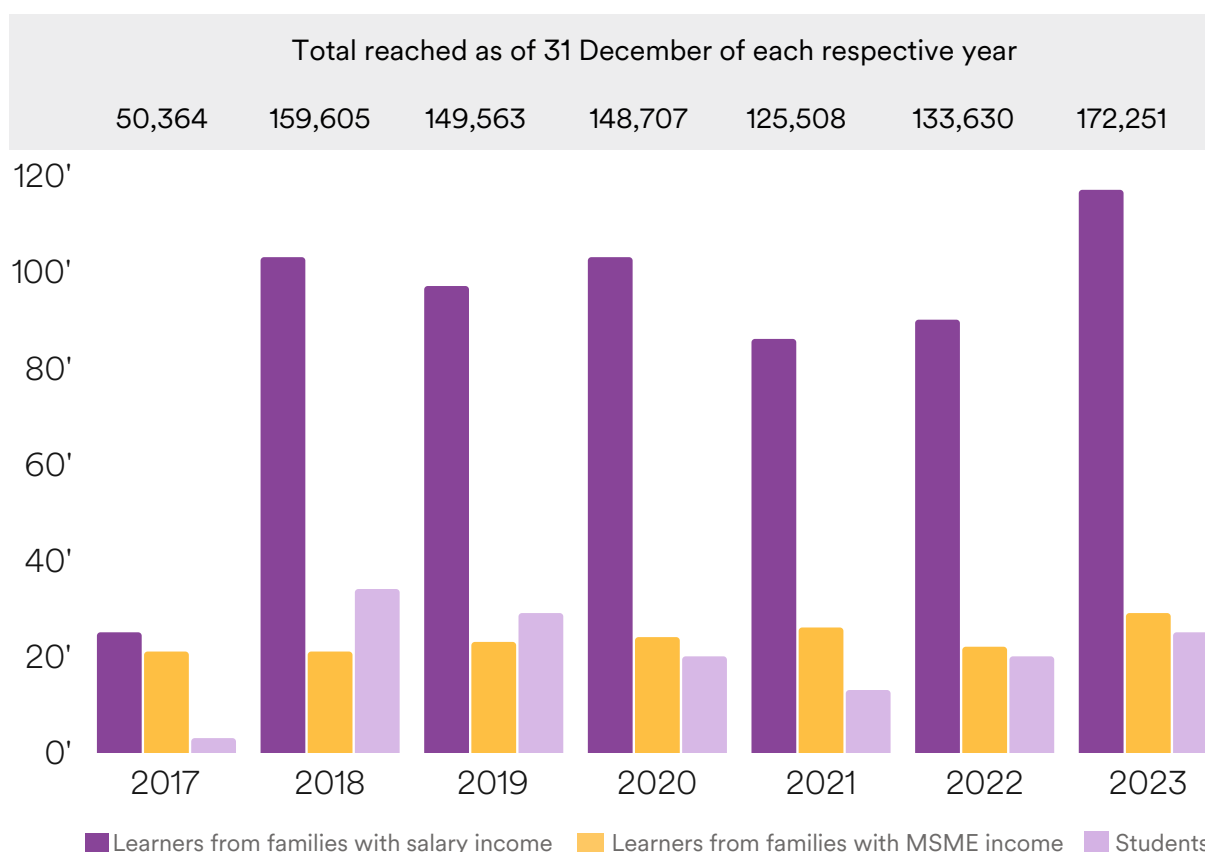


Loans to learners represent more than 82% of loans in the education finance loan portfolio financed by REFFA. REFFA's investees had almost 118,000 loans to learners from families with salary income by the end of 2023. Additionally, the loan portfolio comprised more than 29,000 loans to learners from families with MSME income. Overall, this results in a total loan portfolio of approximately 147,000 loans to learners by the end of 2023, representing an increase of 30% compared to 2022.

Loans to students have reached more than 29,000 individuals in 2023, which represents an increase of 22% compared to 2022 and is almost double the number of students reached in 2021. These loans tend to reach adult individuals who have taken out salary-backed loans to invest in their further professional development. This category shows a valuable contribution of REFFA to the professionalisation of the labour market.



**Figure 3: Number of learners and students reached**



Throughout 2023, REFFA's investees have disbursed 70,524 education loans with a total volume of USD 97.1 million. While the number of loans disbursed has increased for education providers and learners from families with salary income, there were slightly lower disbursements to students and learners from families with MSME income compared to 2022. The decline can be explained by the challenging macroeconomic situation in many African countries that resulted in increased interest rates and inflationary pressures.

