Early Warning System

IFC-53511

MFP-CFLG-4G CAP

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Quick Facts

Countries	Kenya
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	C
Voting Date	2026-06-24
Borrower	Fourth Generation Capital Limited (4G Capital)
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 8.20 million

Project Description

According to bank's website, the approved investment is an unfunded risk-sharing facility structured as a financial guarantee between IFC and Fourth Generation Capital Limited (“4G”) in Kenya. It will provide first- and second-loss coverage for a new loan portfolio of up to $44.4 million (local currency equivalent) to eligible micro, small, and medium enterprises (MSMEs) with a focus on microenterprises and women-owned microenterprises. The first-loss amount will be up to US$2.2 million equivalent. Of this, IFC—acting for its own account and supported in its role as Implementing Entity of the IDA20 IFC-MIGA Private Sector Window Blended Finance Facility (“IDA PSW BFF”)—will cover up to US$2 million equivalent, while 4G will covers the remainder. The second-loss tranche of US$42.2 million equivalent will be shared on a pari passu basis, with IFC’s exposure capped at US$4.2 million equivalent and the remaining balance borne by 4G. Thus, IFC's maximum overall risk amount under the Facility will be up to US$6.2 million equivalent, representing the aggregate of the IFC first loss maximum risk amount and the IFC second loss maximum risk amount. IFC's first loss catalytic investment will provide support in helping to unlock core mobilization of a minimum of 21x and help scale up lending for MSMEs in Kenya (the Project). The Project will be processed under the Catalytic First Loss Guarantee envelope (“Catalytic FLG” which forms part of the MSME Platform), to expand lending to higher-risk and underserved MSME segments, thereby promoting financial inclusion and contributing to a more inclusive and resilient MSME ecosystem. The Catalytic FLG benefits from the support of IDA PSW BFF in PSW eligible countries, including Kenya. IDA PSW BFF was created by the Word Bank Group to catalyze private sector investment in IDA countries, with a focus on fragile and conflict affected states.

Early Warning System Project Analysis

Environmental Category: FI-3 - No Impact

Investment Description

- International Finance Corporation (IFC)

The IFC investment consists of up to US$6.2 million in unfunded risk-sharing facility in the form of a financial guarantee to support 4G’s MSME lending for a total MSME loan portfolio of about $44.4 million equivalent in Kenyan Shillings. This includes a first loss tranche of $2.2 million, with support from the IDA-PSW BFF, and a senior tranche of up to US$42.2 million equivalent will have IFC's pari passu share capped at US$4.2 million equivalent, with the balance borne by 4G. The facility is designed to mobilize lending to microenterprises and women-owned microenterprises in Kenya.

IFC's Investment as Approved by the Board: US$ 8.20 million (guarantee)

Private Actors Description

Established in 2013, 4G Capital is a regulated fintech lender offering small-ticket, unsecured, short-term loans and financial training to nano, micro, and small enterprises. The Company employs a hybrid “touch-tech” model, combining personal engagement through its approximately 200 branches, 1,500 staff and over 120,000 active clients with potential expansion plans into Africa and emerging markets. The group is ultimately owned by Fourth Generation Capital Ltd, a Jersey-based holding company. This entity owns 100% of Fourth Generation Capital Group Ltd in Mauritius, which serves as the intermediate holding company. The Mauritius entity, in turn, owns 99% of the Kenya operating company (4G Capital Ltd), with the remaining 1% held by the founder. The Company’s core strategy is to drive financial inclusion to reach the large, underserved MSME finance gap in core markets leveraging its proprietary credit engine for underwriting and monitoring.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	4G Capital	Client	Finance

Contact Information

Fourth Generation Capital Limited (4G Capital)

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

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