Early Warning System

IFC-45023

Convergence II

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-04-15
Borrower	CONVERGENCE PARTNERS DIGITAL INFRASTRUCTURE FUND
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 45.00 million
Project Cost (USD)	$ 300.00 million

Project Description

According to the IFC, the proposed project consists of an equity investment of Convergence Partners Digital Infrastructure Fund, a digital infrastructure investment vehicle focused on sub-Saharan Africa (SSA), seeking for a third party commitments and to comprise two parallel funds in South Africa and Mauritius. The fund's strategy is to invest in companies operating in the digital technology sector and ICT infrastructure with a geographical focus on Nigeria, Ghana, Cote d'Ivoire, the Democratic Republic of Congo (DRC), Ethiopia, South Africa, Kenya, Uganda, Zambia, Tanzania, Mozambique, Botswana.

The Project is expected to result in increased capacity of digital infrastructure, with the potential to improve the quality of digital connectivity and services for individuals and businesses. These outcomes would be achieved by supporting the sharing of broadband and data infrastructure and adding new international connectivity and data center capacity across a number of countries, including some with substantial gaps in digital connectivity. Beyond the Project, this investment has the potential to result in increased competitiveness of the market for digital connectivity and data across the target countries, by creating competitive markets via demonstration and replication channels.

Investment Description

- International Finance Corporation (IFC)

According to the IFC the Fund has a total committed capital target size of US$ 250 million, with a US$ 300 million hard cap. IFC’s proposed investment is for up to US$ 25 million in equity, not to exceed 20% of total committed capital

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.

- Convergence Partners Digital Infrastructure Fund (Financial Intermediary) **is owned by** Convergence Partners (Parent Company)

Private Actors Description

According to the IFC, the fund will be managed by Convergence Partners Africa Limited (“CPA”) and advised by Convergence Partners Management Proprietary Limited (“CPM”). Formed in 2006 by four Partners - Andile Ngcaba, Brandon Doyle, Stefan Ferreira and Idan Segal – the Convergence Partners Group, with over US$ 300 million in assets under management, invests in private equity and infrastructure opportunities in technology and digital sectors across sub-Saharan Africa. CPA is being incorporated in Mauritius while CPM is incorporated in South Africa, and the group has offices in Ebene, Mauritius, Johannesburg, South Africa and Lagos, Nigeria. IFC has invested in Convergence Partner’s previous fund – Convergence Partners Communication Infrastructure Fund.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

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