Private education providers served by REFFA's investees constitute an integral part of the solution to improve access to quality and affordable education in Africa. Aligned with REFFA's mandate, the Fund continues to put significant efforts into impact evaluation tools to better observe the achievements of the Fund along its Theory of Change.



## Technical Assistance Facility

During 2023, the REFFA TAF initiated a new project for Ed Partners in Kenya. Ed Partners aims to conduct research and subsequently develop a digital school management solution primarily for their low-income school clients. This system will allow schools to save time on tasks such as accounting and following up with parents on fee payments and instead focus more on the quality of education. On the other hand, Ed Partners benefits from improved accounting at the schools overall, as they are better able to assess their clients' financial situation. The project will be further rolled out in 2024.

Moreover, in 2023 the TAF continued onboarding investees to the EduFinance Tracker. The EduFinance Tracker is an education-specific reporting platform, which performs education quality and education affordability scorings at the end-client level, based on relevant data inserted by investees. A new approach for rolling out the EduFinance Tracker was offered this year, allowing investees to upload their quarterly education data into the EduFinance Tracker so that a quarterly report meeting REFFA's reporting requirements can be automatically generated. This feature was promoted as a first step in the onboarding process to create trust in the system and build up a reporting routine using this tool.

During the second half of 2023, the consultants refreshed and established contracts with various investees, with a focus on REFFA's new investees, such as EFC Zambia, Victoria Finance in Tanzania, and Ed Partners in Kenya. The institutions were introduced to the EduFinance Tracker, and the various IT teams received explanations on the details of the onboarding. Most intense exchanges took place with EFC Zambia and with Sterling Bank in Nigeria, where data mapping exercises were undertaken, and automated porting interfaces were created. Both are preconditions for an automated reporting of education data later.



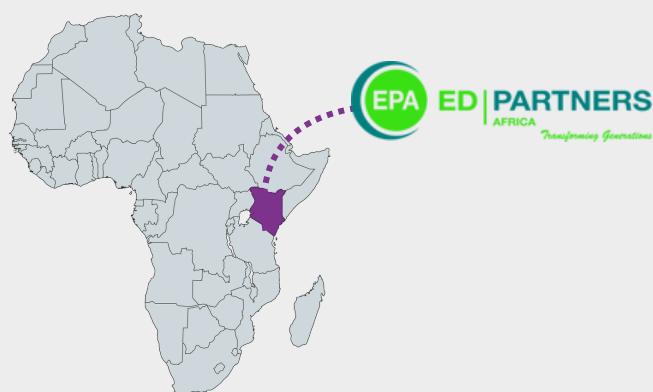




# Meet REFFA's investees: Case studies

## Ed Partners Africa

Ed Partners is a non-bank financial institution that was established in 2018 with the primary objective of financing affordable private schools in Kenya with the objective to enhance access to quality and affordable education across the African continent.



The establishment of Ed Partners was inspired by the successful "Varthana model" of education financing in India. [4] Varthana's model aims to transform education by providing affordable loan capital to affordable private schools. This is complemented with academic and management solutions such as financial management or school management training. Varthana served as a key partner during the setup of Ed Partners, providing support in various areas, including in the adoption of the same education finance model and market research.

In November 2023, REFFA provided a three-year loan of USD 1 million to Ed Partners. This loan allows Ed Partners to further expand its operations and impact in the education finance sector.

Country	Education loan portfolio (USD)	Nursery and primary schools financed	Number of students enrolled in financed schools
Kenya	5 million	504	123,500+

Ed Partners offers loans that are specifically designed to meet the needs of schools. There are four types of tailored loan products:

1. School Construction Loans: To build classrooms or buy land
2. School Transport Loans: To acquire new or used vans as school buses
3. School Techy Loans: To enhance technology infrastructure
4. School Upgrade Loans: For renovations and other upgrades to schools

The majority of the GLP is dedicated to school construction loans (72% of GLP) and school transport loans (17% of GLP).

In addition to loans, Ed Partners provides a range of services aimed at supporting schools in their

financial and operational management, such as financial management training, school management systems and training, and support to teachers to implement new curriculums.

### Technical Assistance

Looking ahead, Ed Partners has plans to develop a digital school management solution. With the assistance of the REFFA Technical Assistance Facility, they aim to conduct research and develop this solution in early 2024, whereby a first test solution will be offered to their clients from mid-2024 onwards. This digital solution is expected to further streamline school operations and enhance efficiency.

