The International Finance Corporation (IFC), the private sector arm of the World Bank Group, has issued a bond worth Rwf 24 billion (approximately $17 million) on the Rwanda Stock Exchange (RSE), marking its first such move in over a decade.

The eight-year bond, announced on Monday, July 21, 2025, is the second issued by IFC in Rwanda, following its inaugural “Umuganda Bond” in 2014. It is aimed at boosting the development of Rwanda’s local capital market and supporting companies exposed to foreign currency risk.

According to IFC, the bond was oversubscribed, with demand reaching 1.75 times the available amount. Buyers included pension funds, banks, and other institutional investors. Bondholders will earn an annual return of 10.5 percent.

Proceeds from the bond will be used to develop financial tools that support local companies in managing the volatility of foreign currencies, particularly when borrowing in U.S. dollars or other international currencies.

Finance and Economic Planning Minister Yusuf Murangwa said the bond will contribute to strengthening Rwanda’s domestic financial markets.

“The second issuance of the IFC Umuganda Bond will help us deepen our local capital markets,” Murangwa said. “It also provides local investors with opportunities to invest, while mobilizing critical funding to support domestic business development.”

Mary Porter Peschka, IFC Regional Director for Eastern Africa, said the institution is pleased to return to Rwanda’s market.

“We are excited to be back in Rwanda’s capital market with this bond, which will allow IFC to support key projects in local currency, especially those focused on technological development,” she said.

Bonds are a financing tool used by governments or companies to raise funds for specific development needs. Investors who purchase bonds lend money to the issuer in exchange for interest payments and the return of the principal at maturity.

Since the first Umuganda Bond in 2014, public interest in bond markets has grown steadily in Rwanda. Local banks, insurance companies, and individual investors have increasingly participated in the market, thanks in part to awareness campaigns explaining the benefits of long-term investments.

In the 2023/2024 fiscal year, the average subscription rate for government bond auctions reached 154 percent, highlighting growing investor confidence.

The transaction was coordinated by BK Capital and Rand Merchant Bank.