

EARLY DISCLOSURE

The following information is published on the AGR13 website 30 days prior to disbursement of the loan and guarantee.

Transaction name	Smallholder coffee producers working capital facility
Publication date	23 Augusts 2022
Sector	Manufacturing, Coffee
Country and region	Rio Coco, Nicaragua
Deal overview	<p>The client is a second-tier coffee cooperative (producer, processor, exporter) with 8 first-tier member cooperatives, representing 480 coffee producers in the Rio Coco region of Nicaragua.</p> <p>Client is an existing client of the Partnerbank, which currently provide a USD 1.5 mn credit line for pre-harvest working capital finance. The client is now expanding its credit line to USD 2 mn to support the working capital needs for three harvest cycles/years.</p> <p>AGR13 is proposing a risk participation agreement with the Partnerbank, covering 40% of the outstanding principal of the loan. This will amount to a max USD 800K participation on a pari-passu basis, with risk matched to the revolving nature of the working capital facility over the period of 3 harvest cycles/years.</p>
Description of the activities	<p>The support from AGR13 and the Partnerbank will enable the cooperative to maintain and scale up pre harvest working capital loans supporting existing activities in the face of higher financing needs due to higher coffee and input prices.</p> <p>AGR13 will be contributing to:</p> <ul style="list-style-type: none"> maintaining the current sustainable agriculture activities, with the majority of farmers achieving certification Contributing to rural livelihoods supporting the cooperative and members to maintain cash flows, ongoing market access and access to training <p>There may be possibilities for enhancement through TA which will be explored in DD or post investment.</p>
Expected impact	<p>Sustainable agriculture</p> <ul style="list-style-type: none"> Maintaining current levels of certified land under cultivation (80% certified area under production) <p>Rural livelihoods</p> <ul style="list-style-type: none"> Support to 480 smallholder coffee farmers and their families including ongoing training provided by the cooperative

E&S risks
and
mitigants

The client has a long-standing relationship with Partnerbank (since 2012). The Partnerbank has carried out ongoing E&S assessment and no major E&S risks have been identified. Potential risks to assess further in DD include:

- Country and political risks
- Implementation of the ESMS system for cooperatives, in particular H&S
- E&S monitoring and impact assessment by the Partnerbank

This will be further investigated during the Due Diligence phase.

Contact
details of
fund
manager

Parties can express their views on the proposed transaction to the Fund Manager by contacting info@agri3.com within 30 days of the publication date of the notice.