





- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security; and
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project will be developed on vacant land owned by the Egyptian government's New and Renewable Energy Authority and made available to the Project under a Usufruct Agreement. A desk-based due diligence assessment indicates that the land has no inhabitants or active land use, and the Project will not have significant impacts with respect to indigenous people and cultural heritage. Therefore, PS 5, 7, and 8 are not triggered at this time. Applicable provisions of the IFC General Environmental, Health and Safety (EHS) Guidelines, EHS Guidelines for Wind Energy, and EHS Guidelines for Transmission and Distribution also apply to the Project. The Project will also be required to adhere to the IFC/EBRD Processes and Standards for Workers' Accommodations.

**ESIA Disclosure:** The ESIA package was posted on DFC's website for public disclosure on September 21, 2023 and is available for public comment until November 20, 2023. No comments had been received at the time this summary was drafted. If any comments are received, they will be shared with the Board along with DFC's responses at least five days prior to the Board meeting.

**Environmental and Social Risks and Mitigation Measures:** Primary environmental and social issues of concern include the potential for impacts on resident and migrating birds, community health and safety, social risks connected to the supply chain, construction labor management, and the need for appropriate stakeholder engagement, particularly with the Bedouin community.

The Project overlaps by less than 1km<sup>2</sup> with the northern edge of the Gebel El Zeit Important Bird and Biodiversity Area (IBA), which is also a Key Biodiversity Area (KBA). The Gebel El Zeit IBA/KBA is situated within the Rift Valley / Red Sea flyway, a globally important corridor for migratory soaring birds (MSBs) and is located where large numbers of birds are funneled along the Gulf of Suez during their spring and autumn migration, often landing in large numbers and flying at low altitudes. Therefore, the Project has the potential to impact MSBs during their migration. To mitigate these potential impacts, the Project will be required to develop, implement, and manage: a Post Construction Fatality Monitoring (PCFM) program for turbines and the transmission

	<p>line, a radar-assisted turbine shutdown on-demand program (SOD), and an operations phase Biodiversity Management Plan. The PCFM and SOD programs will be conducted by staff trained at the Migratory Soaring Birds Center of Excellence in Ras Ghareb, or otherwise qualified/experienced to conduct these types of monitoring and mitigation activities for MSBs in the Gulf of Suez.</p> <p>A Critical Habitat Assessment (CHA) determined that the Project is within Critical Habitat for five MSB species: Steppe Eagle (IUCN Red List – Endangered), Levant Sparrowhawk (IUCN Red List – Least Concern), Black Stork (IUCN Red List – Least Concern), Great White Pelican (IUCN Red List – Least Concern), and White Stork (IUCN Red List – Least Concern). The Project will develop and finalize a fit-for-purpose Biodiversity Action Plan (BAP) and Biodiversity Monitoring and Evaluation Plan.</p> <p>In terms of the Project’s overall environmental and social management, AMEA has prepared a project-specific Environmental and Social Management System (ESMS) Manual, which requires the EPC and O&amp;M Contractor to develop and implement their own ESMS manuals and related site-specific E&amp;S management plans in compliance with PS 1. In addition, the Project has a Stakeholder Engagement Plan, which will be updated regularly, and has appointed a Community Liaison Officer. An external grievance mechanism will be available for questions and complaints from members of the public.</p> <p>Peak construction will require roughly 1,500 workers. The Project will be required to develop and implement a robust labor management system that covers directly employed, contracted, and supply chain workers. An internal grievance mechanism will also be available to all workers, including workers employed through third parties.</p> <p>AMEA has a corporate level procedure that addresses child and forced labor risks in the supply chain. The Project will also be required to develop and implement a supply chain management system for labor risks, which will include supplier mapping, risk assessment, monitoring, and a supplier code of conduct. A previous third-party labor audit commissioned to assess the Project’s wind turbine generator supplier facilities did not uncover evidence of forced or child labor.</p> <p>Potential impacts to community health and safety include those resulting from worker influx, security, and traffic-related risks due to transport of Project equipment, construction materials, and workers to and from the Project site. The Project will develop and implement a Community Health and Safety and Labor Influx Management Plan. In addition, the Project will be required to implement control measures to</p>
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	<p>protect local community members from road traffic accidents and use in-vehicle monitoring systems to monitor all project-assigned vehicles. The Project will also be required to develop and implement a Security Management Plan, which will include a security risk assessment and a Code of Conduct for security personnel.</p>
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- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention; and
- PS 4: Community Health, Safety, and Security.

The Project will be developed on land leased through the Egyptian government's New and Renewable Energy Authority. A desk-based due diligence assessment indicates that the land has no inhabitants or active land use, and the Project will not have significant impacts with respect to biodiversity, indigenous people, and cultural heritage. Therefore, PS 5, 6, 7, and 8 are not triggered at this time. Applicable provisions of the IFC General Environmental, Health and Safety (EHS) Guidelines and EHS Guidelines for Transmission and Distribution also apply to the Project. The Project may also be required to adhere to the IFC/EBRD Processes and Standards for Workers' Accommodations.

**Environmental and Social Risks and Mitigation.** The key environmental and social risks associated with the Project include the need for a robust environmental and social management system, oversight of EPC and O&M contractors to ensure the Project is constructed and operated in accordance with IFC Performance Standards, management of community health and safety impacts, water and waste management, management of labor risks in the supply chain, robust stakeholder engagement, and management of bird collision risks from associated facilities.

AMEA has prepared a project-specific Environmental and Social Management System (ESMS) Manual, under which the EPC and O&M Contractors are required to develop site-specific Environmental and Social Management Plans. The Project previously carried out an Environmental and Social Impact Assessment, aligned with local requirements and IFC Performance Standards. AMEA has provided an updated Environmental and Social Action Plan developed during due diligence from other Lenders, including IFC, showing progressive closeout of outstanding gaps. DFC will require that AMEA provide to DFC ESAP deliverables within the timelines dictated by the Lenders' ESAP.

