

PRESS RELEASE

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Climate-Smart Lending Platform

Technology and data-driven, scalable solutions for climate-resilient agri-lending and farming in East Africa

Advancing farmers toward greater financial inclusion, improved environmental performance and climate resilience

Climate-Smart Lending Platform members, Financial Access Consulting Services B.V. (FACS) and F3 Life Limited have entered into a partnership with Partnerships for Forests (P4F) to accelerate the provision of climate-smart loans to smallholder farmers in East Africa. The partnership will develop an integrated credit services platform which will:

- (i) support agri-lenders to provide “climate-smart” credit facilities to smallholder farmers by incorporating requirements and metrics for climate-smart and sustainable land-management including agro-forestry into loan terms and credit scores;
- (ii) help lenders to overcome risk and costs barriers in smallholder finance by streamlining loan origination processes and providing access to a plug-and-play credit-scoring tool;
- (iii) apply remote-sensing methodologies to identify and assess the bankability of farmers located in environmentally suitable areas;
- (iv) monitor the implementation and impact of improved climate-smart farming practices and detect early warning signs for credit -and climate risk related loan defaults, caused by amongst others drought, flooding, deforestation or unsustainable land use.

Over the last 10 years FACS has built up extensive experience in developing solutions to unlock access to finance at scale for SMEs and smallholder farmers in agricultural supply chains. F3 Life has extensive and award-winning experience in incorporating climate-resilience measures into farmer loan products and training farmers to adopt climate-smart farming practises. By combining the strengths of FACS and F3Life through the new credit services platform, the partnership will enable simultaneous management of the credit and the environmental risk faced by providers of

smallholder credit, resulting in the increased flow of climate-smart capital to farmers at scale. This is expected to improve the livelihoods of smallholder farmers and to reduce the economic losses associated with land degradation in sub-Saharan Africa, which is estimated at \$68 billion per year.

About Financial Access Consulting Services

FACS is the emerging markets financial advisory services & solutions subsidiary of the Financial Access Group. Financial Access (FA) is a financial services firm primarily active in East and West Africa and Southeast Asia, with expertise in agricultural and supply chain finance, and banking operations. FA provides financing and advisory services via operational hubs in Amsterdam, Nairobi, Kampala, Jakarta and Bangkok. FA was taken private from ING Bank via a management buy-out in 2007 and has executed more than 250 advisory mandates in over 40 countries. The impact of FA's activities is socially and environmentally responsible and commercially sustainable.

About F3 Life F3 Life is an early-stage fintech business providing environmental information to lenders to enhance climate and environmental risk management in their credit portfolios. The company pioneered the climate-smart credit approach, whereby agri-lenders incorporate requirements for climate-resilient or sustainable agricultural practices into farmer loan terms, and evidence of compliance is incorporated into credit scores. F3 Life is the winner of the Winner of the United Nations Development Program and Mitsubishi UFJ Morgan Stanley Securities Co. Ltd. Prize for Climate Change Finance Innovation.

About the Climate Smart Lending Platform (CSLP)

The Climate Smart Lending Platform has been developed through a partnership of F3 Life, Financial Access, the International Union for the Conservation of Nature (IUCN) and the Climate Policy Initiative's Global Innovation Lab for Climate Finance. This partnership with P4F extends the ability of the CSLP to meet its objective of helping agri-lenders include climate metrics in their loan requirements and credit decisions - and scale the provision of climate-smart credit to smallholders around the world. The Climate Smart Lending Platform was a winner of the Global Innovation Lab for Climate Finance in 2016 .

About Partnerships for Forests (P4F)

Partnerships for Forests is a 5-year programme supported by the UK government. It works in 4 globally important forest regions of the world: East Africa, Latin America, South East Asia and West & Central Africa. P4F provides grant finance, technical assistance and a team of market-leading experts to propose alternatives to business as usual in the land-use sector. P4F supports the private sector in partnerships with the public sector and communities that deliver on commitments for deforestation-free commodities, reduce the pressure on forests, and improve livelihoods by 2020.

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