

Early Warning System

IDBI-13764-01

Locfund Next

Quick Facts

Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	U
Voting Date	2022-08-30
Borrower	Regional
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million

Project Description

The Project consists of a senior loan of up to US$20 million to support the expansion and consolidation of Locfund Next (the "Fund"), a fund that provides local currency financing to small and medium-sized microfinance institutions ("MFIs") in Latin America and the Caribbean ("LAC"). Locfund Next contributes to reducing the MFIs' foreign exchange ("FX") risk exposure, which supports the expansion of their local currency lending capacity to micro and small-sized enterprises ("MSEs").

Locfund Next will contribute to advance financial inclusion by addressing key constraints that hinder MFIs' growth and potential impact in delivering financial services to populations at the bottom of the pyramid. It will do so by: (i) providing local currency financing to small and medium-sized (Tier II and Tier III) MFIs; (ii) connecting MFIs with local capital markets for alternative sustainable local currency financing; and (iii) helping MFIs to modernize and reach their clients with better services, by facilitating their digital transformation.

The Fund will be managed by Bolivian Investment Management Ltd. ("BIM" or the "Fund Manager"), a company that has developed significant experience by managing several investment vehicles of an aggregate amount of above US$250 million.

Investment Description

- IDB Invest (IDBI)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Locfund Next L.P.	Client	Finance

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- LOCFUND NEXT ESRS - 13764-01 (ENG) [Original Source]