

## Public Information Summary

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**Host Country(ies)**

Africa regional

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**Name of Counterparty / Issuer**

Barka Investments CLBG

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**Project Description**

DFC will provide a 5-year technical assistance grant of \$1 million to finance the provision of post-investment support to approximately 25 portfolio companies of Barka Fund, a blended finance vehicle that invests debt and equity in high-growth, early-stage African companies working to mitigate and adapt to the impacts of climate change.

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**DFC Product Type**

Technical Assistance

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**DFC Investment / Insured / Equity Amount**

10-year \$7,000,000 direct loan

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**Total Project Costs**

\$1,000,000

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**U.S. Involvement** (If not applicable, put N/A)

N/A

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**Insurance Specific** (If not applicable, put N/A)**Private Insurer Participation**

[N/A]

**Investment Type**

[Covered Property]

**Foreign Enterprise**

[Foreign Enterprise Name]

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**Fund Specific** (If not applicable, put N/A)**Fund Manager**

Barka Capital

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**Equity Specific** (If not applicable, put N/A)**Grants Assessment**

DFC technical assistance funding in an amount of up to \$1,000,000.00 will be provided to the

Grantee to provide customized, on-demand post-investment support to approximately 25 portfolio companies of Barka Fund. This post-investment support will sit within a larger Technical Assistance Facility (TAF) designed to provide a comprehensive suite of pre- and post-investment support to African climate companies.

Under the Grant Agreement, DFC will require Barka Fund to show that it has put in a minimum of one million dollars (\$1,000,000) in donor funding to match DFC's grant funds, resulting in a 50/50 cost share.

The post-investment TA will focus on 7 broad themes:

1. **Cash Management:** optimizing the financial liquidity and cash flow management;
2. **Risk Management:** enhancing portfolio companies' ability to identify, assess and mitigate various business risks;
3. **Production of Financial Information:** improving portfolio companies' capacity to generate accurate and timely financial information for decision-making;
4. **Governance:** strengthening portfolio companies' governance structures and practices;
5. **People:** enhancing portfolio companies' human resource management practices and organizational development;
6. **Impact Measurement:** helping equip portfolio companies with the tools to measure and communicate their social and environmental impact more effectively; and
7. **Technology and Data Management:** enhancing portfolio companies' technological capabilities and data handling practices to improve operational efficiency and decision-making.

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## **Policy Review**

### **U.S. Economic Impact**

The Project is not expected to have a negative impact on the U.S. economy.

### **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.<sup>3</sup> 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 underlying investment, which DFC's technical assistance supports, has been reviewed against the DFC's 2024 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible.