

Public Information Summary

Host Country(ies)	Regional Africa Fund; primary focus on “Tier-1” countries including Algeria (LMIC), Egypt (LMIC), Ethiopia (LIC), Ghana (LMIC), Ivory Coast (LMIC), Kenya (LMIC), Morocco (LMIC), Namibia (UMIC), Senegal (LMIC), South Africa (UMIC), Tunisia (LMIC), Uganda (LIC). ¹
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¹ EVIII’s geographic remit is comprised of 47 African countries. A minimum of 75% of committed capital is expected to be invested in the Tier-1 countries listed above and up to 25% of committed capital may be invested in non-core Tier-2 and Tier-3 countries in Africa. A maximum of 50% of committed capital may be invested collectively in the Common Monetary Area countries (the “CMA”, i.e., South Africa, Namibia, Lesotho and Eswatini) and a maximum of 25% may be invested in any single country (other than the CMA). Tier-2 countries include Angola (LMIC), Benin (LMIC), Botswana (UMIC), Burkina Faso (LIC), Cameroon (LMIC), Djibouti (LMIC), Eswatini (LMIC), Gabon (UMIC), Guinea (LMIC), Lesotho (LMIC), Malawi (LIC), Mali (LIC), Mauritania (LMIC), Mauritius (UMIC), Mozambique (LIC), Niger (LIC), Nigeria (LMIC), Rwanda (LIC), Sierra Leone (LIC), Tanzania (LMIC), Togo (LIC), and Zambia (LMIC). Tier-3 countries include Burundi (LIC), Central African Republic (LIC), Chad (LIC), Rep. Congo (LMIC), Dem. Rep. Congo (LIC), Equatorial Guinea (UMIC), Gambia (LIC), Guinea-Bissau (LIC), Liberia (LIC), Libya (UMIC), Madagascar (LIC), South Sudan (LIC), and Sudan (LIC). Exposure to Tier 3 countries would be via a platform investment only. Countries may move up and down between Tiers with LPAC approval. DFC will retain its standard excuse right in respect of all portfolio projects located in Libya, South Sudan, and Sudan.

Name(s) of Fund	Evolution III LP is organized as a Mauritius limited partnership.
Name of Fund Manager	Inspired Evolution Managers Limited is a private company incorporated in accordance with the laws of Mauritius.
Project Description	Evolution III LP invests in climate-focused clean energy infrastructure, energy access, and resource efficiency growth investments in Africa.
Proposed DFC Loan/Guaranty/Equity Investment	Up to \$25 million
Target Fund Size	\$400 million
Policy Review²	
Developmental Objectives	<p>Africa's infrastructure funding gap is estimated to be up to \$108 billion each year, with climate change bringing increased maintenance costs for existing infrastructure. Deteriorating incumbent utilities undermine Africa's pathway to net zero. Africa disproportionately suffers from the negative effects brought on by climate change, requiring \$2.8 trillion through 2030 to limit global warming to 1.5°C. Investments are needed across energy infrastructure, access, and efficiency to meet this goal. Additionally, Africa's gender parity falls below global averages, with 89% of women in sub-Saharan Africa employed through the informal economy.</p> <p>In response to these challenges, EVIII seeks to have a positive development impact in Africa by providing much-needed capital to infrastructure-type renewable energy platforms and projects, as well as technology-based solutions aimed at affordable energy access and resource efficiency for households and businesses. Predominantly focused on lower-middle-income countries, EVIII will seek investment opportunities across a range of climate projects, including utility, commercial and industrial, and residential renewable energy, clean cook stoves, e-mobility, and smart meters. The Fund Manager will build on its deep expertise in Africa to make control or significant minority investments. DFC has qualified EVIII as 2X based on EVIII's intent to meet and / or exceed the 2X criteria for leadership and percentage of 2X-eligible companies in its portfolio. Given EVIII's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient (IQ).</p>
Environment and Social Assessment	Evolution III (the "Fund") is an Africa Regional Fund that offers next-generation energy transition investment strategies and will look to invest

² If a clearance is not complete at the time that a report is circulated to a particular approver or approver group, simply state "Clearance is in process." Please ensure, however, that the section is updated with the ODP language prior to posting of the public information summary on DFC's external website.

	<p>in traditional utility-scale, grid-connected IPP platforms and projects, decentralized commercial and industrial (C&I) private offtake opportunities, off-grid solutions and energy-as-a-service (EaaS) micro-grid infrastructure-type offerings. It will also look to invest growth equity into energy and resource-efficiency, technology-based businesses that “do more with less” and reduce resource footprints.</p> <p>FIs with downstream investments that pose high environmental and social risks are screened as Category FI-A for the purposes of environmental and social assessment. Downstream investments made by the FI will still be screened for categorical prohibitions and subject to DFC’s public disclosure requirements for Category A projects, if applicable.</p> <p>Climate change resilience assessments for FI projects are not required under DFC’s policies. However, Evolution III will be required to include climate change resiliency assessments for any Category A projects as part of the ESIA process.</p> <p>APPLICABLE STANDARDS: Under DFC’s 2024 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, 2, and 4.</p> <p>A virtual 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, 5, 6, 7, and 8 are not triggered by DFC’s investment; however, DFC’s ESPP requires the Fund to maintain an ESMS that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector-specific EHS Guidelines. It is anticipated that the Fund’s subprojects may trigger PS 1-8.</p> <p>Because the Fund will invest in Category A subprojects, where that categorization is triggered, DFC will require that environmental and social impact assessments for these be submitted and disclosed by DFC for public comment.</p> <p>Environmental and Social Risks and Mitigation: Key risks associated with the Project include the need for rigorous E&S management system and organizational capacity at the Fund to oversee a portfolio of medium</p>
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	<p>to high-risk projects inclusive of supply chains that carry elevated labor risks under IFC Performance Standard 2. The Fund has experience working with Development Finance Institutions (DFI) like DFC and international E&S requirements. The Fund has developed an ESMS that aligns with DFI requirements, including the IFC Performance Standards. The Fund has an established procedure for risk categorization, screening, due diligence, and monitoring of environmental, social, health and safety risks for its projects. The Fund's ESMS requires that E&S risks be monitored through close integration between Country Managers, Fund leadership, the Fund's ESG Team, and third party consultants as appropriate. DFC's due diligence indicates that the Fund has robust E&S documentation and procedures and sufficient E&S capacity commensurate with the scale and nature of the Fund's downstream investments.</p> <p>Evolution III will calculate or estimate Scope 1, Scope 2, and Scope 3 emissions of the Fund in line with the GHG Protocol, CFD reporting, EU Taxonomy and SFDR Article 9 alignment, and net-zero goals including all portfolio companies/assets under construction and operation, and report annually.</p> <p>The Fund will be required to incorporate DFC's categorical prohibitions as part of their environmental and social screening procedures. The Fund will be required to provide annual monitoring throughout the DFC investment. The Fund will be required to strengthen some components of monitoring of portfolio company assets and internal grievance mechanism. DFC, along with the other DFI LPs, will monitor the Fund's implementation of the ESMS and ongoing E&S capacity.</p>
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