Early Warning System

IFC-38648

Catalyst II

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Quick Facts

Countries	Congo, Democratic Republic of, Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Zambia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-12-15
Borrower	CATALYST FUND II, LLC
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 200.00 million

Project Description

According to IFC website, Catalyst Fund II, LLC is an Eastern Africa-focused private equity fund with priority sectors that focus on consumer demand opportunities underpinned by strong fundamentals. The Fund is seeking to raise up to US$200 million in third party commitments to make 8-12 mid-market growth capital investments. The Fund has consistent strategy, geography and investment theses as the predecessor fund. The Fund will be managed by Catalyst Principal Partners, a team with Eastern Africa-focused investment experience and demonstrable proprietary pipeline and local networks. The project is expected to have a high development impact in the following areas:

1. The growth of the Fund's portfolio companies is expected to result in strong job creation;

2. The Fund will invest 100% in companies located in IDA countries; and

3. Private sector development by enhancing regional intergration via supporting companies to expand across borders.

Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Catalyst Principal Partners (Financial Intermediary)

Private Actors Description

The Fund Manager is Catalyst Principal Partners, a private Eastern Africa focused fund manager led by former Actis, Goldman Sachs and Diageo professionals based in Nairobi, Kenya. The leadership team has over 75 combined years of investment and advisory experience, and is leaning on lessons learned from their first fund to raise a successor fund with a strategy consistent to Fund I, focusing on the same sectors and geographies. Paul Kavuma has over 20 years PE and management consulting experience, and is the former head of East Africa PE at Actis and ex-Associate Director for SSA at HSBC Investment Bank. Biniam Yohannes has 15 years of PE and investment banking experience covering emerging markets, and is an ex-VP at Goldman Sachs. Rajal Upadhyaya has 15 years of business development, operations, corporate finance and management consulting experience, and was previously a director of business development for Diageo Africa, and consultant at Marakon Associates and PWC. The team will commit 1% of committed capital.

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/