The Project has in place a Stakeholder Engagement Plan and plans to employ two Community Liaison Officers to manage relationships with nearby communities. In addition, the Project will be required to have an external grievance mechanism, in alignment with IFC Performance Standard 1.

Peak construction will require roughly 1,500 workers. The Project will be required to develop and implement a robust labor management system, including an internal grievance mechanism, that encompasses all Project workers, including those employed through third parties. In

	<p>addition, the Project will be required to develop and implement an Occupational Health and Safety Management System for both the construction and operation phases.</p> <p>AMEA has a corporate level procedure that addresses child and forced labor risks in the supply chain. The Project will also be required to develop operationalized Project-level procedures for supply chain management with respect to labor risks.</p> <p>Potential impacts to community health and safety include those resulting from worker influx and accommodations, security, and traffic-related risks. The Project will be required to develop and implement a workers' accommodation plan, workers' code of conduct, and traffic management plan. The Project previously undertook a Security Risk Assessment and will be required to develop and implement a Security Management Plan, in alignment with IFC Performance Standard 4.</p> <p>The Project is expected to include the development of associated facilities, namely a 10.9 km Overhead Transmission Line built and operated by the Egyptian Electricity Transmission Company (EETC) that may contribute to cumulative impacts from existing transmission lines in the area, especially as they relate to bird collisions and fatalities. Additional environmental risks include waste and water management. The Project will be required to develop and implement management plans to address these issues in line with DFC's E&amp;S Requirements.</p>
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## Annex B – Public Information Summary

<b>Host Country</b>	Nigeria
<b>Name of Borrower</b>	Indorama Eleme Fertilizer and Chemicals Limited/SPV Line III
<b>Project Description</b>	The development, design, financing, construction, operation and maintenance of the Borrower’s third ammonia-urea fertilizer facility in Port Harcourt (the “ <b>Project</b> ”).
<b>Proposed DFC Loan</b>	\$250,000,000
<b>All-Source Funding Total</b>	\$1,250,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive development impact through supporting global food security, particularly in developing and emerging economies, while also providing economic benefits to Nigeria. Fertilizer is a critical commodity for global food security: it is estimated that only half of the world’s population could be sustained without nitrogen fertilizer. Yet fertilizer supply has been severely disrupted in recent years, contributing to surging food prices and decreased income for farmers. The Project is expected to result in 1.4 million metric tons per annum of additional urea fertilizer to be exported from Nigeria, largely to destinations in Latin America and Africa. The Project is also anticipated to create hundreds of full-time, formal operations and maintenance jobs as well as thousands of construction jobs in the Niger Delta, to generate local income through domestic procurement, and to support Nigeria’s balance of trade through hundreds of millions of dollars of additional exports annually.
<b>Environment and Social Assessment</b>	<p><b>SCREENING:</b> The Project has been screened as Category A because it requires an expansion of a large-scale fertilizer manufacturing complex and has the potential for accidental releases of hazardous gases (methane, hydrogen, and ammonia). In addition, the Project’s greenhouse gas (GHG) emissions have been estimated to be 688,100 tons of carbon dioxide equivalent per year (DFC’s share of GHG emissions has been estimated at 130,945 tons of carbon dioxide equivalent per year) which exceeds DFC’s threshold of 100,000 tons of carbon dioxide per year for Category A projects.</p> <p>A jetty will be used to export ammonia and urea produced by the Project but is not part of the Project scope for DFC financing. Therefore, the jetty is considered an Associated Facility. Based on the</p>

information received to date the jetty aspect of the project will be able to meet applicable guidelines and there will be limited impacts on biodiversity and worker and community safety.

**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 International Finance Corporation's (IFC) 2012 Performance Standards (PS):

PS 1: Assessment and Management of Environmental and Social Risks and Impacts;

PS 2: Labor and Working Conditions;

PS 3: Resource Efficiency and Pollution Prevention; and

PS 4: Community Health, Safety, and Security.

Based on the information currently available, the Project will not acquire land as the Sponsor already owns the Project site, which is located in an industrial estate. No significant biodiversity resources or settlements have been identified at or near the Project site or its associated facilities. In addition, there are no indigenous people or cultural resources that have been identified at or near the Project site. Therefore, PS 5, 6, 7, and 8 are not currently triggered by the Project.

Environmental Guidelines applicable to the Project include: World Bank Group's General Environmental, Health, and Safety (EHS) Guidelines (April 2007) and Nitrogenous Fertilizer Production EHS Guidelines (2007).

Workers' accommodation used during both construction and operations will be required to meet the recommendations of the IFC/EBRD Guidance Note -Workers' Accommodation: Process and Standards.).

In addition to compliance with the applicable environmental, health, and safety regulations of Nigeria, the Project will be required to perform a Hazard and Operability (HAZOP) study which complies with both the requirements of paragraph 18 of IFC's Guidance Note of Performance Standard 3 and is consistent with the applicable requirements of 40 U.S. Code of Federal Regulations (CFR) Part 68.

**ESIA DISCLOSURE:** The ESIA for the Project was disclosed on DFC's website from September 20, 2023 to November 20, 2023. The comments received and the DFC response can be found on the DFC disclosure page for this Project.

**SITE VISIT:** The Lenders' Independent Environmental and Social Advisor visited the Indorama Complex in January 2023, and undertook a virtual site visit in May 2023 as a part of the environmental and social

due diligence. DFC visited the site of the existing facility (during DFC's due diligence for an earlier, potential investment to Line 2, which did not move forward) in 2018. During DFC's site visit, meetings were held with nearby communities and local and national regulators.

#### KEY ENVIRONMENTAL AND SOCIAL RISKS AND

**MITIGATION:** The major environmental and social risks (E&S) associated with the Project include the potential for ammonia, particulate matter (including urea), and nitrogen oxides (NO<sub>x</sub>) releases beyond the Project boundary, occupational health and safety (OHS) risks associated with the handling of hazardous materials (including hydrogen, ammonia, and methane), potential risks to community health, safety, and security (including managing project induced influx), and labor management, especially contractor management during construction.

