Annex B – Public Information Summary

Host Countries	**<u>LICs:</u>** Ethiopia, Malawi, Mozambique, Rwanda, Sierra Leone, Uganda **<u>LMICs:</u>** Cote D'Ivoire, Ghana, Kenya, Tanzania, Nigeria, Senegal, Eswatini, Zambia **<u>UMIC:</u>** South Africa
Name of Borrower	AgDevCo Limited
Project Description	DFC will provide a loan to AgDevCo Limited to on-lend to agricultural enterprises in the following countries: Ethiopia, Malawi, Mozambique, Rwanda, Sierra Leone, Uganda, Cote D'Ivoire, Ghana, Kenya, Tanzania, Nigeria, Senegal, Eswatini, Zambia, and South Africa.
Proposed DFC Loan/Guaranty	10-year direct loan of an amount up to $30.0 million.
All-Source Funding Total	$110.0 million.
Policy Review	
Developmental Objectives	Small- and medium-sized enterprises in the agricultural sector (agri-SMEs) are critical to economic growth and livelihoods in sub-Saharan Africa and are a key driver of the transformation away from subsistence agriculture to the development of more inclusive, sustainable food systems. Due to real and perceived risks in the agricultural sector, access to finance is a major challenge for agricultural enterprises. Access to finance is particularly challenging for agri-SMEs, which face an annual financing gap of $74 billion. In response to this challenge, the Project is expected to provide much needed capital to agricultural enterprises, with a particular focus on early-stage and growth agri-SMEs in sub-Saharan Africa. AgDevCo seeks to lend to or invest in businesses that produce and add value to local food crops, contributing to food security at the national level. It also seeks to invest in high-value export crop value chains, increasing farmer incomes, and improving people's ability to purchase more and higher-quality food, thereby contributing to food security at the household level. AgDevCo is expected to invest 50% of its portfolio in agri-SMEs, generating a cumulative $56 million of income for 260,000 farmers by FY2028. In addition, AgDevCo is a 2X Flagship Fund and aims to invest 70% of its portfolio in 2X Eligible Enterprises. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient (IQ).
Environment and Social Assessment	The Project has been reviewed against the DFC's 2024 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC loans to special purpose

	vehicles for subsequent on-lending into agricultural value chain activities including primary production, processing, distribution, and transportation in primarily rural sub-Saharan Africa are screened as a Financial Intermediary B (FI-B) for environmental and social assessment. The transaction has been screened as elevated risks due to the contextual heightened sensitivities of rural agriculture in Africa. These downstream investments are expected to include environmental and social risks which are few, generally site-specific, largely reversible, and readily addressed through mitigation measures. To ensure that the Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Management System ("ESMS") that meets the 2012 IFC Performance Standards. Under the DFC's ESPP, the Borrower 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. A desk based due diligence assessment indicates that because the Project will use DFC support for subsequent debt on-lending to agricultural small- and medium- enterprises including primary farm production, processing, and distribution in sub-Saharan Africa, significant adverse impacts concerning 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. The Borrower has an environmental and social management system as described in IFC PS 1. The Borrower's ESMS includes an environmental and social policy, procedures for E&S screening and due diligence assessment, risk management and monitoring, as well as calculation of GHG emissions, among other features. The Borrower also has grievance mechanisms, and human resources policies generally commensurate with its investment strategy and aligned to IFC PS 2. While the ESMS is generally suitable, The Borrower will be required to make certain enhancements to its ESMS to appropriately address the risk profile of its portfolio, including finalizing its environmental and social policy, enhancing E&S staffing and capacity commensurate with portfolio risk, and enhancing procedures related to gender-based violence and harassment in accordance with DFC's 2024 Environmental Policy and Procedures as a condition to receipt of DFC support.