[4] See <https://varthana.com/>



## Izwe Loans

Izwe Zambia is the second-largest Microfinance Institution in Zambia and has been operational since 2004. It is the largest subsidiary within the Izwe Africa Group. The Group and its in-country subsidiaries specialise in offering financial services to clients in both formal and informal markets, providing secured and unsecured loans as well as savings solutions. While initially focused on payroll deduction lending, the Group is gradually diversifying its portfolio to lend to micro, small- and medium enterprises (MSMEs).



Since June 2023, Izwe Zambia has been an investee of REFFA. This partnership has resulted in a disbursement of USD 5 million in two tranches with a maturity of three years each.



Country	Education loan portfolio (USD)	Total learners	Female learners
Zambia	31+ million	24,700+	8,500+

Payroll deduction lending is the main focus of Izwe Zambia, constituting 99% of the GLP as of December 2023. These loans primarily serve low-income government workers, with an average loan size of USD 1,500.



Izwe Zambia's customers often lack eligibility for traditional bank loans, and the funds provided by the MFI enable them to improve their own lives and those of their dependents. Borrowers primarily use their loans for education purposes (50% of the GLP), followed by agriculture (4%) and housing (1.2%).

### Technical Assistance

To further enhance their education finance offering, Izwe signed a term sheet with REFFA for a technical assistance program aimed at designing a dedicated and adapted product for education financing and school fees. The implementation of this program is expected to begin in 2024.

## Sterling Bank

Sterling Bank LTD, a member of Sterling Financial Holdings Company, is a fully operational commercial bank, duly licensed to provide wholesale and retail financial services in Nigeria. In 2019, Sterling Bank began its implementation of a strategy focusing on the "HEART" sectors in Nigeria: health, education, agriculture, renewable energy, and transportation.



In March 2022, Sterling Bank became a recipient of a 5-year, USD 4.5 million facility from REFFA. This funding has enabled Sterling Bank to expand its impact investments in one of its key sectors, namely education.

By the end of 2023, the bank's investments in the education sector had increased by 145% reaching USD 11 million compared to USD 7.6 million in 2020, despite currency depreciation in Nigeria.

This represents a growth of 229% in local currency terms. Sterling Bank supports both private schools and students through its loan offerings: approximately 70% of the education loan portfolio is allocated to funding private schools, while the remaining 30% consists of student loans.

Country	Education loan portfolio (USD)	Loans to students	Loans to education providers	Students enrolled
Nigeria	11+ million	1,690	1,839	478,000+

To further drive growth in the education sector, Sterling Bank recently developed Edubanc, a digital platform, which focuses on providing banking and other essential services to stakeholders in the education sector. The solution offers, amongst other services, access to training programmes for teachers, including preparatory courses for professional qualifications, pedagogy skills enhancement, soft skills development, and digital skills training. Moreover, Sterling Bank has entered into an agreement with All Pro Technology LTD, which owns Schoolable; a digital school management system to be offered through the Edubanc platform.

This collaboration will democratise access to digital school management services and improve the accessibility of information for the efficient administration of schools.





# The role of financial inclusion in improving access to education

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One study in Uganda showed that among households who received a digital education loan, the share of children out of school declined by 50%.

Financial inclusion has emerged as a critical means to improve access to essential services in many emerging market economies. [5] By granting individuals access to financial services like savings accounts, credit facilities, and insurance, financial inclusion empowers them to make informed financial decisions and invest in essential services such as education.

Given the significant education finance gap in low- and lower-middle-income countries [6], households play a significant role in education financing, with figures varying across countries and regions. For instance, in Sub-Saharan Africa, households account for 30% of total education spending compared to 15% in high-income countries. [7]

While these expenses partially result from an increasing preference for (low-cost) private education, even “free” public education results in costs for families. [8] However, many lower-income households struggle to afford education-related expenses, such as school fees, textbooks, and uniforms, in particular because many households in African countries have unpredictable and irregular incomes, making it difficult to pay for large one-time costs. [9]

Access to responsible financial services can enable households to shoulder these expenses and spread the costs of education over the school term, increasing families’ ability to send their children to school. For example, one study in Uganda showed that among households who received a digital education loan, the share of children out of school declined by 50%. [10]

Education is often regarded as one of the best investments individuals can make for themselves or their families. [11] Each additional year of schooling has been shown to increase income by an average of 9.7% globally. This effect is even stronger in Sub-Saharan Africa, where the associated average income increase is 12.5%.

