

FUND PARAMETERS	
Fund name	The Local Community Debt Trust Fund (Fund)
Fund initiator	KfW
Fund Manager/Advisor	Infra Impact Investment Managers (Pty) Ltd (IIIM)
Portfolio Manager	Bulelwa Ntshingwa
Investment instrument	Debt
Target first close size and timing	EUR20 million (closed in December 2022)
Target fund size	ZAR2 billion
Average investment size	ZAR100 million
Internal rate of return (IRR)	CPI plus 4% (net of costs)
Fund duration	15 Years
Domicile	South Africa
Legal structure	Trust – A Local Community Debt Fund Trust has been established to issue notes to investors in the Fund. IIIM manages the Fund via a Management Agreement
Management fee and carried interest	Management Fee is 1% (subject to sliding scale), and there is no performance fees.
FUND CONCEPT	
Fund mission and objectives	The Fund was established to refinance Community Investment Vehicles (CIVs) that participated in the South African Renewable Energy Independent Power Producer Procurement Program (REIPPPP). CIVs are created for local communities within 100 km radius from the project site, enabling them to share in the financial benefits generated by the power plant, usually through shares held by the trust, and to promote social development and community upliftment. The Fund’s primary objective is to unlock and accelerate the flow of dividends, empowering CIVs to deliver measurable improvements in education, healthcare, economic opportunity, and social infrastructure for local communities. The Fund is intended to refinance CIVs’ loans, which were generally advanced at high interest rates, resulting in most dividends being used to service debt and leaving little or no funding for community programmes. By reducing the cost of capital, the Fund enables CIVs to fulfil their social mandates and deliver tangible benefits to their beneficiaries.
Investment strategy	The Fund invests in CIVs that hold a shareholding in operational project companies, which have long-term agreements with Eskom. This ensures that the future cash flows for the project companies, and ultimately for the CIVs, are predictable. The value for the CIVs is the reduction in the cost of capital for their shareholding debt through refinancing. In addition, the CIVs can deliver on their community programmes sooner than they would otherwise be able to as the Fund sweeps no more than 80% of the CIVs’ dividends, thus providing the CIVs with much-needed cash flow for their projects. The pipeline that has been developed (and continues to be enhanced) by the industry players, the project bidders, and the current lenders .
Geographical focus	South Africa
Sectoral focus	The Fund specifically refinances CIVs that participated in South Africa’s REIPPPP
Target investees / beneficiaries	CIVs and the beneficiaries of the Trusts
Impact strategy	The Fund’s impact strategy is to improve the cash flows for CIVs, enabling them to deliver on their core social objectives—such as job creation, education, healthcare, and local economic development—thereby improving the lives of the communities where the projects are located. The Fund prioritises inclusive development, empowerment, and the reduction of social and economic inequalities.
Impact measurement and monitoring	All refinancing agreements are underpinned by robust Environmental, Social, and Governance (ESG) principles, with a primary focus on social outcomes. Deliverables are outlined in each agreement and are measured and reported on regularly. IIIM has clear reporting obligations to KfW and other investors, with a focus on transparency, accountability, and continuous improvement. Impact is tracked using key social indicators, including the number of communities benefiting, the value of community benefit funds distributed, the types of social projects financed, and progress on gender and social inclusion. Environmental outcomes are reported at the portfolio level, reflecting the continued operation of renewable energy assets as a secondary benefit.
Impact forecast	Most CIVs are structured as Local Community Trusts with Trust Deeds outlining social project delivery objectives. Measurable outcomes include job creation, improved access to education and healthcare, and other relevant social benefits. The Board of Trustees monitors performance against these objectives, and IIIM negotiates observer status on CIV boards to support good governance and accountability. Environmental data (such as CO ₂ emissions avoided) is available at the project level but is reported as a secondary, portfolio-level characteristic.
Fundraising strategy and target investors	The fundraising strategy began with grant funding to invest in at least one CIV, which has been achieved (ZAR 76 million invested in a CIV with equity stakes in three solar PV projects). The Fund is now



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	targeting Pension and Retirement Funds, DFIs, Funds of Funds, and Family Offices, with a focus on investors seeking measurable social impact and Article 8 alignment. Ongoing due diligence and investor engagement are underway with a range of institutional investors.
Technical assistance facility	Technical assistance is welcome to support CIVs in refinancing and delivering social projects. KfW has provided a consultant to assist with loan refinancing, and additional support for capacity building, governance, and impact measurement is encouraged.
TEAM	
Personal & financial commitment	The team does not receive performance fees the Fund Manager is compensated solely through the management fee.