

Public Information Summary

Host Country	Türkiye
Name of Borrower	Şekerbank T.A.Ş., Türkiye
Project Description	A \$100 million direct loan to expand on-lending to small and medium enterprises (“SMEs”), as well as to individual women borrowers and individuals to support recovery from the February 6, 2023 earthquake.
Proposed DFC Loan	\$100,000,000 seven-year loan.
All-Source Funding Total	\$133,333,333
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Türkiye by helping to address the country’s SME financing gap. More specifically, the Project will seek to improve the livelihoods of women by allocating 30% of proceeds to improve access to finance to individual women and women-owned/led SMEs. Additionally, the Project will seek to address the physical damage resulting from the 2023 earthquake by allocating 25% of proceeds to support relief and recovery efforts in the 10 provinces where a state of emergency was declared (the “Earthquake-Impacted Provinces”).
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct loans to financial institutions for SME on-lending are screened as a Category C for environmental and social assessment. These direct investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those investments have been pre-screened as Category C and further review and consent is not required for these investments.</p> <p>To ensure that the Borrower’s lending is consistent with the DFC’s statutory and policy requirements, the DFC loan 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 Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p>

Under the DFC's ESPP, the Borrower 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 desktop based due diligence assessment indicates that because the Project will use DFC support for SME on-lending in Turkey, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private armed security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time."

The Borrower has an environmental and social policy as described in IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to update their non-discrimination policy to include an IFC compliant enumerated list of protected categories throughout all aspects of the employment relationship and include protections for the non-employment of trafficked persons to meet DFC's 2020 Environmental Policy and Procedures.