Notably, women in Sub-Saharan Africa experience the highest return on education in the world, with a staggering average income increase for each additional year of schooling of 14.6%. [12] Naturally, these returns on education are typically experienced in the long run. Education equips individuals with the necessary skills and knowledge to access better employment opportunities, leading to increased income potential in the future.

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[5] Mattern, M. (2022). Essential Role of Finance in Education, Housing, and Health Care. Retrieved from [link](#)

[6] It is estimated that between 2023 and 2030, there will be an average annual financing gap of USD 97 billion per year for low- and lower-middle-income countries to achieve their national targets for Sustainable Development Goal 4 (‘Quality Education’). Source: UNESCO. (2023). Global Education Monitoring Report, 2023: Technology in Education: A Tool on Whose Terms? Retrieved from [link](#).

[7] World Bank & UNESCO. (2022). Education Finance Watch 2022. Retrieved from [link](#)

[8] World Bank & UNESCO. (2023). Education Finance Watch 2023. Retrieved from [link](#).

[9] Mattern, M. (2022). Essential Role of Finance in Education, Housing, and Health Care. Retrieved from [link](#).

[10] Mattern, M. & Garcia, A. (2021.). In Uganda, Solar Home Systems Help Students Stay in School. Retrieved from [link](#).

[11] Vahey, S. P. (2018). Estimating Return to Schooling using the Mincer Equation. IZA World of Labor. Retrieved from [link](#).

[12] Montenegro, C. E. & Patrinos, H. A. (2014). Comparable Estimates of Returns to Schooling around the World. World Bank Policy Research Working Paper No.7020. Retrieved from [link](#).

## Figure 4: Average returns to schooling by region (%)

Rate of return, as a percentage increase in earnings, to another year of schooling. [13]



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Access to financial services enables consumption smoothing – the ability to maintain a steady standard of life and pay for essential services even in the face of unsteady income and expenses.

immediately serve to pay back the loan, but in terms of impact on borrowers’ lives, it could very well be considered an investment in their future income, blurring the lines of what “consumption” and “productive” loans stand for.

In the financial inclusion sector, a distinction is often made between productive or income-generating loans, typically provided to microentrepreneurs or SMEs, and consumption loans, which are used to pay for other household expenses that do not immediately result in increased income that allows borrowers to pay back the loan. [14] However, under the umbrella term of “consumption”, households tend to spend on essential services that have a significant impact on their quality of life, such as education, healthcare or housing improvements. Access to financial services enables consumption smoothing – the ability to maintain a steady standard of life and pay for essential services even in the face of unsteady income and expenses - which is a key enabler of financial health and resilience. [15] Borrowing for education is thus not an investment in an “income-generating” activity as per the definition of financial institutions and may not

Financial institutions can play a crucial role in fostering investments in education by offering dedicated education finance products. These loan products cater to the specific needs of students, parents, and educational institutions, ensuring effective financing of education-related expenses. However, access to responsible financial services for consumer lending can contribute to these goals more broadly. Households can utilise such products to pay not only for education but also for other essential services like healthcare or housing improvements, all of which enhance their quality of life in the short- and long term. To ensure the effectiveness of these loans, it is essential to implement solid client protection measures and prevent customers from becoming overindebted. Financial inclusion can empower individuals to invest in their education, enhancing their income potential, and contributing to economic development, ultimately acting as a catalyst for positive change particularly in emerging markets.

[13] Montenegro, C. E. & Patrinos, H. A. (2014). Comparable Estimates of Returns to Schooling around the World. World Bank Policy Research Working Paper No.7020. Retrieved from [link](#).

[14] Pories, L. (2019). The Productive Versus Consumption Loans Distinction Hurts Rather Than Helps. FinDev Gateway. Retrieved from [link](#).

[15] Rhyne, E. (2018). Financial Services Through the Eyes of Customers. Center for Financial Inclusion. Retrieved from [link](#).



## Conclusions and future outlook

In 2023, REFFA had a strong performance, achieving an investment level of 87%, with a total portfolio of USD 46mm across 12 countries and 22 investees. REFFA successfully added 10 new investees to the portfolio, with a particular focus on financial institutions that offer loans to education providers, while renewing exposure with 4 existing investees.

The number of investees providing loans to education providers has shown an upward trend over the course of 2023, increasing from around 53% in Q1 to 68% in Q4. 7 out of 22 investees exclusively finance education providers, indicating an increased focus on investments in the education provider segment.

