

REPORT FROM OPIC MANAGEMENT TO BOARD OF DIRECTORS

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Countries:	Sub-Saharan Africa and North Africa
Name of Borrower:	Africa Agriculture Fund, LLC (the “Fund”), a Mauritius-based private equity fund.
Sponsors:	Phatisa Fund Managers
Project Description:	The Fund’s key theme is food production and it will target this opportunity by focusing on three sectors: primary (farms and plantations); secondary (processing and animal feeds); and services/infrastructure (storage, fertilizers, chemicals, packaging and other inputs). The strategy will include building integrated businesses to control supply chain.
Total Fund Capitalization:	\$300 million
Proposed OPIC Loan:	OPIC loan guarantee of up to \$100 million in principal plus accrued and accreted interest thereon.
Term of Fund:	The Fund will have a term of ten (10) years, with the possibility of two one-year extensions subject to the consent of the Advisory Board and the shareholders.
Selection Process:	<p>During the December 2010 United Nations Climate Change Conference held in Cancun, Mexico, OPIC President & CEO Elizabeth Littlefield announced that OPIC would provide at least \$300 million in financing for new private equity investment funds that could ultimately invest more than \$1 billion in renewable resources projects in emerging markets.</p> <p>To deliver on this commitment, OPIC announced a Global Renewable Resources Funds call for proposals to help catalyze and facilitate private sector investments promoting renewable resources globally (the “Call”). The OPIC Evaluation Committee selected the Fund from among 56 respondents to the Call with the assistance of Cambridge Associates, as gatekeeper.</p> <p>The Fund advances the objectives of the Call by providing critically needed capital to address food security issues in sub-Saharan Africa, an area of strategic interest and where OPIC’s portfolio benefits from additional diversification.</p>

Policy Review	
U.S. Economic Impact:	Since this clearance concerns the overall fund, there is no potential for an adverse impact on the U.S. economy at this time. However, future Fund downstream investments will be analyzed individually for their impact on the U.S. economy in accordance with OPIC's guidelines.
Developmental Effects:	The Fund will have a significant developmental impact on the sub-Saharan African region, an area that consistently lags the world in private equity penetration. In particular, the African agricultural sector is deficient in capital needed to improve farm productivity, enhance crop yields, and produce more food for local consumption. This new capital will have multiplier effects throughout the regional economy by allowing companies to expand operations and provide more goods and services to customers. The Fund will have strong capital mobilization impacts since OPIC's investment will mobilize a large amount of private capital.
Environment:	<p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Although no further assessment is warranted at this stage in the transaction, each and every downstream investment by the Fund will be screened at and subject to the full scope of OPIC's environmental and social assessment process, including public disclosure within the host country of Environmental Impact Assessments for Category A projects, conditionality and monitoring, as is warranted by the nature and scope of the downstream investments.</p> <p>Under OPIC's environmental and social policies, the Fund will be required to establish an Environmental Management System that will assess the environmental and social impact of their own operations as well as the operations of their downstream investments and include the environmental and social objectives and principles that will be used to guide the Fund and downstream investments to implement measures that will eliminate risks, ameliorate damage, and enhance positive effects.</p>
Workers Rights:	Each of the Fund's subprojects will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language for each subproject will be included in the subproject's Consent Notice.
Human Rights:	In consultation with the Department of State, the Fund received a Human Rights Clearance on May 16, 2011.