

Annex B – Public Information Summary

Host Country(ies)	Serbia
Name(s) of Borrower(s)/Guaranteed Party(ies)	Raiffeisen Banka a.d. Beograd
Project Description	Loan portfolio guaranty intended to increase lending to micro, small, and medium-sized enterprises in Serbia, with a focus on the agricultural sector women in business, youth employment, social inclusion, and green loans.
Proposed DFC Loan/Guaranty	\$48 million/60% guaranty/12-year tenor.
All-Source Funding Total	\$80,000,000
Policy Review	
Developmental Objectives	This transaction is anticipated to have a highly developmental impact in Serbia, through the provision of guaranty coverage on loans to MSMEs, including those which operate in the agricultural sector, are engaged in green projects, or are owned by underrepresented socio-economic groups, including women, youth (35 years old or less), and ethnic minorities and migrants. The transaction is aligned with the Government of Serbia’s efforts to improve access to finance and competitiveness of MSMEs, which are currently constrained. The MSME financing gap in Serbia is equal to approximately 28% of national GDP. The transaction is also expected to benefit from USAID/Serbia technical assistance, which will engage with MSMEs throughout the country on specific supply chain, management practices, and commercial bank eligibility requirements in preparation for financing consideration by Raiffeisen for the purposes of the loan portfolio guaranty.
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 MSMEs 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 guaranteed loans. 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 MSMEs in Serbia, 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 management system (“ESMS”) 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 provide for DFC’s review and acceptance updates to its ESMS with respect to forced and child labor policies, non-discrimination and equal opportunity policies, worker grievance mechanism, and evidence that its privately contracted security is trained in accordance with principles described in IFC PS 4.</p>
--	--