Looking ahead to 2024, REFFA anticipates facing challenges due to a difficult macroeconomic environment across Africa. The region continues to experience soaring interest rates, inflationary pressure, and currency devaluations which can impact investment decisions and returns.

Despite these challenges, REFFA remains determined to navigate the landscape and continue its mission of enhancing access to education finance across the continent.

The team's plan for 2024 involves renewing the Fund's exposure to around five existing investees, demonstrating a commitment to supporting and strengthening current portfolio companies. This approach highlights REFFA's focus on building long-term partnerships and sustaining the growth of these investees.

In addition to renewing existing investments, REFFA aims to onboard four new investees in 2024, demonstrating dedication to expanding the portfolio and seeking out new opportunities. Despite the anticipated challenges, the team remains proactive in identifying and supporting promising businesses that align with REFFA's investment strategy.









# Appendix: About REFFA

## Background

Education is a crucial enabler for individuals to overcome poverty, equipping them with the necessary knowledge and skills to enhance their living standards. This principle underpins the United Nations Sustainable Development Goal (SDG) 4, which aims to guarantee universal access to pre-primary, primary, and secondary education in low to lower-middle-income countries by 2030. [16]

The Regional Education Finance Fund for Africa (REFFA), established in 2012, is dedicated to promoting equitable access to education in Africa at all levels - primary, secondary, vocational, and higher education.

Moreover, it seeks to uplift the quality of education and improve affordability. REFFA was initiated by KfW – the German Development Bank – and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). Notably, REFFA is the first fund designed solely to bolster the development of the education finance sector in Africa.

REFFA's strategy to accomplish its goal involves supplying funds to financial intermediaries throughout Africa.

These intermediaries, which include banks, microfinance institutions, credit cooperatives, and other finance companies, use these funds to expand their education loan portfolios.

Since its inception, REFFA has utilised two key tools - private debt funding and technical assistance to financial institutions - to stimulate responsible lending to private education providers, students, and their families.

Each year, REFFA releases an impact report that offers a comprehensive overview of the Fund and its main objectives. The impact report presents how REFFA tracks and evaluates its results and impact, presents the estimated results and impact achieved to date, and outlines the primary conclusions and challenges for the future.

BlueOrchard Finance Ltd, the Investment Manager and Technical Assistance Facility Manager, collects and analyses the data and results featured in the report. This data, a blend of continuous monitoring of investment and technical assistance activities, quarterly reports from the Fund's investees, and information collected from market assessments, provides valuable insight into REFFA's progress and impact.



[16] United Nations (n.d.). SDG 4: Quality Education. Retrieved from [link](#).

## Blended finance vehicle

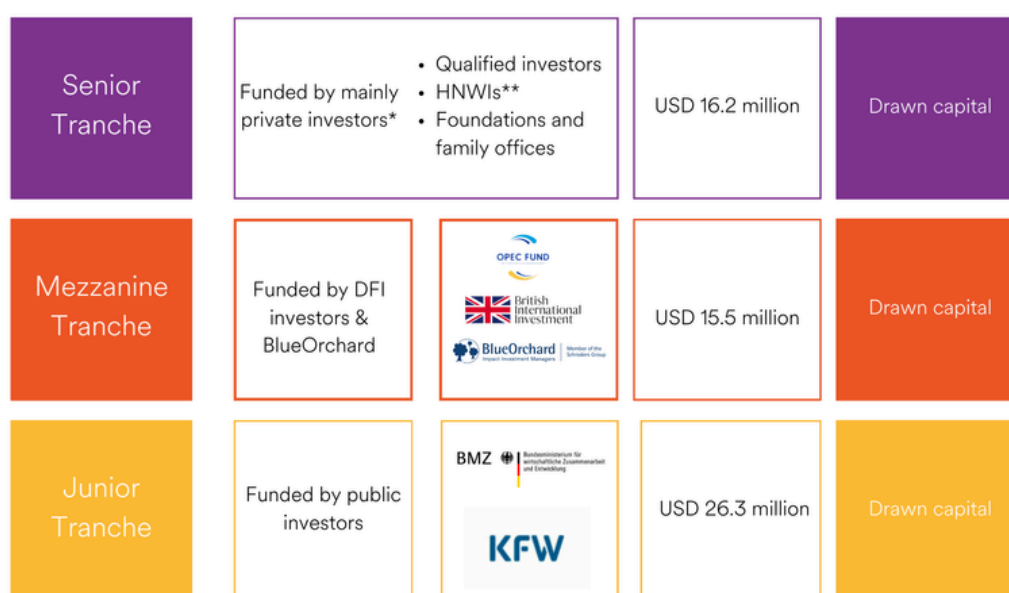
With their contributions of junior tranche capital and funding to the Technical Assistance Facility (TAF), the initiators of the Fund have been catalytic in attracting financing from other like-minded investors. Over the past years, the Fund mobilised USD 15.5 million to the mezzanine tranche as well as USD 16.2 million to the senior tranche. In 2023 alone, USD 3.5 million has been drawn down from private investors to the senior tranche. By the end of 2023, REFFA had drawn capital across all its tranches, amounting to a total of USD 58.1 million in capital contributions.

