

Host Countries	Regional Latin America and Regional Africa
Name of Borrower	Fairtrade Access Fund S.A., SICAV-SIF
Project Description	DFC will provide a loan to the Borrower to grow its portfolio of loans in fair trade agriculture in DFC-eligible countries in Latin America, Africa, and South Asia.
Proposed DFC Loan	7-year direct loan of an amount up to \$10.0 million
All-Source Funding Total	Up to \$25.3 million
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in DFC-eligible countries in Latin America and Africa through the provision of credit to farmer MSMEs, including directly to producer and labor organizations (including agricultural cooperatives), traders and processors, and indirectly through microfinance institutions focused on agriculture. Farmer MSMEs account for most farms and produce much of the food in the project countries, while struggling to access markets and credit. The Borrower will continue to focus on financing farmers that have attained certification under an array of fair trade or other production standards. The Borrower provides technical assistance through dedicated funding and staff resources.
Environment and Social Assessment	<p>Screening: The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct investments into Financial Intermediaries to support loans to agricultural exporters, which include producer organizations, Microfinance Institutions (“MFIs”) and Small and Medium Enterprises (“SMEs”) are screened as Category D for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments. To ensure that the Fund’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 Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Applicable Standards: Under the DFC’s ESPP, the Fund 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-review-based due diligence assessment indicates that because the Project will use DFC support to provide loans to agricultural exporters, which include producer organizations,</p>

Microfinance Institutions (“MFIs”) and Small and Medium Enterprises (“SMEs”), significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.

Environmental and Social Risks and Mitigation: The Fund has adequate environmental and social impact monitoring and reporting procedures but will be required to update its child and forced labor risk identification processes prior to receipt of DFC support to align with the DFC’s ESPP.