



**AGRI3
FUND**

AGRI3 Early Disclosure Policy
30th July 2020

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AGRI3 Early Disclosure Policy

Date	Name	Status
V1.0	AGRI3 Early Disclosure policy	30th July 2020

Purpose of the policy

The AGRI3 Fund is committed to operating and utilising public funds with transparency and openness. As a result, the Fund Managers and Partnerbanks have committed to public disclosure of key project information, prior to the completion of a transaction.

This policy provides details of the AGRI3's approach to public disclosure of information related to transactions that the AGRI3 Fund aims to support.

Any changes to this policy will be the responsibility of the AGRI3 Fund Management Board. This policy will be reviewed on an annual basis by the AGRI3 Fund Management Board to ensure the policy is effective, appropriate and relevant for AGRI3 activities.

Background to AGRI3

The mission of AGRI3 Fund is to mobilise additional public and private capital at scale, including commercial banks, development finance institutions (DFIs), impact investors and institutional investors to: actively prevent deforestation; stimulate reforestation; contribute to efficient sustainable agricultural production and value chains; and reduce carbon emissions and improve rural livelihoods.

The Fund aims to provide guarantees and subordinated loans to commercial banks (from now on called "Partnerbanks") and other financial institutions to mobilise capital by de-risking and catalysing investment propositions (from now on called "Transactions") that 1) Prevent deforestation and stimulate reforestation; 2) Contribute to sustainable and efficient agricultural production; 3) Improve rural livelihoods.

Rationale for early disclosure

Early disclosure involves the public release of key information about a transaction, prior to the final contracting of the transaction. The intention is to alert stakeholders and interested parties to the transaction and provide the opportunity to raise any queries, questions or complaints about the transaction or underlying activities.

General Early Disclosure approach

The AGRI3 Fund provides credit enhancement tools (such as guarantees and subordinated loans) to support and catalyse transactions (e.g. loans) being undertaken by Partnerbanks. Often when providing guarantees, AGRI3 will not be providing finance directly to a "Client" (e.g. project developer), but rather the guarantee will be provided to a Partnerbank to guarantee a loan being provided to a Client for a set of eligible activities. There may also be instances where AGRI3 will provide credit enhancement tools (e.g. a subordinated loans) directly to a client.

To support the early disclosure process, the AGRI3 Fund will present key information about the underlying project or activities that the client is implementing, and for which the Partnerbank loan is contributing to.

This early disclosure of information about the transaction will be relevant for stakeholders and parties nationally and regionally who have a material interest in the underlying transaction activities. It is expected that local parties that are directly affected by the underlying transaction activities will have been identified and engaged during the Investment process. However the fund also welcomes any additional feedback or queries from these parties.

The early disclosure information will be released on the AGRI3 website for a period of 30 days prior to AGRI3 contracting with the Partnerbank. However, if for any reason the transaction does not go ahead, then the information will be removed prior to the end of the 30-day period.

Where the AGRI3 Fund is only contributing to a specific portion of a transaction by a Partnerbank, AGRI3's disclosure will only be able to disclose and respond to the specific activities of the transactions that AGRI3 is directly involved in.

The investment process

An early disclosure notice will be placed on the Early Disclosure page of the AGRI3 Fund website for a total of 30 days. This will be prior to the final Investment Committee approval of a project (IC2) and prior to final signature of the contract.

Contents of the disclosure process

The notice will be written in English and include:

- Title of the transaction – unique identifying name and number given to the transaction
- Publication date – the date the early disclosure notice is placed on the AGRI3 website
- Sector/value chain – the agricultural/forestry sector that the project is working in (e.g. soybean or palm oil)
- Country and region – the country and specific region within which the transaction is taking place
- Description of the business – a detailed description of the business
- Description of the activities – detailed description of the specific activities that the loan and credit enhancement tool will support
- Expected impact – initial estimates of the quantitative and qualitative impacts of the project against the funds KPIs, where feasible
- E&S risks – details of the potential E&S risks including any proposed actions to be undertaken to address these
- Contact details of fund manager – the email details of the relevant individuals at AGRI3

AGRI3 Fund aims to work with Partnerbanks and their clients to present all the information above whilst taking account of confidentiality clauses Partnerbanks have in place with clients. However, it is acknowledged that there may be instances where the Fund's ability to gain access to certain information or publish full information of a client may not be feasible due to Confidentiality agreements between the Partnerbank and Client. All information shared publicly will be agreed in advance with the Partnerbank and the client.

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.

What we do with queries

The AGRI3 Fund Management Board will aim to acknowledge receipt of all enquiries within 5 working days of receipt. The Fund Management Board will respond to those parties within 10 days following the close of the 30 day window.

The Fund Management Board will log and maintain a register of all queries raised, which will be available to the Stichting Board, Participants and Buza upon request. All queries and responses will be compiled and shared with Buza in the fund's annual report.

In instances where a serious complaint has been raised about the transaction, these will be dealt with in line with the AGRI3 complaints procedure (see AGRI3 Integrity policies). Where a complaint is raised that demonstrates that the transaction may contravene AGRI3 policies or Partnerbank policies, then the AGRI3 Fund Management Board may consider delaying the finalisation of the transaction, whilst the complaint is investigated.

Guidelines for responding to disclosure

The AGRI3 Fund is open to receiving queries and feedback from stakeholders and other interested parties about transactions that the fund is involved in supporting. In order to ensure that the AGRI3 Fund Management Board is able to best respond constructively to these queries it asks that parties follow the below guidelines, where possible:

- The query or feedback should be raised in English or a locally relevant language and submitted to the email address – info@gri3.com
- The query or feedback responds to a transaction with a Partnerbank that AGRI3 is supporting, as noted in the early disclosure notice
- The queries or feedback relates to specific aspects of the transaction, including the social, environmental, governance and legal elements of the transaction
- Queries or feedback can be raised by a broad range of stakeholder, either directly involved or with an interest in the underlying project activities
- Where possible, provide research, evidence or testimonials in order to support the points that are being made

Although the preference is that feedback and queries align with these guidelines, the AGRI3 Fund Management Board acknowledges that that in some instances queries may not address all of these guidelines but may still be valid and warrant a response. Therefore, the AGRI3 Fund Management Board will also aim to consider each query or feedback on a case by case basis, with the aim of ensuring transparency and dialogue with other interested parties. **END**



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