

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Kenya
Name of Borrower:	Twiga Foods Ltd.
Project Description:	<p>The vast majority of fresh produce in Kenya is sold through an inefficient, informal network of brokers and middlemen, resulting in high amounts of waste and high prices for end-consumers. Twiga is the first company in Kenya to aggregate demand for and supply of produce onto a single technology platform while providing the logistical movement of those goods as a service. For small farmers, this means guaranteed offtake and better visibility of expected earnings prior to harvest. Urban vendors access a diversified product basket and an improved quality product that is conveniently delivered to their stalls at no charge. By reducing food wastage, Twiga helps lower food prices and improve food security.</p> <p>Because the majority of the vendor to which Twiga sells produce are female, Twiga qualifies for OPIC’s <u>2X Initiative</u> as a business that supports women. According to a recent survey, 67% of vendors responded that their quality of life has “improved a lot” by purchasing from Twiga. The main reasons given were increased sales and profits, improved quality of produce, time saved, convenience and reduced stress.</p>
Proposed OPIC Loan:	Up to \$5 million
Total Project Costs:	\$10.3 million
U.S. Sponsor:	Grant Brooke, Omidyar Network’s ON Mauritius, Blue Haven Global, 1776 Seed Investors
Foreign Sponsor:	Wamda MENA Ventures, DOB Equity, Alpha Mundi
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral U.S. trade balance impact.
Developmental Effects:	This Project concerns support for the expansion of a fresh produce distributor in Kenya, through the purchase of new transport and storage equipment. The Project Company operates a platform for the purchase of fresh produce from local farmers,

	<p>for sale to local markets, and through this position, delivers these goods to market. In Kenya, as in much of East Africa, the logistics of getting agricultural goods to market is the biggest challenge for farmers. The Kenyan government estimates that the country’s post-harvest losses are about 20 percent. In fact, Kenya’s National Bureau of Statistics stated that in 2017, Kenyan growers lost 1.9 million tons of food. This Project, which focuses on reducing losses from insufficient transportation, and warehousing infrastructure for food, can help the country towards part of its agenda of cutting food losses to 15 percent by 2022. In addition, the Project aligns with U.N. Sustainable Development Goal 2 (Zero Hunger).</p>
<p>Environment:</p>	<p>Screening: The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in agricultural supply chain companies are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated. The Project is subject to Climate Resiliency Screening per Executive Order 13677.</p> <p>Applicable Standards: OPIC’s environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following of the 2012 IFC Performance Standards (PS):</p> <ul style="list-style-type: none"> • 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 <p>Given the nature of Twiga’s operations and the fact that the OPIC funds will be used for vehicle purchases, impacts relating to PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) are not expected.</p> <p>In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the Project.</p> <p>Environmental and Social Risks and Mitigation: The major environmental issues associated with this Project include worker</p>

	<p>occupational health and safety, the implementation of adequate life, safety, and fire protection measures at the facilities, driver safety/training, and food hygiene/safety.</p> <p>The company follows Kenyan regulatory requirements for occupational health and safety requirements and has recorded no significant lost time incidents or fatalities in its operational history. The Borrower has an incident reporting system where incidents are reported up to management as they happen, and follow up corrective action undertaken after review. The Borrower has adequate and easily accessible fire extinguishers located in close proximity to higher risk fire areas. The types of extinguishers are powder and carbon dioxide, and they are serviced annually.</p> <p>The Borrower has hired an external consultant to be in charge of driver management and training. All new drivers are assessed, and the consultant has begun assessing The Borrower’s existing drivers.</p> <p>In the short term, the Borrower is working towards Kenya Bureau of Standards KS 1758-2:2016 standard for food safety (Horticulture Industry Code of practice for fruits and vegetables). The Borrower will soon work with the International Finance Cooperation on the possibility of getting Global GAP certified.</p>
<p>Social Assessment:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC’s statutorily required language will be supplemented with provisions concerning non-discrimination, hourly or quota based work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>This Project involves expansion capital for an agriculture distribution business in Kenya. The Project has developed and implemented policies and procedures that addresses social risk, including labor, commensurate with the Project activities. The Project will be required to develop and implement an external</p>

	<p>stakeholder communication and grievance mechanism and update its existing human resources policies and procedures to ensure operational consistency with IFC Performance Standard 2.</p> <p>This review covers the commensurate human rights risks associated with agriculture distribution in Kenya.</p>
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