



Project Title

Kenya Credit Enhancement Facility



Implementing Partner

Cardano Development



Donor

FSD Africa



Value (in £)

250,000



Implementation Period

March 2021 – March 2023



Countries Covered

Kenya



Project Description

FSD Africa is supporting the set-up of the Kenya Credit Enhancement Facility. This proposed non-bank financial institution will be set up in Kenya to facilitate the issuance of irrevocable and unconditional credit guarantees for long-term local currency debt backed by infrastructure-related projects.

This credit enhancement is expected to catalyse investment by institutional investors into corporate issuances. KCEF will provide a 100% guarantee, transferring credit risk from the sponsor to KCEF. Given the high target rating of KCEF, the wrap will enable domestic institutional investors to invest in the bonds issued by sponsors. Over time, it is expected, as has happened elsewhere, that sponsors will make repeat issuances without credit guarantees.



Target Results

- Increased participation and take-up by institutional investors of corporate infrastructure financing debt instruments.
- Increased confidence by institutional investors in corporate debt markets in Kenya.
- An increase in the number of fixed income products available for investment by institutional investors.
- An increase in the availability of long-term capital for financing sustainable infrastructure in Kenya



Progress

- The KCEF business plan is under development
- Engagements with various stakeholders, including potential investors and the Kenya Capital Markets Authority, are ongoing



Contact

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