

Public Information Summary

Host Country	Jordan
Name of Guaranteed Party	Vitas Jordan, a microfinance institution organized in Jordan.
Project Description	A loan guaranty facility for loans made by the Guaranteed Party to eligible small- and medium-sized enterprises (SMEs) in Jordan (the Project), with focus on supporting lending to “missing middle” SMEs, women, and businesses outside of urban centers.
Proposed DFC Guaranty	\$50,000,000
All-Source Funding Total	\$73,300,000
Policy Review	
Developmental Objectives	This Project is expected to have a developmental impact by expanding the availability of growth capital for SMEs in Jordan. While all businesses in Jordan have limited access to financing due to numerous market constraints and a financial crisis precipitated by the COVID-19 pandemic, SMEs in the “missing middle”—those considered too big for microfinance institutions and too small or risky for commercial banks—find it exceptionally difficult to secure financing. The Project will also focus on lending to women borrowers, with over 20 percent of borrowers expected to be women-owned or women-led businesses.
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 Project’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 that meets the 2012 International Financial Corporation (IFC) Performance Standards (PS).</p>

	<p>Under the DFC’s ESPP, the Project is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 IFC PS 1 and 2. A desk-review based due diligence assessment indicates that because the Guaranteed Lender will use DFC support for the expansion of lending to small- and medium-sized enterprises, 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 Guaranteed Lender has an ESP, internal processes and procedures comprised of grievance mechanisms, financial risk identification and mitigation procedures, and human resources policies. Prior to receipt of DFC support, the Guaranteed Lender will be required to strengthen its Human Resources Policies and Environmental and Social Risk procedures to align with the DFC’s 2020 ESPP and applicable IFC PS.</p>
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