#### *Environmental and Social Management*

As a result of IFC's prior investment in the existing Lines 1 and 2, Indorama has established an environmental and social management system (ESMS) that is consistent with the requirements of the IFC's Performance Standards. For the Project, Indorama conducted an ESIA for Line 3 development as well as the jetty associated facility. Indorama will be required to develop and implement an Environmental and Social Management Plan (ESMP) to address the construction related E&S issues and occupational and community health and safety risks. Prior to the commencement of operations, another ESMP will be required to be developed to address E&S issues (including air emissions, noise, effluent discharges, and hazardous materials management) related to the operations phase. The Project's air emissions, including nitrogen oxide and process emissions, are expected to be controlled to levels that comply with the relevant World Bank Group's EHS Guidelines.

#### *Hazardous Materials Management*

Current information indicates that the nearest residences to the Project are located outside the safety exclusion zone needed to protect the nearby communities from accidental releases of hazardous gases. However, further verification is underway via the ongoing Hazard and Operability (HAZOP) studies. In the event of a major fire or explosion, damage may be expected to other facilities within the Indorama complex and the HAZOP that is currently being performed will identify opportunities to reduce the potential for accidental release of hazardous gases, fire, and explosion. The Project will adopt detailed procedures relating to the safety of facilities' operations, including any recommendations made in the HAZOP analysis. The Project will also be required to develop and implement Fire Prevention and Control Plan which will be designed to ensure fire safety. The Project will be

required to develop and implement an Emergency Preparedness and Response Plan (EPRP) to ensure that appropriate emergency response measures are in place.

#### *Occupational Health and Safety*

Occupational health and safety risks unique to this Project include those associated with construction activities and the operations phase (including the handling of ammonia and flammable and explosive hydrogen and methane). These risks are expected to be adequately managed through the implementation of the Project's ESMPs and Occupational Health and Safety Plans (OHSP; both for construction and operations). Employees will be trained on OHS and environmental and social impacts management.

#### *Community Health and Safety*

The Project has received the required approval from the Federal Ministry of the Environment, which requires that the Project maintain community safety. Indorama will develop and implement a community health and safety plan to ensure compliance with IFC's Performance Standard 4 and the local regulations. The community health and safety plan is expected to address environmental releases (including dust, noise, and effluent discharges), transport management, and other construction and operations-related community health and safety issues. In addition to existing businesses operating in the immediate vicinity of the Project area, primarily food industries, there is the possibility of other industrial establishments being constructed in the foreseeable future. Cumulative impacts associated with the Project have been identified in the ESIA and are manageable as only food industries are currently planned in the industrial estate. However, there exists a possibility of a few light industrial establishments to be constructed in the foreseeable future. All of these could contribute to air emissions, noise, and effluent discharges in the immediate area of the Project. These impacts are planned to be mitigated through the implementation of the Project's Environmental and Social Management Plans (ESMP).

#### *Labor Management*

The Project anticipates that construction will require approximately 5,000 workers of whom 90% are expected to be Nigerian. The EPC contractor and its subcontractors will be required to align its labor and working conditions to the Project's labor policies and IFC Performance Standard 2. A local hiring plan has been developed to guide the EPC contractor and its subcontractors. In order to address the potential for additional in-migration, the Project will communicate labor needs and required skills to local stakeholders, update local supplier database, implement a local content and recruitment plan, implement policies to address code of conduct and gender-based violence risks, and partner

	<p>with government and other industries in the area to undertake interventions to alleviate the impact of Project induced in-migration. For operations, the Project will require a staff of 150.</p> <p>Two unions are active to represent workers for current operations. These contracts expire in 2023 and it is anticipated that employees for the expansion will be included in the negotiations for renewal. The Project is currently addressing gaps identified as a result of a CAO complaint filed in April 2018. These include improvements to its internal grievance mechanism, including ensuring that grievance management is free from retaliation. This CAO process remains open as the Sponsor continues to address the identified gaps.</p> <p><i>Stakeholder Engagement</i></p> <p>The Sponsor has developed and continues to implement a Stakeholder Engagement Plan (SEP) for the Project that builds upon the Sponsor’s existing policies. The SEP maps stakeholders, highlights previous engagement, analyzes organization capacity, identifies needed engagement throughout the Project life, and outlines monitoring and reporting. The Project undertook external consultation as part of its ESIA process, which was confirmed by the Federal Ministry of Environment to have met all national requirements for public consultation and disclosure. The Project has in place and continues to utilize its current external grievance mechanism for the expansion. The Project will be required to conduct training to ensure the process is accessible to all parties impacted by the Project, including vulnerable populations. The Project has committed to quarterly reporting on Project status to concerned citizens and community groups.</p> <p><i>Security Management</i></p> <p>The Project will utilize the Sponsor’s current security management plan, which will be required to align with the Voluntary Principles on Security and Human Rights. The Sponsor currently utilizes armed private security personnel and public security officers when necessary to protect Project assets and escort visitors. The Project conducts human rights training for its own security personnel, as well as public security personnel engaged by the Project.</p>
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Annex A-1: Comments Received during the ESIA Public Posting and DFC Responses

DFC received comments on the Indorama Eleme Fertilizer Manufacturing Project from Bank Information Center (BIC) and signed by approximately 30 local, regional and international civil society organizations.

Number	Comment	Response
1.	Our concerns reflect both local and global impacts.	Effluent discharges (and their impact on river water quality) and air emissions (and their impact on ambient air quality) will comply with both the local regulatory and IFC requirements.

