

Public Information Summary

Host Country	Global
Name of Guaranteed Party	ALMA Sunbird 2X LLC
Project Description	A loan portfolio guaranty to mobilize commercial investors to finance 2X eligible and climate solutions-focused financial institutions and SME borrowers. At least 80% of the total project will be used to finance 2X eligible borrowers.
Proposed DFC Guaranty	\$40 million, 8-year tenor
All-Source Funding Total	\$63.5 million
Policy Review	
Developmental Objectives	<p>According to the IFC, 40% of micro, small and medium-sized enterprises (MSMEs) in developing countries have unmet financing needs, representing up to 131 million firms. MSMEs around the world face a financing gap of \$5 trillion annually, which is equivalent to 1.3 times the current level of global MSME lending. In addition, more than half of the global unbanked population are women, representing almost one billion people. Women-owned and led enterprises make up 32% of the total MSME financing gap, which is equivalent to approximately \$1.5 trillion. Separately, global investment in clean energy needs to reach \$4.5 trillion per year by 2030 to limit global warming to 1.5°C. In 2023, an estimated \$1.7 trillion was invested in clean energy, including renewable power, energy storage, and low-emission fuels, representing a shortfall of \$2.8 trillion.</p> <p>In addressing these challenges, the Project is expected to have positive impacts by expanding lending to small and medium enterprises and financial institutions in mostly low-income and lower-middle-income countries in Asia, Africa, and Latin America. The majority of the Project is expected to support 2X Eligible Enterprises, and the Project will also support clean energy initiatives and nature-based solutions, such as forest conservation, reforestation, and agroforestry. DFC has qualified the Project as 2X based on the Guaranteed Party's undertaking to meet and/or exceed the 2X criteria for women's representation in employment and investments through financial intermediaries. Given the Project characteristics, the Project is categorized as Highly Impactful per DFC's Impact Quotient ("IQ").</p>
Environment and Social Assessment	The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("ESPP") and has been

	<p>determined to be categorically eligible. Typically, DFC loan portfolio guaranties to investment funds for the support of on-lending to small- and medium-enterprises (“SME”) within, energy, and nature-based solutions and non-banking financial institutions through fintech are screened as a Financial Intermediary B (FI-B) for environmental and social assessment. However, this Project was screened as Category FI-B because it involves an investment fund making subsequent investments into portfolio companies that conduct permanent afforestation of uninhabited degraded lands and the Project is expected to have moderate environmental and social risks that are mostly site-specific and are readily addressed through mitigation measures. Other downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as low to moderate risk and further review and consent is not required for these investments.</p> <p>To ensure that the Guaranteed Party’s investment activities are consistent with the DFC’s statutory and policy requirements, the DFC guarantee will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Management System (“ESMS”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, the Guaranteed Party is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desk based due diligence assessment indicates that because the Project will use DFC support for the facilitation of on-lending to SME’s of various sectors including clean energy, fintech, and nature based solutions across Asia, Africa, and Latin America, significant adverse impacts concerning community health and safety, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 4, 5, 7, and 8 are not triggered at this time. Since the Project’s portfolio investments may involve seller-willing buyer acquisition for reforestation of privately-owned degraded lands, DFC’s environmental and social due diligence indicates the Project may have impacts that must be managed in a manner consistent with the following 2012 International Finance Corporation’s (IFC) Performance Standards (PS):</p> <ul style="list-style-type: none"> • PS1: Assessment and Management of Environmental and Social Risks and Impacts; • PS2: Labor and Working Conditions; • PS3: Resource Efficiency and Pollution Prevention;
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	<ul style="list-style-type: none"> • PS4: Community Health, Safety, and Security; and • PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. <p>The Guaranteed Party has an environmental and social policy which is partially aligned to IFC PS 1, grievance mechanisms, and human resources policies which are also partially commensurate with its investment strategy and IFC Performance Standard 2, and DFC's 2020 ESPP. However, the Guaranteed Party will be required to implement an environmental and social management system (ESMS) aligned with IFC PS 1 which must provide an adequate framework to properly diligence portfolio investments in sectors which may have higher environmental or social risks.</p>
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