

Public Information Summary

Host Country(ies)	Tanzania
Name(s) of Borrower(s)/Guaranteed Party(ies)	CRDB Bank Plc.
Project Description	Loan portfolio guaranty with 50/80% coverage to increase lending to micro-, small- and medium-sized enterprises (“MSMEs”), particularly in Tanzania’s private education and informal sectors.
Proposed DFC Loan/Guaranty	USD \$20,000,000 Guaranty
All-Source Funding Total	USD 34,000,000
Policy Review	
Developmental Objectives	This transaction is expected to have a highly developmental impact through support for the deployment of loans to support the education sectors, as well as MSME borrowers in Tanzania. Loans where the DFC guaranty will be used to expand lending to private education borrowers will finance capital expenditures for the construction or remodeling of premises, and/or general working capital needs including inventory, equipment, supplies, and other support services. Low secondary education enrollment and availability in Tanzania leads to high demand for affordable private education services. This project provides much needed financing to Tanzanian SMEs working to bridge this education shortfall while partnering with USAID/Tanzania to provide technical assistance to CRDB Bank to support its loan origination and monitoring processes and to CRBD’s borrowers to improve school sustainability and the quality of education delivered to students.
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 small, and medium enterprises (“SME”) 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</p>

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 the expansion of its on-lending to SMEs in Tanzania, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize private security and therefore, relevant aspects of PS4, Community Health, Safety, and Security are triggered.