	<p>At the local level, we expect the expansion of Indorama at Eleme in Rivers State to contribute to effluent discharge, especially at Okulu River in Aleto, Eleme, and possible air pollution, which would impact both local terrestrial and marine biodiversity and, critically, the health of people living in the project’s vicinity given increased ammonia emissions. How will these impacts be addressed?</p>	<p>IEFCL is required to expand, upgrade, and enhance its ESMS to manage and mitigate incremental and cumulative impacts resulting from the planned expansion. The expansion project is located within the existing site boundary, so land and biodiversity-linked impacts are not expected. Biodiversity impacts (both terrestrial and marine) are also planned to be mitigated to levels that would comply with both the local regulations and IFC requirements as indicated in Chapter 8.3 of the ESIA and Chapters 8, 9, and 10 of the Jetty. These sections of the ESIA package demonstrate that the Project will not have adverse health impacts on the people living in the project’s vicinity. Appendix C of the ESIA package presents the Environmental and Social Management and Monitoring Plan which illustrates how the Project will manage and monitor E&amp;S impacts to ensure compliance with both the local regulations and IFC Performance Standards and EHS Guidelines.</p>
<p>2.</p>	<p>We note that no new stakeholders have been identified during the stakeholder engagement for Train 3. Given that this will expand Indorama’s operations there by 50%, this is surprising. Will additional people, including employees and their families, not be impacted?</p>	<p>The Train 3 Project site is adjacent to Indorama Eleme Fertilizer &amp; Chemicals Limited’s (“IEFCL”) existing Train 1 and 2 operations and all three trains are located within a larger, fenced industrial complex. The land for the industrial complex was acquired by the national petroleum company from the local government in 1985. As such, the affected stakeholders identified for Train 3 are expected to be similar to those from IEFCL’s current operations.</p> <p>The Stakeholder Engagement Plan (SEP) for Train 3, which builds upon stakeholder engagement from the first two trains, extends for the life of the project and includes a process for regular stakeholder identification and mapping. Identified stakeholders include local committee advisory committees, women leaders, youth councils, worker unions, local leaders, and business associations.</p>
<p>3.</p>	<p>IFC also does not anticipate any project impacts that require management under PS 6, Biodiversity Conservation and Sustainable Management of Living Natural Resources. Given the</p>	<p>With respect to CSO’s concerns around increased quantities of discharged ammonia and urea, DFC would like to clarify that the operations will produce ammonia and urea as core saleable products, and therefore, as in the current lines, there are not expected to be any ongoing emissions of ammonia or urea. The Indorama Train 3 Project will comply with PS 6 requirements as explained in Section 9.2.7 of the ESIA and Jetty Chapters 8, 9, and 10. These sections of the ESIA package demonstrate that biodiversity impacts in the project’s vicinity will be at</p>

	<p>scale of the investment, projected increases in production, and related increases of discharged ammonia and urea, we are concerned this assessment is inaccurate. How has IFC (or Indorama) assessed these impacts and related mitigation needs?</p>	<p>acceptable levels. Appendix C of the ESIA package presents the Environmental and Social Management and Monitoring Plan which illustrates how the biodiversity impacts will be managed and monitored to ensure compliance with both the local regulations and IFC Performance Standard 6. The Project will use Good Industry Practices during dredging to minimize biodiversity impacts which will ensure compliance with both the local regulations and IFC Performance Standards.</p>
<p>4.</p>	<p>At the global level, the regular use of chemical fertilizers is not an appropriate way to boost agricultural productivity in the Global South or anywhere else. While nitrogen fertilizers can boost productivity in the short term, they are damaging to the environment and human health and risk undermining soil fertility and quality. Indeed, the World Bank’s recent report <i>Detox Development</i> highlights that inefficient use of nitrogen fertilizers leads to “diminishing crop productivity.” The use of chemical fertilizers is also a key factor in nitrogen and phosphorus pollution, the planetary boundaries of which have already been transgressed. How does IFC plan to mitigate these and other downstream impacts of the use of Indorama’s products?</p>	<p>DFC takes comfort in IEFCL’s efforts to improve the efficiency of downstream fertilizer application. IEFCL provides smallholder farmers in Nigeria with training to improve crop productivity and yields. As part of these efforts, agronomists across the country train farmers on the appropriate use of fertilizer and provide assistance on soil testing. This program has been replicated in Senegal and Mali, and Indorama has plans to further expand this approach in Burkina Faso and Niger.</p> <p>IEFCL is also focused on product innovation, and in 2022, the company has developed a neem-coated urea product that ensures a slower release of nitrogen. In addition, Indorama has plans to collaborate with the International Institute of Tropical Agriculture on further product innovation.</p>

