

Public Information Summary

Host Countries	Burundi, Kenya, Malawi, Nigeria, Rwanda, and Tanzania
Name of Borrower	One Acre Fund
Project Description	9.5-year loan of up to \$20 million to provide working capital and fixed asset purchases' financing to support the operation and expansion of One Acre Fund's business of supplying agricultural inputs and services on credit to farming families to increase their harvests in Sub-Saharan Africa.
Proposed DFC Loan	\$20 million loan with a 9.5-year tenor (3-year grace period)
All-Source Funding Total	\$75,225,000
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact through the provision of credit, input, and training to smallholder farmers, enhancing agricultural productivity and inclusion of rural workers. Large swaths of workers in sub-Saharan Africa are engaged in subsistence farming, and these populations are dependent on agriculture for income. For example, in the case of Burundi, as much as 86% of the population works in agriculture. However, value added is low: in each of the Host Countries supported by this Project, agriculture does not account for more than 30% of GDP. The Project is also expected to devote half its assistance to women, who are disproportionately represented in poverty and subsistence farming, and supply significant jobs to growing labor markets.
Environment and Social Assessment	The Project has been reviewed against DFC's 2020 Environmental and Social Policy Procedures ("ESPP") and has been determined to be categorically eligible. This Project has also been reviewed against findings in the 2021 State Department Human Rights Reports for Kenya, Rwanda, Burundi, Tanzania, Malawi, Nigeria. In accordance with DFC's ESPP, projects involving agricultural supplies are screened as Category B as they have limited environmental and social impacts that can be mitigated to acceptable levels by the adoption of effective management practices.

The primary environmental and social issues identified in this transaction relate to the need for a strong Environmental and Social Management System that meets the IFC Performance Standards to ensure that the Project operates in accordance with DFC's Environmental and Social Policy and Procedures ("ESPP"), IFC Performance Standards, proper storage and disposal practices for agro-supplies, and worker health and safety.

Under DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standards. For this Project, applicable provisions are PS 1, 2, 3, 4, and 6.

The Project consists of providing seed, fertilizer, and skill-based training to local farms and farmers in various African countries. The Project does not include land acquisition or involve relocation of indigenous peoples. The land being used for seed and tree planting is pre-existing farmland. However, OAF represents that at times it does utilize private security for some of its Projects. Impacts with respect to land acquisition, indigenous peoples, or cultural heritage are not anticipated and therefore PS 5, 7, and 8 are not triggered.

The Borrower established a formal environmental and social management system in September of 2021 that was completed by a reputable third-party expert. It comprises of several sections, which include a policy statement, natural resource management, resource efficiency, pollution prevention, labor and working conditions, procurement and handling of agrochemicals, community health and safety, land acquisition, and interaction/engagement with farmers. Additionally, the Borrower has policies and procedures related to procurement and handling of agro-chemicals, screening and diligence checklists, Human Resources Policy, and internal and external grievance policies. These policies and procedures have been reviewed and determined to be aligned with expectations in DFC's ESPP.