

Public Information Summary

Host Country	Tunisia
Name of Guaranteed Party	Advans Tunisie
Project Description	Loan portfolio guaranty to a non-bank financial institution, in partnership with USAID/Tunisia, to support on-lending to private microenterprises in non-coastal regions of Tunisia that have been highly economically impacted by the COVID-19 pandemic.
Proposed DFC Guaranty	\$13,000,000
All-Source Funding Total	\$20,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a highly developmental impact with loans to continue and expand lending to MSMEs to businesses in the agriculture, fisheries, and tourism sectors. Tunisia currently faces many challenges, including access to finance for MSMEs that were further economically impacted due to the COVID-19 pandemic. In addition, the tourism sector, one of Tunisia's key GDP drivers, has been disproportionately impacted by COVID-19. These funds will allow Advans Tunisie to support MSMEs in highly impacted sectors which would otherwise be difficult to support given the continued uncertainty and economic impact of COVID.
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 loan portfolio guaranties for the expansion of lending to micro, small, and medium enterprises 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 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 Guaranteed Party's investments are consistent with the DFC's statutory and policy requirements, the DFC loan portfolio guaranty 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 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-review based due diligence assessment indicates that because the Project will use DFC support for supporting the expansion of its on-lending to Micro, Small, and Medium Enterprises (“MSMEs”) in Tunisia, 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 Guaranteed Party does use private security and therefore, aspects of IFC PS 4 Community Health, Safety, and Security are triggered.</p> <p>The Guaranteed Party has a basic Environmental and Social risk policy (“ESP”) that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy and generally aligns with the DFC’s 2020 Environmental Policy and Procedures. However, the Guaranteed Party will be required to update various aspects of its nondiscrimination policy, grievance mechanisms, GHG accounting, and forced and child labor policies prior to effectiveness of the guaranty.</p>
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