<p>5.</p>	<p>Many of these fertilizers are used to produce feed crops for factory farmed animals. On a global basis, increased industrial livestock production is a key driver of climate change, deforestation, biodiversity loss, and the pollution of the planet's air, land, and water, and overconsumption of water resources. As the IPCC has pointed out, these impacts are already negatively impacting agricultural production and food security in Africa, particularly among smallholders and rural populations who are already struggling with rising temperatures and water shortages. To the extent IFC's investment in Indorama will support the expansion of industrial livestock production and the diversion of finite resources toward feeding factory-farmed animals in Africa and elsewhere, the Bank should account for and seek to mitigate relevant negative impacts on food security, human health, and economic stability in the region, especially given that acute food insecurity recently reached a 10-year high in West and Central Africa.</p>	<p>DFC understands the environmental and climate concerns associated with fertilizers and the agriculture sector that fertilizers support. DFC also agrees with the concerns raised around food security in Africa. It is for this reason that DFC is seeking to finance this agriculture related investment that will expand urea production, while following high environmental standards. IEFCL uses best-in-class technology, is among the least carbon intensive urea producers globally (on a CO2 per ton of urea produced basis), and continues to invest in decarbonizing its production process. As noted previously, IEFCL will be required to follow IFC Performance Standards as it relates to environmental protections.</p> <p>The Project will also contribute the economic stability of Nigeria by improving the country's net trade balance, creating Nigerian jobs, and boosting local income.</p>
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<p>6.</p>	<p>Whatever the end-use of Indorama’s products, IFC’s proposed loan offers financing on favorable terms for the expansion of an industrial approach to agriculture while the World Bank itself has for years emphasized the need for public support for more sustainable agroecological and regenerative approaches. Given evidence that in Africa, nature-based agriculture such as agroecology can boost yields and farmer livelihoods while benefiting the environment, shouldn’t IFC be focusing its limited resources on such approaches? <i>Please see the attachment, <b>Chemical Fertilizers' Issues vs. Better Options for Africa’s Agricultural Development</b>, which outlines in more detail the evidence of how chemical fertilizers offer minimal benefits at a high cost to the environment, climate, and human health– and the better alternatives that are available for agricultural development in Africa. In light of this information, how will IFC change its Africa Agribusiness strategy and portfolio?</i></p>	<p>DFC recognizes the value of organic fertilizers, and it is actively seeking to support other organic fertilizer projects. Nonetheless, nitrogen fertilizers play a critical role in feeding the world: it is estimated that only half of the world’s population could be sustained without nitrogen fertilizers, the most commonly used fertilizers globally. Hence, DFC is looking to support IEFCL to expand the production of urea, which will help meet growing global demand and contribute to the stabilization of fertilizer prices.</p>
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<p>7.</p>	<p>Indorama has a long and fraught history of violating E&amp;S and labor standards, including engaging in child and forced labor. Indorama has been the subject of many accountability mechanism complaints across MDBs, including IFC's CAO.</p>	<p>With regards to IEFCL's existing operations in Nigeria (Train 1 and 2), which DFC is not involved in, DFC is aware of the ongoing CAO case at IFC. We understand through that CAO process and subsequent financing a number of gaps have been identified and incorporated into an ESAP by IFC and that the company has made significant progress in implementation. The CAO is still actively monitoring the corrective actions regarding the Project's worker grievance mechanism to ensure it fully aligns with IFC Performance Standard 2. DFC continues to monitor progress towards resolution of the CAO case, as well as engage with IFC and will track the Project's ongoing performance and implementation.</p> <p>The CAO complaint regarding Trains 1 and 2, while alleging violations of PS2, does not reference issues of any forced or child labor. We are aware of a separate accountability case related to issues of forced and child labor in the supply chain that pertains to a different subsidiary that produces textiles in Uzbekistan. DFC is not involved in financing that subsidiary.</p> <p>The human resources policies, which covers prohibitions of child and forced labor and are currently being applied to trains 1 and 2, will be applied to train 3. Furthermore, the Train 3 Project will be required to implement an Employment and Procurement Management plan that aligns the Project's operations to IFC Performance Standard 2. DFC will monitor IEFCL's compliance with PS 2 and its own HR policies throughout project development and operations.</p>
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## Annex B – Public Information Summary

<b>Host Country</b>	Indonesia
<b>Name of Borrower</b>	PT Medco Cahaya Geothermal
<b>Project Description</b>	Direct loan to PT Medco Cahaya Geothermal for the development of an up to 31.4 MW net geothermal power unit for the first phase of the planned 110 MW Blawan Ijen Geothermal Power Plant in East Java.
<b>Proposed DFC Loan</b>	\$126,000,000
<b>All-Source Funding Total</b>	\$238,900,000
<b>Policy Review<sup>1</sup></b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive development impact in Indonesia by expanding access to renewable energy via the construction of a geothermal energy plant. According to the International Energy Agency, coal, oil and natural gas combined account for approximately 80% of Indonesia’s energy supply, whereas geothermal represents less than 5%. The Government of Indonesia has estimated that the country’s potential geothermal capacity is approximately 24 gigawatts, yet a number of factors have inhibited development, including high-risk exploration processes, substantial up-front capital costs, and long timelines needed to obtain investment returns. Further, Indonesia’s greenhouse gas emissions have increased and are projected to rise along with energy demand. The DFC-supported Project is expected to add geothermal energy to the East-Java-Bali region and support climate objectives through the avoidance of CO2 emissions. U.S.-based and New York Stock Exchange listed Ormat Technologies Inc is a part owner and developer of the Project.
<b>Environment and Social Assessment</b>	<b>SCREENING:</b> The Project has been reviewed against DFC’s categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it involves greenfield development of a geothermal power generation project. The Project is located near a protected area and may result in economic displacement and impacts to Indigenous Peoples and critical habitat.

<sup>1</sup> If a clearance is not complete at the time that a report is circulated to a particular approver or approver group, simply state “Clearance is in process.” Please ensure, however, that the section is updated with the ODP language prior to posting of the public information summary on DFC’s external website.

**APPLICABLE STANDARDS:** The Project is subject to DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”). Under DFC’s ESPP, the Project Sponsor is required to comply with applicable national laws and regulations related to environmental and social performance. In addition, DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation’s (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement;
- PS 6: Biodiversity Conservation and Sustainable Management of Living Resources; and
- PS 7: Indigenous Peoples
- PS 8: Cultural Heritage

The ESIA identified no cultural heritage within the Project footprint, but some areas of cultural heritage importance are located within 1km of Project works. The potential for impacts to these sites will be further evaluated during due diligence. Therefore, PS 8 is triggered at this time but subject to further confirmation. In addition to the Performance Standards listed above, the World Bank Group’s Environmental, Health, and Safety (EHS) General Guidelines (April 30, 2007), EHS Guidelines for Geothermal Power Generation (2007); and EHS Guidelines for Electrical Power Transmission and Distribution (2007) are applicable to the Project.

**ESIA Disclosure:** The ESIA package was posted on DFC’s website for public disclosure on September 22, 2023 and is available for public comment until November 21, 2023. No comments had been received at the time this summary was drafted. If any comments are received, they will be shared with the Board along with DFC’s responses at least seven days prior to the Board meeting.

**Environmental and Social Risks and Mitigation Measures:** The key environmental and social risks of the Project are those related to economic displacement and potential impacts to Indigenous Peoples, critical habitat, tourist sites, and community health and safety.

