

Public Information Summary
Africa Finance Corporation

Host Country(ies)	Africa Finance Corporation (“AFC”)) currently has 27 African countries and 2 multilateral financial institutions as its members. AFC also has investments in 32 countries across the African continent including in countries such as Nigeria, Cote D’Ivoire, Ghana, and other DFC-eligible countries. The majority of AFC’s portfolio is in Low or Lower Middle-Income countries.
Name(s) of Borrower(s)/Guaranteed Party(ies)	Africa Finance Corporation (“AFC”), an international development finance institution established by agreement among a number of sovereign African states and headquartered in Lagos, Nigeria.
Project Description	<p>DFC will provide an up to \$250 million Tier 2 Loan as part of an up to \$500 million Tier 2 capital raise program by the Borrower. The Loan will strengthen AFC’s capital position and help it maintain its investment grade rating, thereby allowing it to continue to be a source of lower-cost loans and investments for African borrowers and companies at a critical time as the continent is ravaged by COVID-19.</p> <p>AFC is a majority private-sector owned pan-African multilateral development finance institution established by international agreement among sovereign African states and is headquartered in Lagos, Nigeria. Its primary mission is to foster economic development across the continent by financing trade and critical infrastructure needs in priority sectors (power, transportation, telecommunications, heavy industry, and natural resources).</p>
Proposed DFC Loan/Guaranty	\$250 million Tier 2 Loan with a 15-year door-to-door tenor funded as a Direct Loan.
All-Source Funding Total	<p>DFC: \$250 Million Other DFI(s): \$250 Million Equity (various sources): \$1 Billion</p>
Policy Review	
Developmental Objectives	The Project is expected to have a developmental impact in Africa through provision of Tier II capital to AFC to mitigate COVID-19 pandemic effects including a sharp contraction in economic activity. In April, the International Monetary Fund (IMF) projected 2020 growth in sub-Saharan Africa at –1.6 percent, the lowest level on record and down 5.2 percentage points from the previous forecast. More specifically, the

	<p>Project will allow AFC to maintain support for client economic activity in Africa, primarily among low- and lower-middle income countries, in the infrastructure and productive sectors. Africa’s infrastructure deficit is among the most severe globally, with an annual infrastructure financing gap of up to \$108 billion as of 2018. Support for AFC’s capital base will cushion the balance sheet impacts from the economic shock that would otherwise reduce client supporting activities, choking off credit when most needed.</p>
<p>Environment and Social Assessment</p>	<p>Establishment of loan facilities for the purpose of providing Tier II capital is screened as a Category C project for the purpose of environmental and social assessment. The primary environmental and social issue associated with the Project is the need for a strong Environmental and Social Management System to ensure that downstream investments are developed in accordance with DFCs Environmental and Social Policies and Procedures (“ESPP”) and the IFC’s General Environmental, Health, and Safety Guidelines. DFC will monitor the effectiveness of AFC’s application of DFC policies throughout the Project’s life cycle. Under DFC’s ESPP, AFC is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2.</p> <p>A desktop due diligence assessment indicates that because the Project involves an investment in a financial intermediary, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>AFC has multiple policies and procedures that when taken as a whole, make up their ESMS and the ESMS has been deemed adequate. This review covers the commensurate human rights risks associated with the finance sector in the Africa region.</p>