Over the lifetime of the TAF, an amount of EUR 4.53 million has been donated by investors, of which EUR

3.5 million was provided by KFW and approximately EUR 800,000 by BII [17], with the remaining donations coming from the Jacobs Foundation, a Dutch family office, and an allocation from the Fund's income waterfall including from BlueOrchard.

With a remaining TA budget of approximately EUR 294,000 the TAF Manager prioritises technical assistance interventions for those investees where the highest level of impact can be created. In the coming years, the share of the Fund's income waterfall, which can be dedicated to the TAF, will play an increasingly important role in the funding of capacity-building activities.

**Figure 5: Capital mobilisation to education finance**



**Figure 6: Capital mobilisation of REFFA Technical Assistance Facility**



[17] From the original USD 1.5m (EUR 1.3m) commitment of BII, an amount of USD 600k (EUR 500k) had been undrawn until mid-2023. After BII had made a strategic change in its grant-making process, these undrawn funds had to be taken out of the original commitment and were no longer available to the REFFA TAF.

\*The Senior tranche also includes a USD 5 million contribution by BII.

\*\*HNWIs = High-Net-Worth Individuals.

## Impact strategy and Theory of Change

REFFA is committed to enhancing equal access to primary, secondary, vocational, and higher education in Africa while simultaneously improving the quality of education.



**Clear  
Impact**

### REFFA's mission statement

**“The Fund aims at increasing the ACCESS of lower income households in target countries to AFFORDABLE education as well as improving the QUALITY of education by increasing the availability of education financial products.”**

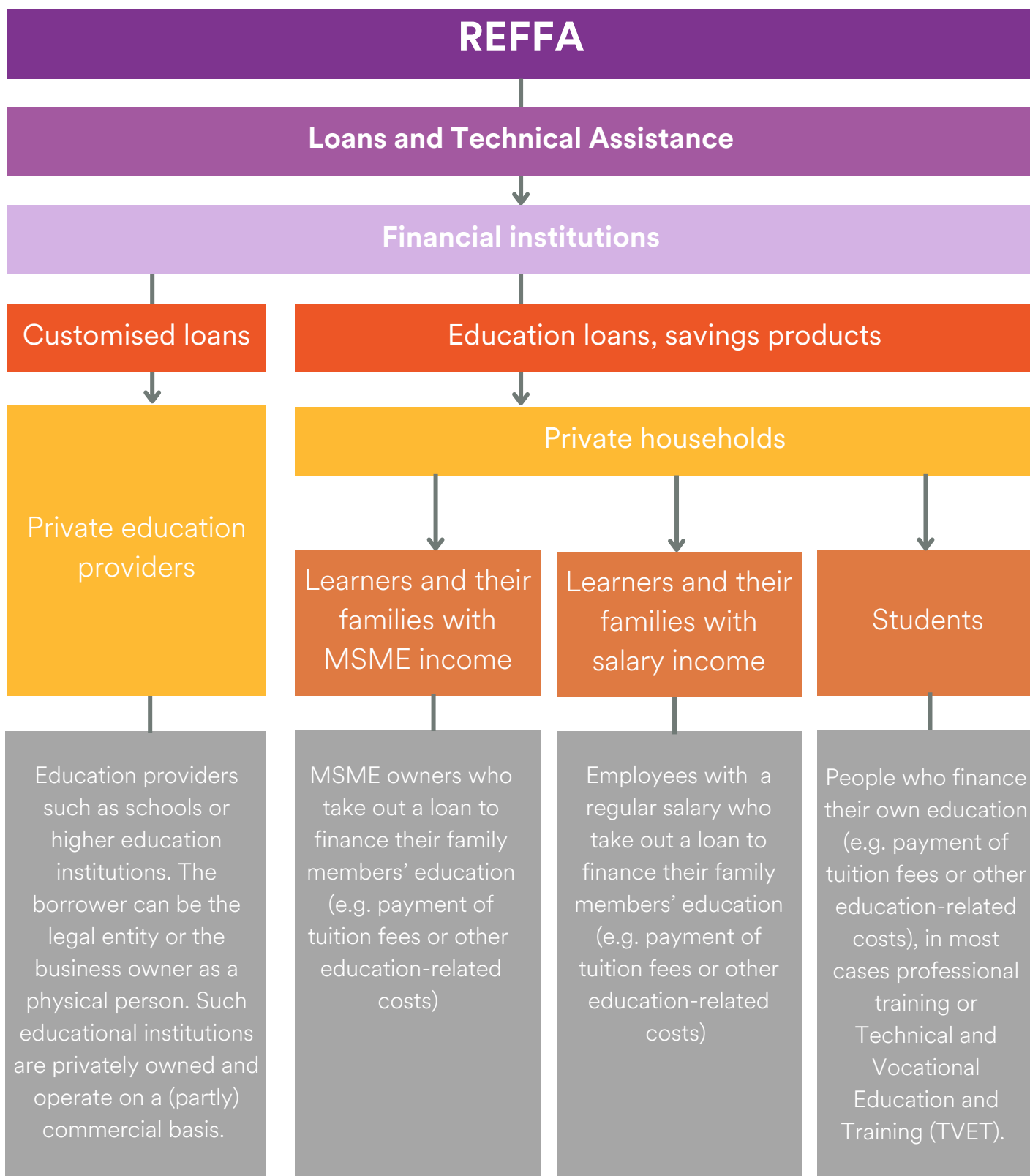
To achieve this mission, the Fund's impact strategy is to partner with financial institutions to support the development of sustainable financial services for private education providers, learners, and their families.