The Project is located within the Kawah Warang (Wurung) Park which is a tourism hiking area known for scenic views and a number of crater features such as Kawah Wurung and Kawah Ilalang, which are adjacent to the Project’s access road and transmission line. The Project is also

located near Kawah Ijen Crater Park, which is located within the Kawah Ijen Nature Reserve, an IUCN Category III legally protected area. The Kawah Ijen Carter Park is another popular tourism site, which hosts the Kawah Ijen crater and the largest natural acidic lake in the world. At its closest point, the park is located 300 m from the transmission line route and around 2.5 km from the main construction area. The Project may result in potential visual and nuisance impacts to the tourism area and landscape that are used for panoramic views. The Project will be required to implement mitigation measures to reduce these impacts.

The critical habitat screening for the Project determined that the Project's ecologically appropriate area of analysis (EAAA) potentially qualifies as critical habitat under IFC PS 6 criteria 1, 2 and 4. A total of seven species (one insect species, one mammal species, and five bird species) have been identified as potentially critical habitat-qualifying biodiversity features. In addition, the forest ecosystem present in the EAAA is recognised as a high priority for conservation at the national level and is also likely to qualify the area as critical habitat. The Project will be required to develop a Biodiversity Action Plan that demonstrates no net loss of natural habitat and net gain in biodiversity for critical habitat.

Impacts to community health and safety resulting from worker influx and increase in traffic due to Project vehicles will be mitigated through implementation of a traffic management plan, Workforce Code of Conduct, and robust stakeholder engagement and community grievance mechanism.

Land for Project is in the process of being acquired from parcels associated with 250 households, resulting in economic displacement. There is no physical displacement anticipated. The Project is in the process of determining potential livelihood impacts associated with the establishment of the transmission line. The Project has provided a draft land acquisition and livelihood restoration plan which is still being reviewed by DFC and its Independent Environmental and Social Consultant.

Of the 250 households affected by economic displacement, 18 households identify as Osing, a recognized Indigenous group in Indonesia. While ongoing stakeholder engagement has been implemented by the Project in the area in general, specific engagement with the Osing has not adequately addressed potential language and literacy limitations or governance processes that would comply with IFC PS 7. The Project is expected to undertake further Osing-specific consultations, disclosures and socialization to appropriately identify impacts specific or particular to the Osing people and to develop any

	differentiated mitigation plans that are identified through this process. This will be further assessed in ongoing due diligence.
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## Public Information Summary

<b>Host Country</b>	Bulgaria
<b>Name of Borrower and Guaranteed Party</b>	Borrower: Bulgartransgaz EAD (Bulgaria) Guaranteed Party: Citibank N.A. (United States)
<b>Project Description</b>	The Project is the expansion of the Borrower’s Chiren underground gas storage facility (“UGS”) in Bulgaria from a current active gas volume of 550 million cubic meters (“mcm”) to 1 billion cubic meters (“bcm”) (the “Project”). The Project will support energy security by providing Bulgaria and other European countries with additional storage capacity and greater flexibility as to when and from where to source gas as the region seeks to diversify its gas supply away from Russia.
<b>Proposed DFC Loan/Guarantee</b>	Up to USD 364,678,800; 9-year door-to-door tenor
<b>All-Source Funding Total</b>	EUR 330,323,131
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive impact in Bulgaria and its neighboring countries by providing these countries with greater flexibility to diversify gas supply away from Russia by facilitating improved gas supply management. This will help to address disruptions in the gas supply chain caused by Russia halting gas exports to Bulgaria and surrounding economies and help to ensure a stable supply of this critical input to support the region’s economic growth and energy security. More specifically, the Project will nearly double the gas storage capacity of the existing UGS in Bulgaria, which will be used as hub for both gas imports for domestic consumption as well as gas exports throughout the region via interconnection with Romania, Serbia, North Macedonia, Greece, and Turkey. As a result of increasing Bulgaria’s gas storage capacity, the Project will positively impact industrial, commercial, and residential gas end-customers in Bulgaria and throughout the region.
<b>Environment and Social Assessment</b>	<p><b>SCREENING:</b> The Project has been screened as Category A because it involves the expansion and operation of a major gas storage, processing, and transportation system that has potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented, in particular, due to potential impacts to local infrastructure and the potential for accidental releases of methane.</p> <p><b>APPLICABLE STANDARDS:</b> The Project is subject to DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”). Under DFC’s ESPP, the Borrower is required to comply with applicable</p>

national laws and regulations related to environmental and social performance. In addition, DFC's preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's ("IFC") 2012 Performance Standards ("PS"):

PS 1 Assessment and Management of Environmental and Social Risks and Impacts;

PS 2 Labor and Working Conditions;

PS 3 Resource Efficiency and Pollution Prevention;

PS 4 Community Health, Safety, and Security;

PS 5 Land Acquisition and Involuntary Resettlement; and

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources.

Based on the information currently available, no indigenous peoples and cultural heritage sites have been identified at or near the Project sites. Therefore, PS 7 (Indigenous Peoples), and 8 (Cultural Heritage) are not triggered at this time.

IFC's Environmental Health and Safety (EHS) Guidelines applicable to the Project include: General EHS (2007), Gas Distribution Systems (2007), and Crude Oil and Petroleum Product Terminals (2007).

The Project's greenhouse gas (carbon dioxide equivalent) emissions (for both Scope 1 and Scope 2) have been estimated to be less than 90,000 tons of carbon dioxide equivalent (CO<sub>2eq</sub>) per year.

**ESIA Disclosure:** The Project's ESIA was disclosed on DFC's Website on August 15, 2023 and the comment period ended on October 14, 2023. No comment was received during the ESIA disclosure period.

**Environmental and Social Risks and Mitigation:** The major environmental and social risks associated with the Project include: life and fire safety; the potential for volatile organic compounds ("VOCs") (including methane) releases beyond the Project fence-line (including pipeline right-of-way) limits; small quantities of effluent discharges and hazardous and solid wastes disposal; occupational health and safety risks associated with the handling of hazardous materials (including methane); labor management and potential risks to community health, safety, and security.

