

Public Information Summary

Host Country	Uganda
Name of Borrower	Balloon Ventures Limited
Project Description	Balloon, through its registered branches in Uganda (“BVL Uganda”) and in Kenya, provides loans in amounts of approximately \$10,000 to \$100,000 to small and microenterprises (“SMEs”) which are bundled with tech-enabled business support to scale SMEs and create “Good Jobs” ¹ in Uganda and Kenya.
Proposed DFC Loan	\$5,000,000/Senior Loan/7-year tenor
All-Source Funding Total	\$10,000,000
Policy Review²	
Developmental Objectives	The Project will have a positive development impact by increasing access to affordable financing and technical assistance for Ugandan SMEs. Balloon will specifically target increasing the share of women and rural borrowers that have previously been disproportionately excluded from financial services. Uganda has an estimated financing gap of \$5 billion and there is a distinct group of SMEs that require financial support that is too great for microfinance and too small and unsophisticated for formal banks. Balloon uses bespoke technical assistance alongside financing for its clients to allow them to grow and support the communities where they operate. It is expected that DFC’s \$5 million loan will support 250 SMEs with approximately 55% of those being women-owned or -led and 75% to rural clients.
Environment and Social Assessment	<p>Screening:</p> <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 loans to microfinance institutions for the expansion of lending to micro- small- and medium-enterprises (“MSME’s”) 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 Borrower’s on-lending is consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental</p>

¹ Balloon defines “Good Jobs” as jobs that are permanent or contractual and pay a living wage, sufficient to afford a decent standard of living for the employees and their family and offers continuous training and development.

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.

Applicable Standards:

Under the DFC’s ESPP, the Borrower 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.

Due Diligence:

A desk-based due diligence assessment indicates that because the Project will use DFC support for the purpose of on-lending to MSME’s in Uganda, 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.

Environmental and Social Risks and Mitigation:

The Borrower has an environmental and social policy as described in IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to implement portfolio monitoring for environmental and social compliance, aligned with IFC PS1 and the DFC’s 2020 Environmental Policy and Procedures.