

EARLY DISCLOSURE

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

Transaction name	MFI-Phase 2
Publication date	April 2026
Sector	Microfinance
Country and region	India
Deal overview	<p>AGR13 is considering the provision of a partial credit guarantee to support a lending facility extended by a commercial bank to selected microfinance institutions (MFIs) operating in India. The participating MFIs include established NBFC-MFIs with diversified borrower bases and strong rural outreach. The facility is intended to enable the MFIs to expand their agricultural and climate-smart agriculture (CSA) lending portfolios to smallholder farmers and rural micro-entrepreneurs.</p>
Description of the activities	<p>The proposed transaction involves AGR13 providing a risk-sharing guarantee to a lending bank for loans extended to participating MFIs. The MFIs will on-lend these funds primarily to women borrowers engaged in agriculture and agri-allied activities such as livestock, dairy, irrigation, farm mechanization, and other livelihood activities. As part of the facility structure, participating MFIs will work towards developing and tracking a portfolio of climate-smart agriculture (CSA) loans linked to eligible CSA activities. The transaction may also be supported by targeted technical assistance aimed at strengthening the MFIs' capacity to identify, originate, and monitor CSA lending within their portfolios.</p>
Expected impact	<ul style="list-style-type: none"> • Increased access to finance for smallholder farmers and rural micro-entrepreneurs, particularly women borrowers. • Scaling of climate-smart agriculture investments such as irrigation technologies, climate-resilient livestock practices, and sustainable farming inputs. • Development of dedicated and trackable CSA loan portfolios within participating MFIs, enabling better monitoring of climate-aligned agricultural finance. <p>Strengthening of institutional capacity within MFIs to identify and promote CSA activities.</p>
E&S risks and mitigants	<p>The environmental and social (E&S) risks associated with the transaction are expected to be moderate and primarily related to the downstream lending activities of the MFIs. Potential risks include over-indebtedness of borrowers, environmental risks related to agricultural activities, and operational risks linked to microfinance lending practices. These risks will be mitigated through</p>

	<p>the participating MFIs' existing credit appraisal and responsible lending frameworks, adherence to RBI regulations and industry codes of conduct. Where applicable, technical assistance may also support MFIs in strengthening their E&S risk management practices and monitoring of CSA activities.</p>
Contact details of fund manager	<p>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.</p>