The Project has an environmental and social management system (ESMS) which is being augmented to achieve consistency with the requirements of PS 1. The Project has put in place procedures to address both occupational and community safety risks associated with the



accidental release of methane and other VOCs, fire, and explosion. The gas processing, storage, and transportation infrastructure will be developed in compliance with the Bulgarian regulations (that have been deemed by the DFC's independent consultant to be equivalent of the European Union's) which will ensure both worker and community safety. The Project has yet to finalize a number of key environmental and social plans and will be required to do so as a condition of DFC financing.

The Project is anticipated to require 1,100 workers across multiple phases and intends to hire locally to the extent possible. BTG has in place HR documents in line with Bulgarian labor legislation that is harmonized with EU legislation and ILO standards. The Project will be required to develop a Contractor Management Plan as part of its overall ESMS.

The Project is expected to follow internationally recognized best practices in gas processing safety and properly manage hazardous materials including methane. The Project will implement a comprehensive ESMP which will address: process safety; accidental gas releases, fire and explosion; gas storage management; air emissions; wastewater treatment and sewage discharges; solid and hazardous waste disposal; emergency management; occupational health and safety; spill response; monitoring; and stakeholder engagement.

The nearest residential community is located approximately 1 kilometer or greater from the Project gas processing plant and storage facilities. It should be noted that there are two sections of the gas transportation pipeline where the distance to nearest receptors is less than 1 km and therefore, the gas pipeline will be adequately buried along such sections to reduce the community safety risks to acceptable levels. Air dispersion modeling of a potentially harmful vapor cloud resulting from an accidental methane release at gas processing and storage facilities indicates that hazardous concentrations of methane will be limited to less than a 600 meters radius around the point of release, which is expected to be within the Project fence-line. Similarly, all residences near the gas pipeline will be outside the Project's impact zone. Therefore, all residences will be outside of the Project's impact zone for all the three components of Project facilities. To further mitigate this unique safety risk, an emergency response plan will be in effect which includes evacuation of on-site personnel. In the event of a fire or an explosion, minor damage may be expected to buildings and facilities within the Project fence-line and some injuries may occur to facility personnel. A detailed hazard analysis was undertaken by an independent expert to identify opportunities to reduce the potential risks associated with the accidental release of methane and other VOCs, fire, and

explosion.

The Project facilities will properly treat small quantities of process wastewaters. . Mixed wastewater streams (process, cooling, sanitary, and rain) will be discharged into surface water bodies in full compliance with the integrated permit conditions.

Process emissions of VOCs will comply with the recommended air emission levels in the IFC's Guidelines. Small quantities of hazardous wastes will be sent to the facilities licensed to manage hazardous wastes.

Solid wastes will be disposed in a manner which prevents environmental releases. The Project will follow acceptable industrial safety provisions. Past waste management practices did not result in any significant contamination of onsite or off-site soil, water courses, and sediments.

Standard industry practices will be followed to ensure that OHS impacts are properly managed in conformance with both the state and EU regulations and IFC Guidelines. Training will be provided to all workers on standard operating procedures to ensure their safety. Personal protective equipment will also be provided to all workers. BTG's current OHS record is consistent with the industry benchmarks.

Community Health, Safety, and Security Impacts. The Project will develop and implement a Community Health, Safety, and Security Plan to ensure compliance with PS 4. A buffer zone has been established to ensure community safety and security and a perimeter fence has been established.

The Project will make use of a private, armed security contractor for construction and operation. A Security Management Plan needs to be developed to manage any risks posed by security arrangements in alignment with IFC PS 4.

Land Acquisition. No physical displacement is envisaged while 911 different landowners will experience limited economic displacement due to the establishment of easement rights along the interconnecting pipeline route. The Project has developed a draft Land Acquisition and Livelihood Restoration Plan that is under review.

Biodiversity. Based on informational available to date, the key potential risk from a biodiversity perspective is due to the new interconnecting gas pipeline passing through agricultural land within the eastern part of a 435 km<sup>2</sup> Natura 2000 site classified as a Special Protected Area (SPA)

	<p>under the EU Birds Directive. An additional potential risk for aquatic ecosystems and/or riverine vegetation might be represented by the crossing of the Ogosta river during the interconnecting pipeline construction. Detailed design of the pipeline and the river crossing are currently under finalization. The screening EIA procedure for the wells has been completed and the screening decision confirms that no significant impacts on biodiversity are expected. The Borrower will be required to develop and submit a Biodiversity Management Plan that complies with PS 6.</p>
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## Annex B – Public Information Summary

<b>Host Country(ies)</b>	Bangladesh, Cambodia, India, Indonesia, Malaysia, the Philippines, Singapore, Sri Lanka, Thailand, Vietnam
<b>Name(s) of Fund</b>	Eversource Climate Investment Partners II L.P. (“Fund II”)
<b>Name of Fund Manager</b>	Everstone Capital Asia Pte. Ltd. (the “Fund Manager”).
<b>Project Description</b>	Eversource Capital Pte. Ltd., India’s largest and most experienced fund manager dedicated to investing in climate investments, is raising its second fund, Eversource Climate Investment Partners II (“Fund II”). A target \$900 million fund, Fund II will replicate the strategy of the Fund Manager’s first fund, the Green Growth Equity Fund (“Fund I”), by investing in operating companies solving critical climate change adaptation and mitigation challenges (“climate investments”), including renewable energy, energy transition (grid efficiency and storage), electric mobility, circular economy, water management, and sustainable food and agriculture. Fund II’s primary geographic remit is India, with a secondary focus on South and Southeast Asia.
<b>Proposed DFC Equity Investment</b>	up to \$50 million, ten-year commitment
<b>Target Fund Size</b>	\$900 million
<b>Policy Review</b>	
<b>Developmental Objectives</b>	Fund II seeks to have a positive development impact in India and Southeast Asia by providing capital, management, strategy, and expertise to innovative companies using new and existing capabilities to address climate change.
<b>Environment and Social Assessment</b>	<p><b>SCREENING:</b> The capitalization of this fund is screened as a Category FI-A activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, some of Fund II’s downstream investments are anticipated to pose high environmental and social risks. Downstream investments made by Fund II will be screened for categorical prohibitions and will be subject to DFC’s public disclosure requirements for projects deemed by DFC to be Category A projects.</p> <p><b>APPLICABLE STANDARDS:</b> Fund II has been reviewed against DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”).</p>

and has been determined to be categorically eligible. DFC direct investments into investment funds that will subsequently support mid-to-large sized companies classified as a Financial Intermediary - A (“FI-A”) activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, Fund II’s downstream investments are anticipated to pose environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices.

