

Public Information Summary

Host Country	Cambodia
Name of Borrower	First Finance Plc (“the Borrower”)
Project Description	Expansion of on-lending for housing finance in Cambodia the (“Project”).
Proposed DFC Loan	\$5,000,000 loan with a seven year tenor.
All-Source Funding Total	\$6,250,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a highly development impact through the provision of uncommon financial products in Cambodia, a lower-middle income country. The Borrower focuses on providing long-term home and home improvement loans, and medium-term home equity loans to underserved low- and middle-income Cambodian households with limited to no access to formal housing. Cambodia is experiencing a large internal migration of the rural population to urban areas. This has created a strain on urban areas, especially in Phnom Penh, to accommodate the growing population with adequate and modern housing stock. The most recent estimates for the country have 46% of Cambodians in urban areas living in slums. The Project will provide financing to construct new or improve existing homes to an anticipated 12,500 clients over its life cycle, of which 60% are expected to be women.</p>
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 loans to bank’s for the purposes of mortgage lending are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream 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 investments are 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>

	<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 desk-review based due diligence assessment indicates that because the Project will use DFC support for mortgage lending in Cambodia, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Borrower lacks the required Environmental and Social Risk Policy. The Borrower has basic grievance mechanisms and human resources policies commensurate with its investment strategy but will require some strengthening regarding its environmental and social risk management policies in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
--	--