

Public Information Summary

Host Country	Ukraine
Name of Guaranteed Party	PJSC JSB Lviv
Project Description	Ten-year, 80% coverage Loan Portfolio Guaranty (LPG) to support bank lending to micro, small, and medium-sized enterprises (MSMEs) in seven oblasts of western Ukraine
Proposed DFC Loan/Guaranty	10-year, \$20,000,000 loan portfolio guaranty
All-Source Funding Total	\$25,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Ukraine by helping to address the country’s micro, small, and medium enterprise (“MSME”) financing gap, which is estimated to be \$33 billion, equivalent to 36% of GDP. The Bank seeks the guarantee to mitigate the risks of financing MSMEs under the present challenging economic conditions resulting from the Russian invasion of Ukraine. More specifically, the Project will seek to improve access to finance for rural MSMEs by allocating 42% of proceeds to rural MSMEs. In addition, the Project will seek to improve access to finance for women by allocating 20% of proceeds to women-owned/led MSMEs.
Environment and Social Assessment	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. 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. 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

	<p>of its on-lending to Micro, Small, and Medium Enterprises (“MSMEs”) in Ukraine, 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, monitoring procedures and provide evidence that its privately contracted security is trained in accordance with principles described in IFC PS 4 prior to effectiveness of the guaranty.</p>
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