Thus, the Fund supports the increased offering of tailored financial services to the education sector in a demand-responsive, financially sustainable, and socially responsible manner.

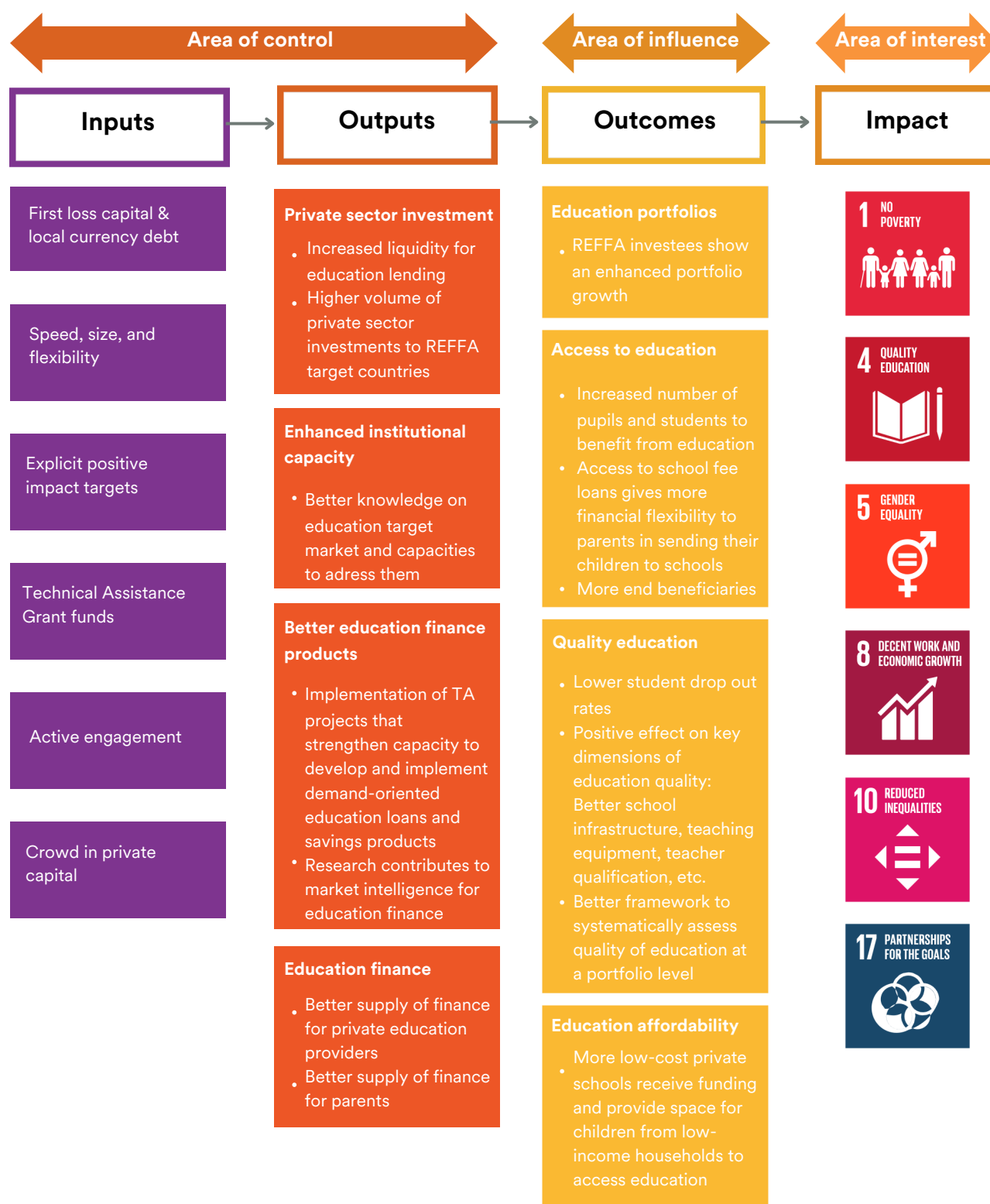




**Figure 7: REFFA in a nutshell**



**Figure 8: REFFA's Theory of Change**



REFFA uses a theory of change model to delineate its impact framework's rationale, assumptions, linkages, and ultimate expected outcomes and impact.

The breakdown of this model is shown above.

In summary, REFFA's impact strategy and Theory of Change illustrate a clear pathway from the inputs to the ultimate impact, demonstrating how the Fund's activities contribute to improved access to quality and affordable education in Africa, and consequently, the achievement of several SDGs.

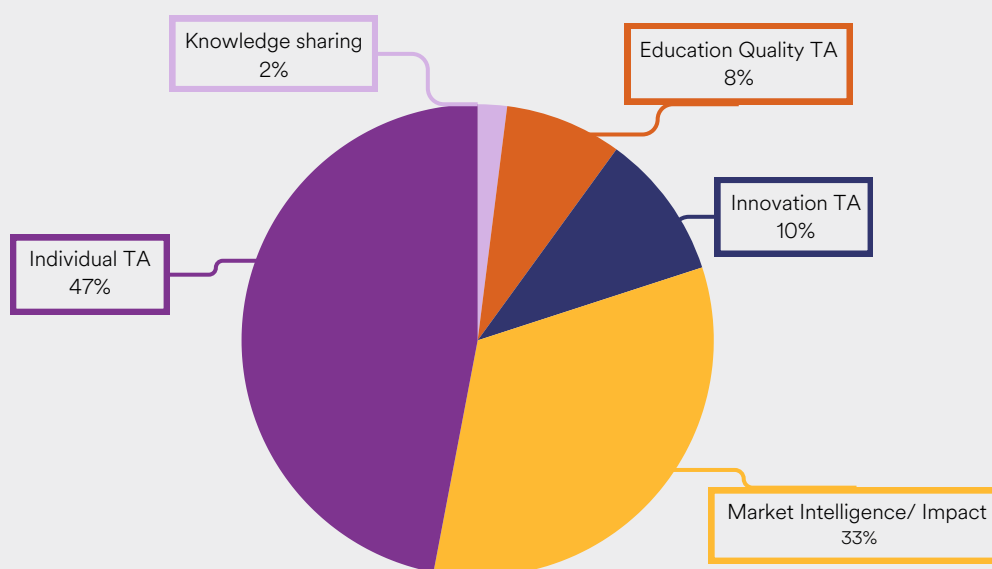
## Technical assistance

REFFA has been set up with a combination of two instruments – debt and technical assistance (TA) - to provide suitable instruments for scaling up education lending. The Technical Assistance Facility (TAF) can support REFFA investees by offering technical expertise through education finance experts. TA may be used to build an investee's education finance capacity ("Individual TA"), undertake market research, enhance education

quality, develop new education finance approaches ("Innovation TA"), or share knowledge among REFFA investees.

Since inception, a total of 51 TA projects [18] have been initiated across the various TA types, with a clear emphasis on "Individual TA" as a key instrument to strengthen the Fund's investees in their education lending capacities.

**Figure 9: Technical assistance projects since inception**



[18] This number includes approved, ongoing, cancelled (i.e. projects that had to be stopped for some reason at some point) and finalized projects.



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