

Public Information Summary

Host Country:	Kenya
Name of Insured Investor:	A limited liability company to be established under the laws of Delaware (the “Insured”) and wholly-owned by The Nature Conservancy (“TNC”)
Private Insurer Participation:	To be determined
Project Description:	The Project includes the Insured (1) purchasing approximately €414 million (approximately \$460 million) of Government of Kenya (“GoK”) sovereign debt from creditors and subsequently renegotiating the terms of the debt with the GoK, and (2) redirecting a portion of the payments from the restructured sovereign debt to fund grants (the “Grants”) and to capitalize an endowment fund for long-term funding of conservation activities with the goals of conserving and enhancing marine and coastal ecosystems, strengthening the governance and management of such ecosystems, and creating resilient ecological and human communities (the “Project”). The Project is expected to result in approximately €30 million of debt savings for the GoK over 9 years.
Investment Amount:	\$460,000,000
Investment Type:	Debt
Proposed Insurance Amount:	\$250,000,000
Total Project Costs:	\$460,000,000
U.S. Involvement:	The Nature Conservancy, the 100% owner of the Insured
Foreign Enterprise:	A trust to be formed under the laws of Kenya
Policy Review:¹	
Developmental Effects:	The Master Contract is expected to have a highly developmental impact by supporting long-term, sustainable funding for marine and environmental conservation activities in island and coastal countries. Oceans contribute to human well-being by providing marine ecosystem services such as food, income, cultural services, recreation, carbon storage, and storm protection. However, the ocean’s ability to provide these benefits is declining, as an estimated one-fifth of all the coral in the world has been killed in the past three years, and 80% of the world’s fisheries have been fully or over-fished. Protecting marine areas boosts the resiliency of economies that rely on tourism and fishing and improves the safety of people living in coastal areas facing storms and sea-level rise. The Master Contract provides an innovative structure to mobilize capital and partner with the government to free up capital to support conservation programs. TNC will also provide technical assistance by developing a scientifically-sound marine protection plan, and will work with local stakeholders, such as fishing associations and tourism boards, to make sure their needs are addressed. The

¹ The Office of Development Policy has provided clearance for this Project though its review of the Master Insurance Contract (“MIC”) with TNC, which plans to undertake approximately 20 project transactions, including this Project, over a period of five years in countries in the Caribbean region, Latin America, Africa and Asia.

	Master Contract is estimated to protect 4 million square kilometers of ocean, save 13% of the world's coral reefs and benefit an estimated 43 million people.
Environment:	<p>Screening: The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. The Master Contract has been screened as Category D. All downstream investment covered under the Master Contract are screened as Category C and are therefore pre-cleared because investments in the Foreign Enterprises are financial transactions.</p> <p>APPLICABLE STANDARDS²: Under DFC's Environmental and Social Policies, the Foreign Enterprises are required to comply with applicable national laws and regulations related to environmental and social performance. DFC's environmental and social due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following the International Finance Corporation's (IFC 2012) Performance Standards (P.S.):</p> <ul style="list-style-type: none"> • P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts; and • P.S. 2: Labor and Working Conditions. <p>A desk-review due diligence assessment indicates the Project is located in marine and terrestrial ecosystems and implements protective measures to avoid harmful environmental effects. The Project is expected to benefit protected areas or sensitive ecosystems. Therefore, adverse impacts on biodiversity are not anticipated and P.S. 6 is not triggered at this time.</p> <p>In addition, the Foreign Enterprises are required to comply with the IFC Environmental Health and Safety (EHS) General Guidelines (2007).</p> <p>Environmental and Social Risks and Mitigation: The Project will assess and manage the environmental and social impacts of its marine conservation and climate adaptation activities by following an established framework developed for each country where it operates. The environmental and social safeguard framework is adequate for the environmental risks associated with the Project activities including requirements for safe working conditions, adequate training for hazards, and emergency preparedness. The Project will report on annual monitoring and evaluation of its activities including environmental and social performance.</p>
Social Assessment:	The Project will have impacts that must be mitigated in a manner consistent with the International Finance Corporation's Performance Standards, DFC's Environmental and Social Policy Statement, and applicable local laws. DFC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous

² Issues related to P.S. 5, 7 and 8 are addressed in DFC's Social Impact Assessment.

working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including any contracted workers.

While the Insured Investor requires its downstream projects to manage environmental and social risks in alignment with overarching policies, it will be required to incorporate guidelines for country-level frameworks that ensure social policies and principles are applied consistently.

This review covers the commensurate human rights risks associated with conservation activities.