



## PRESS RELEASE

---

### CMA approves Kenya's First Green Bond

**Nairobi, 15 August 2019...**Capital Markets Authority (CMA) has approved the issuance of Kenya's first unlisted green bond, to be issued by Acorn Project (Two) Limited Liability Partnership following the launch of the Policy Guidance Note on Green Bonds in February 2019.

The green bond seeks to raise Kshs5 billion to finance sustainable and climate-resilient student accommodation and is structured as a restricted public offer for sophisticated investors. Being a **restricted public offer**, the Issuer will raise the funds from only targeted sophisticated investors 'The issuance is a critical step in advancing the development of an effective ecosystem to support the establishment of green capital markets in Kenya in line with the Marrakech Pledge 2016, now that the necessary legal instruments are in place to facilitate such issuances', said CMA Chief Executive Mr. Paul Muthaura. The Authority was one of the pioneer signatories to the 2016 Pledge. The approval will enable the issuer to raise funds to undertake sustainable and climate resilient development.

As per the issuer's Information Memorandum, the fixed-rate bond is certified as a green bond by Climate Bonds Initiative. Sophisticated investors participating in the bond will benefit from a 50 percent guarantee from Guarantco on principle and interest payments.

Mr. Muthaura added that the Authority will continue engaging with potential issuers in order to create a pipeline of green bond issuers to facilitate effective matching of demand and supply of green-centric capital and climate-resilient investing opportunities.

**ENDS**



## **BACKGROUND INFORMATION ON THE CAPITAL MARKETS AUTHORITY**

The Capital Markets Authority (CMA) was set up in 1989 as a statutory agency under the Capital Markets Act Cap 485A. It is charged with the prime responsibility of both regulating and developing an orderly, fair and efficient capital markets in Kenya with the view to promoting market integrity and investor confidence. The regulatory functions of the Authority as provided by the Act and the regulations include; Licensing and supervising all the capital market intermediaries; Ensuring compliance with the legal and regulatory framework by all market participants; Regulating public offers of securities, such as equities and bonds & the issuance of other capital market products such as collective investment schemes; Promoting market development through research on new products and services; Reviewing the legal framework to respond to market dynamics; Promoting investor education and public awareness; and Protecting investors' interest. For more information, please contact: Antony Mwangi, Head of Corporate Communications on [amwangi@cma.or.ke](mailto:amwangi@cma.or.ke)