

Public Information Summary

Host Country	Sierra Leone
Name of Insured Party	West Africa Blue
Private Insurer Participation	N/A
Project Description	The Insured is developing and implementing community-focused conservation and income diversification activities funded by the issuance of carbon credits in the Bonthe and Moyamba regions of Sierra Leone (the “ Project ”).
Investment Amount	Up to \$10,000,000
Investment Type	Equity
Proposed Insurance Amount	Up to \$10,000,000
Total Project Costs	Up to \$12,000,000
U.S. Involvement	N/A
Foreign Enterprise	The Africa Conservation Initiative Ltd.
Policy Review	
U.S. Economic Impact	This Project is expected to have a neutral impact on the U.S. economy. There is no U.S. procurement associated with DFC involvement in this transaction. In addition, there is no potential for a negative impact on U.S. employment, as this Project involves the generation of carbon credits via conservation work in West Africa.
Developmental Objectives	<p>Since 2012, the rate of mangrove deforestation in Sierra Leone’s Sherbro River Estuary has increased significantly, reaching a rate of 1.7% forest loss per year. Local indigenous communities in this region are highly economically disadvantaged and have increasingly turned to mangrove harvesting to replace income lost due to the decline of the local fishing industry.</p> <p>In response to these challenges, the Project is expected to have a positive development impact focused on Bonthe and Moyamba regions of Sierra Leone by developing and implementing a conservation and restoration plan across up to approximately 74,000 hectares in the area, protecting mangroves and diversifying local income through new livelihood opportunities and the return of revenue gained through the sale of carbon</p>

	<p>credits to local communities. The Project is also expected to have a positive environmental impact, helping to address the communities' resilience and adaptation to climate change, improve carbon sequestration and climate change mitigation, as well as protect endangered species and ecosystems. The Foreign Enterprise is pursuing a strong consultative process to develop plans for income diversification, mangrove conservation and restoration, biodiversity protection, and mapping and monitoring the region's mangroves involving the local population, who are also expected to benefit from the Project through up to 400 contracted jobs implementing the plan. Women are expected to receive at least 40% of contracted jobs created by 2027, qualifying the Project for 2X under the employment criteria. Given the Project characteristics, the Project is categorized as Exceptionally Impactful per DFC's Impact Quotient ("IQ").</p>
<p>Environment and Social Assessment</p>	<p>SCREENING: The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. Implementation of conservation management and alternative livelihood initiatives via a nationally supported program is expected to have low environmental risk and medium social risks. DFC screened the Project as Category B. The Project will require an appropriate environmental and social management system (ESMS) to identify and manage environmental and social risks associated with implementation of the Project's goals and objective for community-focused conservation and income diversification. The primary concern relative to environmental and social risk involves the Project's capacity to manage environmental protection and social performance with multiple stakeholders and communities that have a traditional reliance on common natural resources for both subsistence and economic opportunity. The Project is subject to a climate change resiliency screening as per Executive Order 13677.</p> <p>APPLICABLE STANDARDS: Under DFC's Environmental and Social Policies, the Project is required to comply with applicable national laws and regulations related to environmental protection and social performance. DFC's environmental and social due diligence indicates 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> <ul style="list-style-type: none"> • PS 1: Assessment and Management of Environmental and Social Risks and Impacts; • PS 2: Labor and Working Conditions; • PS 4: Community Health, Safety and Security

- PS 5: Land Acquisition and Involuntary Resettlement
- PS 7: Indigenous Peoples
- PS 8: Cultural Heritage

A desk-review due diligence assessment indicates the Project will be located in nationally designated marine protected areas. The Project objective implements protective measures to avoid harmful environmental effects and is expected to benefit protected areas or sensitive ecosystems. Therefore, adverse impacts on the environment and biodiversity are not anticipated and PS 3 and 6 are not triggered at this time.

In addition, the Project is required to comply with the IFC Environmental Health and Safety (EHS) General Guidelines (2007).

Environmental and Social Risks and Mitigation: The Project involves the conservation and restoration of important mangrove ecosystems within nationally designated marine protected areas in Sierra Leone. Key environmental and social risks involve the management of multiple stakeholders and activities undertaken in the implementation of Project objectives to protect and conserve the environment. The Project has an Environmental and Social Management System (ESMS) to identify and manage environmental and social risks of its operations. As conditions to the DFC Agreement, the Insured will recruit and hire (direct employee or external contractor) an expert on the application of environmental and social safeguards in compliance with IFC Performance Standards to serve as its head of Environmental, Social and Governance (ESG) team and an expert with relevant experience in stakeholder engagement to lead as a community relations coordinator. These positions shall be named as key positions in the DFC Agreement and remain filled by qualified experts acceptable to DFC for the duration of the DFC Agreement. The Project will also develop a framework describing impact identification, mitigation, and monitoring processes to be undertaken once specific conservation activities are identified that will change land use, including if applicable, restrictions on access and use of land and resources. The Project will submit annual E&S Performance Reports to DFC (and other investors) pursuant to the Project ESMS.

	<p>The Project will also be required to assess and mitigate risks related to restrictions on resource access and use associated with conservation activities.</p>
--	---