Under the ESPP, Fund II will be 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 (“PS”) 1 and 2. A virtual due diligence assessment indicates that because Fund II involves an investment in a financial intermediary that will focus on infrastructure sectors including logistics, transportation, and utility-scale electricity generation projects in India and Southeast Asia, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time. Because Fund II will potentially invest in Category A subprojects, DFC will require in those cases that the Fund Manager submit and Environmental and Social Impact Assessment that will be disclosed by DFC for public comment.

**Environmental and Social Risks and Mitigation:**

The key mitigation for environmental risks and impacts is anticipated to come from Fund II’s ability to identify and manage environmental and social risks and impacts in portfolio companies, and to adequately identify, require and monitor the implementation of the respective management plans. Fund II will replicate the investment strategy of Fund I and based on that experience, DFC expects that some of Fund II’s potential downstream investments may pose high environmental and social risks to be managed.

The Fund Manager has an Environmental Social and Governance Management System (“ESGMS”) for Fund I that contains an environmental and social policy, organizational structures, environmental and social monitoring system at fund and portfolio level, reporting and disclosure requirements, grievance mechanisms, a stakeholder engagement plan, gender action plan, and health and safety plans generally commensurate with its investment strategy and applicable IFC Performance Standards. It has an established procedure for risk categorization, screening, due diligence, and monitoring of environmental, social, health and safety risks for its projects. It has also

	<p>identified some of the infrastructure-specific risks and assessments for its potential investments.</p> <p>However, Fund II will be required to provide a fund-specific ESGMS modeled on the Fund I ESGMS with limited updates and revisions, including changes to the stakeholder management plan, due diligence processes and checklists, grievance mechanisms, supply chain management, and a human capital management plan to meet the requirements of the IFC Performance Standards and DFC's ESPP. To further strengthen its ESGMS, Fund II will be required to incorporate explicit consideration of gender-based violence and harassment at the portfolio company level.</p> <p>Fund II will be required to develop and provide a detailed organizational structure explaining the ESG roles and responsibilities at the Fund Manager level. The structure will include a list of all ESG-relevant documents, policies and procedures applicable to Fund II, and the level within the organizational structure at which these documents reside and are managed. The Fund Manager's human resources policy already satisfies most applicable requirements, but the Fund Manager will be required to align its internal grievance mechanism with PS 2.</p> <p>Fund II will be required to provide annual monitoring reports on the environmental and social performance of the portfolio throughout the term of the DFC investment.</p>
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## Public Information Summary

<b>Host Countries</b>	Tanzania, Burundi
<b>Name of Borrower</b>	CRDB Bank Plc.
<b>Project Description</b>	SME on-lending facility in Tanzania and Burundi with a carve out for women-owned/-led SME loans.
<b>Proposed DFC Loan</b>	\$300,000,000
<b>All-Source Funding Total</b>	\$375,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	An up to \$300 million loan to support CRDB Bank Plc’s lending to SMEs in Tanzania and Burundi. Up to \$350 million is expected to serve SMEs in Tanzania, and the remaining \$25 million will serve SMEs in Burundi. Within the \$350 million allocated to Tanzania, DFC expects to allocate up to \$60 million to women-owned and -led enterprises.
<b>Environment and Social Assessment</b>	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct investments to banks for the expansion of lending to small, and medium enterprises (“SME”) are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments.</p> <p>To ensure that the Bank’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, the Bank 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 Standard (“PS”) 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of its on-lending to SMEs in Tanzania, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Bank does utilize private security and</p>

	therefore, relevant aspects of PS4, Community Health, Safety, and Security are triggered.
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## Public Information Summary

<b>Host Countries</b>	DFC eligible countries
<b>Name of Borrower</b>	Prodigy Finance Ltd (“ <b>Prodigy</b> ”)
<b>Project Description</b>	A securitization of graduate school student loans to international students from DFC-eligible countries.
<b>Proposed DFC Loan/Guaranty</b>	\$250,000,000
<b>All-Source Funding Total</b>	\$294,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>The Project is expected to have a positive development impact globally by facilitating access to graduate studies for students from developing and emerging economies. Many students in developing and emerging markets face significant financial barriers to accessing high-quality tertiary education abroad, with underdeveloped student loan markets resulting in punitively high interest rates or the need for cosigners or significant collateral. Prodigy Finance uses a proprietary algorithm based on expected future earnings to lend in developing and emerging countries at affordable interest rates without cosigners or collateral. This will allow the Project to result in loans to over 8,000 students, the majority of whom will come from lower or lower-middle income countries but will be able to access high-quality graduate education abroad. Over 86% of Prodigy’s borrowers as of 2022 come from developing and emerging economies report that their graduate degrees resulted in at least a doubling of their salaries, and 90% reported that they had no alternative options for financing their graduate education.</p>
<b>Environment and Social Assessment</b>	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct loans to financial intermediaries for the expansion of student loans are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.</p> <p>To ensure that the Borrower’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p>

	<p>Under the 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 Standard (“PS”) 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of educational loans worldwide, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize armed private security and therefore, relevant aspects to IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>The Borrower has a Sustainability Policy, grievance mechanisms, and human resources policies generally commensurate with its investment strategy but will require updating and strengthening to meet the expectations listed in the DFC’s 2020 Environmental Policy and Procedures and IFC PS 1.</p>
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