

 Early Warning System

FMO-61442

responsAbility Climate-Smart Agriculture & Food Systems Funds



Quick Facts

Financial Institutions	Netherlands Development Finance Company (FMO)
Bank Risk Rating	A
Investment Type(s)	Loan
Investment Amount (USD)	\$ 17.50 million
Loan Amount (USD)	\$ 17.50 million



Project Description

As of October 2022, the initial disclosure information (below) is no longer on the FMO website. For updated project information, please refer to the original disclosure link.

According to the FMO website:

The recently launched Climate-Smart Agriculture & Food Fund is a USD 200mIn close-ended debt fund established by responsAbility in collaboration with CGIAR and anchor investor KfW.

The Fund's strategy is to provide long-term financing along with technical assistance to Agri SMEs under four investment themes: 1) sustainable intensification of production, 2) value adding and efficient processing and logistics, 3) sustainable and inclusive retail and food brands, and 4) climate technology and solutions providers. The financing will target transactions in the Agri space focused on reducing climate change risk and GHG emissions as well as on promoting sustainable increase in yields. FMO will participate in the senior tranche in the second closing.

ENVIRONMENTAL AND SOCIAL RATIONALE

Because of the broad regional focus (global mandate), as well as a broad agricultural sector focus (investments are expected in climate technology and retail mostly in Asia Pacific, and production and processing mainly in Africa and Latin America), the Fund's E&S risk categorization is 'Private Equity risk category A'. This is the category for funds that intend to invest >15% of their portfolio in high risk (e.g. category A or B+ as defined for Direct Investments) according to FMO's Sustainability Policy. It should be noted, however, that category A investee companies are not likely to be expected, and that the size of investments is relatively small (average loan sizes of USD 6mIn). E&S risks most likely to be encountered at the investee companies are expected to be linked to PS1 to 4, and 2 and 6 potentially indirectly through the supply chain, as well as risks related to the heightened human rights contexts in some areas of operations. ResponsAbility has developed a strong E&S management system which will be applied at fund level and requires its team to incorporate and record E&S analysis throughout the entire investment process and aligns with FMO E&S requirements, including compliance with (i) the IFC exclusion list, (ii) local environmental, health & safety and labour laws and regulations, and (iii) IFC Performance Standards and ILO Core conventions.



Investment Description

- Netherlands Development Finance Company (FMO)



Contact Information

Project contacts not provided at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>