

## Public Information Summary

<b>Host Country</b>	Mozambique/LIC
<b>Name(s) of Borrower(s)/Guaranteed Party(ies)</b>	Mvuvi Holdings (Mauritius) and Chicoa Fish Farm, Limitada (Mozambique)
<b>Project Description</b>	<p>This project entails a \$3.75 million direct loan from DFC to Mvuvi Holdings, the parent company of Chicoa Fish Farm (Chicoa) to expand their annual tilapia production capacity to 4,000 tons and complete a new processing plant and pilot feed mill near its location on the Cahora Bassa Reservoir in Mozambique (the “Project”). Chicoa has seen rapid growth since its founding in 2015, with revenue growing by 84% in 2021 and management projecting over 100% growth for 2022.</p> <p>Complimenting the DFC loan is additional \$1.8 million in equity from current investors, led by AquaSpark and Goodwell Investments. Chicoa exclusively produces tilapia, serving sub-Saharan African markets, of Mozambique, Malawi, Zimbabwe, South Africa and Zambia.</p> <p>Separately, Chicoa has also requested a technical assistance grant from DFC valued at \$295,000.</p>
<b>Proposed DFC Loan/Guaranty</b>	\$3,750,000 (tranche, with disbursements in 2022-2023)
<b>All-Source Funding Total</b>	\$5,511,231 (\$1,761,231 equity + \$3,750,000 DFC Loan)
<b>Policy Review</b>	
<b>U.S. Economic Impact</b>	<p>This Project will be harvesting and selling tilapia in sub-Saharan Africa. While the U.S. does produce tilapia, U.S. production is far short of existing local demand. Nonetheless, the Borrower does not export nor plan to export its goods to the U.S., and these markets are not an important destination for U.S. suppliers. In fact, only 4.3% of U.S. fish exports are sold to Africa, and none of the Borrowers’ destination markets are in the top ten Africa countries to which the U.S. exports. Thus, there is no potential for a negative impact of this Project.</p>
<b>Developmental Objectives</b>	<p>This Project is expected to have highly developmental impact in Mozambique, a low-income country that has the fourth lowest GNIPC globally at \$460. Chicoa Fish Farm brings a new and innovative business model to the African aquaculture sector, providing high-nutrition food at affordable prices to Mozambique and its surrounding countries. In addition to the supply of a food source, the Project is anticipated to create over 300 new jobs, with about one-fifth expected to be filled by women. Furthermore, in developing the supply of fish, the Borrower provides technical assistance both for existing suppliers, and potential future suppliers. Through the Project, the Borrower expects to provide intensive training to over 300 smallholder fish farmers and more basic trainings to an additional 1,500 smallholder fish farmers.</p>

**Environment and Social Assessment**

*SCREENING:* The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. Loans to fish processing and aquaculture industries are screened as Category B projects under DFC's environmental guidelines because impacts are site specific and readily mitigated using standard industry practices. Environmental and social issues associated with the Project include the need for a robust environmental and social management system to manage potential environmental and social risks from the operation of the processing facility and aquaculture, occupational health and safety measures, fire prevention and control measures, and proper disposal of small quantities of effluents. Other risks include the need for ongoing and proactive stakeholder engagement.

*APPLICABLE STANDARDS:* Under DFC's Environmental and Social Policies, the Borrower is required to comply with applicable national laws and regulations related to environmental and social performance. DFC's environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

- P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention;
- P.S. 4: Community Health, Safety, and Security; and
- P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

Based on document review and responses to questions to the client, there appears to be no land acquisition or involuntary resettlement, and no impact to Indigenous Peoples nor Cultural heritage, so PS 5, 7, and 8 are not applicable at this time. Additionally, the Project will be required to meet applicable provisions of the IFC's April 30, 2007 Environmental Health and Safety (EHS) General Guidelines; IFC's April 30, 2007 EHS Guidelines for Aquaculture; and IFC's April 30, 2007 EHS Guidelines for Fish Processing.

*KEY ENVIRONMENTAL & SOCIAL ISSUES AND MITIGATION:*

Chicoa has a draft Environment, Social, and Management System (ESMS) which provides an overview of several ESMS components including a grievance mechanism, stakeholder engagement plan, roles and responsibilities, identification of risks and impacts, and monitoring activities that they will be required to finalize. The Project will be required to develop, implement, and disclose external and internal

	<p>grievance mechanisms in compliance with IFC PS 1 and 2 respectively, as well as updating the Project stakeholder engagement plan to provide more detail. The Project will also have to update their human resources documents to ensure all workers fully understand their rights and protections, and to provide appropriate Standard Operating Procedures for the security team. The Project has protections in place to monitor fish from escaping the tanks and water quality. The Project will be required to meet the IFC's April 30, 2007 EHS Guidelines for Aquaculture and the IFC's April 30, 2007 EHS Guidelines for Fish Processing.</p>
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