



Contacts:

Neha Sud

Phone: +254 202937403

Email: nsud@ifc.org

[Karl von Klitzing](#)

Phone : +49 69 74314965

Email : Karl.von-Klitzing@kfw.de

Nairobi, Kenya, May 11, 2017 -- IFC, a member of the World Bank Group, today announced that it is investing \$20 million in debt in the African Local Currency Bond Fund (ALCB Fund Ltd.) to help develop local currency capital markets in Africa. The ALCB Fund was established by KfW Development Bank on behalf of the German Ministry for Economic Cooperation and Development (BMZ) in 2012 to support the development of African bond markets and to improve private sector access to long-term, local currency financing.

Through investments and technical assistance, the ALCB fund mobilizes domestic capital to invest in local currency bonds, which can provide a source of finance for businesses in Africa. This improves the sustainability and diversity of funding sources and reduces risk at the level of the individual issuer as well as on a systemic level across the economy. The Fund targets non-sovereign bonds whose proceeds promote financial inclusion, housing finance, renewable energy, agriculture and supply chain finance.

ALCB fund has been investing for four years, during which it has played a key role in bringing 19 local currency bonds to market for 14 companies in seven countries, investing \$42.6 million. In 2016, for every \$1 invested by the fund in local currency bonds, \$10.62 was invested by third parties.

The fund is managed by LHGP Asset Management LLP (LHGP AM), an alternative asset manager regulated by the UK Financial Conduct Authority with offices in London and Nairobi. LHGP AM was appointed as Fund Manager to the ALCB Fund in May 2015, where ALCB was established based on an idea in the *G20 Action Plan to Support the Development of Local Currency Bond Markets*, adopted by the Group in 2011.

“IFC’s investment is truly a landmark event for the ALCB Fund, as it will help strengthen the Fund’s position as a main actor in local currency bond markets in Africa. The additional funding will strongly improve its positive impact on African bond issuers, local capital markets and final beneficiaries alike”, said Karl von Klitzing, Director of the ALCB Fund and Principal Project Manager at KfW Development Bank.

Jingdong Hua, IFC Vice President and Treasurer said, “ALCB Fund is a culmination of IFC, KfW and other partners’ efforts to develop domestic capital markets in Africa. The



fund's success will set an example to other asset managers, and could lead to similar funds that provide local currency financing to African businesses.”

Bim Hundal from LHGP AM said “We are pleased and excited to work with KfW and the IFC on this ground-breaking initiative. Providing local currency financing to African corporations puts the ALCB Fund at the forefront of capital markets innovation.”

IFC's investment in the ALCB Fund was announced during the IFC-sponsored Capital Markets Africa Conference in Nairobi, Kenya. The conference saw participation from over 250 actors in Africa's financial sector, who shared ideas on how to strengthen capital markets on the continent.

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

Stay Connected

www.facebook.com/IFCwbg

www.twitter.com/IFC_org

www.youtube.com/IFCvideocasts

www.ifc.org/SocialMediaIndex

www.instagram.com/ifc_org

About KfW Development Bank

KfW Development Bank has been supporting the German Federal Government to achieve its goals in development policy and international development cooperation for more than 50 years. In this regard, KfW Development Bank is both an experienced bank and a development institution with financing expertise, an 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 Development Bank finance and support programmes and projects that mainly involve public sector players in developing countries and emerging economies – from their conception and execution to monitoring their success.