



## PRESS RELEASE

### **Euroclear and the Liquidity and Sustainability Facility joining forces to launch a dedicated inter-bank repo solution to support African Sovereign Eurobonds: « LSF GC Africa Euroclear™»**

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Euroclear and the Liquidity and Sustainability Facility (LSF) are working together to create a repo solution for African Sovereign Eurobonds. The new facility will sit within Euroclear's triparty platform.

With the creation of the new standardised tri-party basket dedicated to African sovereign Eurobonds, **“LSF GC Africa Euroclear™”** Euroclear and the LSF seek to create a dynamic inter-bank flow market within the African repo market.

This basket, which reflects the universe of over 120 sovereign African Eurobonds that the LSF accepts as collateral in repo transactions, will allow investors to trade in a standardised and high-quality framework on a wide range of African Eurobonds.

“In our role as a Financial Market Infrastructure, we are pleased to be able to work with our colleagues at the LSF to bring this new solution to market, said **Bernard Ferran, Chief Commercial Officer, Euroclear**. “We believe this tri-party basket could provide a new avenue for international investment in Africa creating market efficiencies and driving increased liquidity.”

"This new phase for the LSF, thanks to the creation of a global community of African Eurobond holders, and the coordination of a diversified pool of specialised counterparties on the repo market, enables liquidity in this asset class to be concentrated and organised efficiently" said **David Escoffier, CEO of the LSF Secretariat**.

The repo financial mechanism of collateralised short-term loans has been established in mature economies to support their own government bonds' liquidity for many decades. And for investors, a well-functioning repo market provides a simple and cost-effective solution for refinancing.

Designed with the support of the United Nations Economic Commission for Africa, the LSF has the dual objective of supporting the liquidity of African Sovereign Eurobonds on the repo market and incentivising SDG-related investments such as GSS bonds on the African continent.

As a trusted Financial Market Infrastructure, Euroclear is one of the largest providers of triparty repo services globally. In this capacity, Euroclear enables financial institutions to engage in secured lending and borrowing arrangements with confidence. Euroclear operates the main international central securities depository (ICSD) for Eurobonds and covers 60% of the African Sovereign Eurobonds market.



## **Notes to the Editor**

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#### **About Euroclear**

Euroclear group is the financial industry's trusted provider of post trade services. Guided by its purpose, Euroclear innovates to bring safety, efficiency and connections to financial markets for sustainable economic growth. Euroclear provides settlement and custody of domestic and cross-border securities for bonds, equities and derivatives, and investment funds. As a proven, resilient capital market infrastructure, Euroclear is committed to delivering risk-mitigation, automation and efficiency at scale for its global client franchise. The Euroclear group comprises Euroclear Bank, the International CSD, as well as Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden, Euroclear UK & International.

#### **About the Liquidity and Sustainability Facility**

The LSF was designed with the support of the United Nations Economic Commission for Africa and Afreximbank, with the dual objective of supporting the liquidity of African Sovereign Eurobonds and incentivizing SDG-related investments such as GSS bonds on the African continent. The establishment of the LSF was announced in November 2021 at the COP26 in Glasgow. Its aim is to improve African Sovereign debt sustainability and, through its participation with African governments and private investors, contribute to the enhancement of liquidity in the market on par with international standards. An improvement in the terms of new issuances of SDG- or climate-linked bonds for African nations could see a dramatic increase in the volume of green and blue bond financing, and at affordable and sustainable rates. The LSF is amongst USAID 2023 EDGE Fund Projects.

For more information, visit [www.lsfacility.org](http://www.lsfacility.org)  
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