

## INFORMATION SUMMARY FOR THE PUBLIC

Host Countries:	Kenya, Rwanda, Burundi, and Tanzania
Name of Borrower(s):	One Acre Fund
Project Description:	The proceeds of the Loan (defined below) will be used for financing receivables from smallholder farmers (the <b>“Project”</b> ) in Kenya, Rwanda, Burundi and Tanzania, One Acre Fund provides a market bundle on credit to individual farmers, which includes: 1) seed and fertilizer; 2) education on technical skillsets; and 3) market and trade practices.
Proposed OPIC Loan:	\$10 million
Total Project Costs:	Up to \$43 million
U.S. Sponsor:	N/A
Foreign Sponsor:	N/A
<b>Policy Review</b>	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy. The project will be financing fertilizer and seed to grow maize, beans, sorghum and millet to subsistence farmers located in the rural areas of Burundi, Kenya, Rwanda and Tanzania. These countries are not significant export markets for U.S. producers. There is no U.S. procurement associated with this project so the project is expected to have a neutral impact on U.S. employment. The project is expected to have a negative balance of payment impact over five years.
Developmental Effects:	This project will have a strong developmental impact as the project provides subsistence farmers located in rural areas of Burundi, Kenya, Rwanda, and Tanzania access to seeds and fertilizer which will increase their crop production. In these East African countries, prices of food staples have doubled in the past five years and the poorer populations are facing longer “hunger seasons.” It is estimated that 75% of Africa’s poor are subsistence farmers. In rural East Africa, 10% of children die before reaching age one, with more than half of deaths related to hunger and malnutrition. One Acre Fund will facilitate technical assistance to the farmers in effectively utilizing the fertilizer and seed to increase crop yield. In addition, One Acre Fund will provide assistance with market facilitation, educating farmers on best practices for maximizing profits from the sale of harvest surplus in local markets. The project will specifically target women and low-income farmers.
Environment:	Projects involving the supply of agricultural inputs such as fertilizers are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site

specific and readily mitigated. The primary environmental and social concerns related to this project are associated with the occupational health and safety of employees involved with the distribution of agro-supplies.

**Applicable Standards:** OPIC'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;
- PS 4: Community Health, Safety and Security

In addition to the Performance Standards listed above, the IFC's April 2007 Environmental, Health, and Safety (EHS) General Guidelines are applicable to this project.

One Acre Fund is planning to build out office and housing space in order to accommodate the growth that is inherent in the Project. One Acre Fund represents that these limited purchases in target countries will be made voluntarily at market rates. Most notably, vacant land in Kakamega, Kenya was purchased at market rates in anticipation of the expansion involved in this Project. PS 5 will not be triggered at this time. The distribution facilities will be located in developed agricultural areas where issues associated with PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources are not triggered. One Acre Fund represents that if any project activities may affect local indigenous peoples, due diligence should be carried out to identify any gaps in project social responsibilities and the corrective actions that may be required. One Acre Fund will not invest in or finance projects or operations which exclude indigenous peoples on the basis of ethnicity. The Project is not expected to adversely impact any Indigenous People or any Cultural Heritage property as no new construction or natural resource extraction is involved. Thus, PS 7 and PS 8 are also not triggered.

The project's greenhouse gas (carbon dioxide equivalent) emissions are minimal as no combustion devices are used at the agro-supplies distribution facilities.

	<p><b>Environmental and Social Risks:</b> The Borrower operates the agro-supplies distribution facilities under its strict policies. In addition, the Borrower has adopted detailed procedures relating to worker safety. The employees also receive extensive orientation training as well as annual refresher training specific to their jobs. Specific risks include those associated with fertilizer and pesticide use, storage and disposal, worker health and safety, and natural resource use and protection.</p> <p><b>Risk Mitigation:</b> The Borrower will be required to continue implementing its overarching policy statement of environmental and social objectives and principles to guide the project’s environmental and social performance. The Borrower will also be required to continue implementing its grievance mechanism. In addition, the Borrower will be required to comply with IFC’s Environmental, Health, and Safety General Guidelines (2007) and international standard agricultural product storage and distribution practices. All solid wastes are properly stored until transported off site for disposal at approved facilities. Sanitary wastewaters are discharged to the municipal sewerage network. Worker and farmer training programs will be undertaken in order to highlight responsible agricultural techniques and proper resource management. Fertilizer and pesticide use will involve proper planning and training, with subsequent responsible storage, handling, and application, all following IFC and international safe use standards. The Borrower will educate farmers on soil erosion reduction and provides trees to be planted on local farmland to encourage sustainable resource use. Indigenous and cultural heritage will be recognized and respected with regular stakeholder meetings taking place in areas of high Project participation.</p>
Workers’ Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages, and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this project on September 2, 2015.</p>