

Public Information Summary

Host Country(ies)	Global
Name(s) of Borrower(s)/Guaranteed Party(ies)	MicroVest Enhanced Debt Fund, Ltd. (the “Fund”), an investment fund domiciled in the Cayman Islands and managed by MicroVest Capital Management.
Project Description	The Fund will use the proceeds of the DFC loan to on-lend to responsible financial institutions (RFIs), which include microfinance institutions (MFIs) and financial institutions serving small and medium enterprises (SMEs) in emerging and frontier markets.
Proposed DFC Loan/Guaranty	\$48,000,000
All-Source Funding Total	\$120,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact through the downstream provision of loans to eligible MSMEs, with a portion of funding dedicated to women-owned and women-led borrowers. MSMEs contribute substantially to developing country economies, both through employment and income growth, yet despite their importance, they often lack the necessary access to financing. Globally, women-owned and women-led MSMEs comprise 23% of all MSMEs, but account for 32% of the finance gap.
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 financial institutions for the purposes of providing loans to RFIs for MSME investing are screened as 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 Fund’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 that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and</p>

	<p>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 RFI lending, 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 Fund has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy and has been previously reviewed and supported by other DFC Projects. Its existing policies regarding its environmental and social risk management policies meet the requirements found within the DFC’s ESPP.</p>
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