Public Information Summary

Host Countries	Africa regional
Name of Borrower	Barka Capital Debt SPV
Project Description	DFC will provide a 10-year direct loan of up to $7,000,000 to the Borrower, a blended finance vehicle that invests debt and equity in high-growth, early-stage African companies.
Proposed DFC Loan/Guaranty	$7,000,000
All-Source Funding Total	$24,380,000
Policy Review	
Developmental Objectives	Sub-Saharan Africa is the most vulnerable region in the world to climate change, with accumulating adverse impacts already posing economic, social, and environmental costs. Across Africa, an estimated 65% of total farmland struggles to yield crops, more than 270 million people face chronic hunger, and many countries have lost more than 90% of their forests. Growth capital for African entrepreneurs to develop and scale business models which mitigate climate change or address its impacts is limited in volume and availability. Venture capital for African start-ups in 2023 represented less than 2% of the global total. In response to these challenges, the Fund is expected to have a positive development impact through financing growth-oriented, early-stage small and medium enterprises (SMEs) located in Sub-Saharan Africa focused on climate. The Project expects to reach 28 SMEs by 2028 operating across the agriculture and food, environment and natural resource, and renewable energy sectors. DFC has qualified the Project as 2X based on its alignment to the entrepreneurship and investments through financial intermediaries criteria. Given the Project characteristics, the Project is categorized as Highly 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 Investment Funds who will invest in small- and medium-enterprises ("SMEs") in the food and agriculture, environment and natural resources, and renewable energy sectors are screened as a Financial Intermediary C (FI-C) 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 low risk 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. 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 invest in SMEs in the food and agriculture, environment and natural resources, and renewable energy sectors 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 Fund does not have an environmental and social policy fully aligned with IFC PS 1 but does have grievance mechanisms and human resources policies that are generally commensurate with its investment strategy. However, the Fund will be required to provide updates to its Environmental and Social Management Framework, Human Resources Policy, and associated documentation to align with the DFC's 2024 Environmental Policy and Procedures.