

Public Information Summary

Host Countries	Worldwide
Name of Borrower	Water Unite Pilot Investment Vehicle, LP
Project Description	Blended capital fund for investments in water, sanitation and plastic recycling SMEs globally, primarily in Africa
Proposed DFC Loan	Up to \$7.5 million
All-Source Funding Total	\$25 million
Policy Review	
Developmental Objectives	<p>Globally, 2.2 billion people lack access to clean water and 3.5 billion lack adequate sanitation. However, development finance to the WASH sector has been declining since 2015, with the United Nations Sustainable Development Goal 6 (Clean Water and Sanitation) financing gap estimated at \$114 billion per year, creating a serious financial access constraint for SMEs improving WASH services in developing countries.</p> <p>In response to these challenges, the Project is expected to have a positive development impact by directing capital and capacity-building to SMEs which are addressing water poverty, inadequate sanitation, and plastic waste, primarily in sub-Saharan Africa. Rural and women/owned-led SMEs are particularly expected to benefit from the Project, with investment targets for both exceeding the regional averages. All DFC proceeds are expected to support enterprises seeking to provide climate adaptation and/or mitigation solutions. Given the Fund's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient.</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 debt investments into Investment Funds who will support investments into SMEs are screened as a Financial Intermediary C (FI-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 low risk 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 investment 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</p>

	<p>Environmental and Social Policy (“ESP”) 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 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 Fund will use DFC support to make subsequent investments in SMEs in Africa, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>While the Fund has an integrated ESG policy with an impact procedure, it will need to update aspects of these to meet the DFC’s expectations. These updates will include establishing a supply chain policy, client protection procedures, gender-based violence and harassment labor risk mitigation procedures and revising internal grievance mechanisms to align with IFC PS 2.</p>
Grants Assessment	None anticipated until after commitment.