

Public Information Summary

Host Country	Kenya
Name of Borrower	Victory Farms Limited (Kenya)
Project Description	Capital expenditure and working capital loan to expand the Borrower's sustainable tilapia production, processing, distribution, and retail operations in Kenya and refinance a loan assumed by the Parent for the benefit of the Borrower.
Proposed DFC Loan	\$20,000,000 10-year Loan
All-Source Funding Total	\$62,300,000
Policy Review	
Developmental Objectives	<p>While Kenya has a growing lower-middle class and the economy is transforming rapidly away from subsistence agriculture, access to adequate, nutritious food is a major challenge, especially in rural areas, due to inefficient food systems, climate shocks, and gender inequalities. Addressing inefficiencies in the food system, particularly post-harvest loss, is critical to keeping up with the Kenyan population's increasing food demands.</p> <p>The Project is expected to have a positive development impact in Kenya by reducing post-harvest losses in the aquaculture sector and increasing access to protein in rural areas. Victory Farms' (VF) innovative, cold-chain distribution model relies on embedded data analytics and cooling boxes that do not require electricity, ensuring sufficient cooling even in the event of a black-out. Not requiring consistent electricity in its retail shops allows VF to market its fish in areas where grid electricity is unreliable, locations that are difficult for fresh product vendors to reach while still offering affordable prices. In addition, VF's model enables female entrepreneurs to earn money reselling the fish. DFC has qualified VF as 2X based on the leadership and consumption criteria. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient (IQ).</p>
Environment and Social Assessment	<p>Screening: The Project has been reviewed against DFC's 2020 Environmental and Social Policy and Procedures (ESPP) and has been determined to be categorically eligible. Projects involving aquaculture and fish processing are screened as Category B under DFC's environmental and social guidelines because impacts are site-specific and readily mitigated using standard industry practices and through the</p>

application of effective Environmental and Social management practices.

APPLICABLE STANDARDS: DFC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:

PS 1: Social and Environmental Assessment and Management Systems;

PS 2: Labor and Working Conditions;

PS 3: Pollution Prevention and Abatement;

PS 4: Community Health, Safety and Security;

PS 6: Biodiversity Conservation and Sustainable Natural Resource Management

Additionally, the Project will be required to meet applicable provisions of IFC's Environmental Health and Safety (EHS) General Guidelines (2007); IFC's April EHS Guidelines for Aquaculture (2007); and IFC's EHS Guidelines for Fish Processing (2007).

Environmental and Social Risks and Mitigation:

The primary environmental concerns related to the Project include the need for a comprehensive Environmental and Social Management System (ESMS) to manage potential environmental and social risks from the operation, occupational health and safety measures, hazardous material management, solid waste management, water consumption and management, wastewater management, air emissions, energy consumption, and threats to biodiversity. Key social risks related to the Project include employment of informal "casual" laborers and management and supervision of contractors and suppliers. Victory Farm's ESMS adequately covers environmental concerns related to the project with procedures and policies in place for managing risks associated with construction and operation activities. In order to address social concerns related to the Project, the Borrower will be required to develop a third party and supply chain management and monitoring plan that will allow them to operate in a manner consistent with PS2 and applicable law. The Borrower will also be required to provide an updated, PS2-compliant internal/worker grievance mechanism that will also address the relevant gaps in the Borrower's Gender Action Plan. VF will be required to provide a construction management plan to cover EHS and labor/contractor management.