

## PUBLIC INFORMATION SUMMARY

<b>Host Country</b>	Afghanistan
<b>Names of Insured Parties</b>	Capital Sisters International
<b>Project Description</b>	Loan to FINCA Afghanistan, a microfinance institution lending primarily to female borrowers in Afghanistan.
<b>Investment Amount</b>	\$500,000
<b>Investment Type</b>	Debt
<b>Insurance Amount</b>	\$475,000
<b>Total Project Costs</b>	\$500,000
<b>U.S. Involvement</b>	Capital Sisters International, Inc. is a U.S. 501(c)(3) Non-profit
<b>Foreign Enterprise</b>	FINCA Afghanistan
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>The Project is expected to have a highly developmental impact through provision of banking services to low-income women borrowers in Afghanistan, a low-income country. DFC is providing political risk insurance for Capital Sisters International’s investment in FINCA Afghanistan, a microfinance institution. Afghanistan is one of the most gender unequal countries in the world. Due to societal norms, women are often prohibited from attending school or working. For example, women in Afghanistan are less likely to participate in the labor force as only 19% participate compared to the regional average of 59.9%. Moreover, Afghani women’s per capita income of \$1,100 is less than half of Afghani men’s per capita income of \$2,355. The Project will deploy an innovative financial structure to mobilize private capital by issuing social impact bonds of one-to-five-year \$1,000 zero-interest notes to impact investors in the U.S. The raised capital will be loaned to FINCA Afghanistan to support downstream microloans to low-income women borrowers. The Project expects to originate over 33,000 loans averaging \$100 to low-income, women borrowers for income generating activities.</p>
<b>Environmental and Social Assessment</b>	<p><b>Screening:</b> Political risk coverage on loans to MFIs is screened as a Category C activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, the Fund’s downstream investments are anticipated to pose medium or limited environmental and social risks that are site specific and that can be readily mitigated through the application of sound environmental and social management practices. In order to ensure that the Fund’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.</p> <p><b>Applicable Standards:</b> The primary environmental and social issue associated with the Project is the need for a strong Environmental and Social Management System to ensure that downstream investments are developed in accordance with DFCs Environmental and Social Policies and Procedures (“ESPP”) and the IFC’s General Environmental, Health,</p>

and Safety Guidelines. DFC will monitor the effectiveness of the Fund's application of DFC policies throughout the Project's life cycle. Under DFC's ESPP, the Fund 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.

**Environmental & Social Assessment:** A desktop due diligence assessment indicates that because the Project involves an investment in a financial intermediary, significant adverse impacts with respect to 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.

Capital Sisters has multiple policies and procedures that when taken as a whole, make up their ESMS. These procedures vary from gender lens policies, lending policies, loan governance, due diligence, human resources, and exclusion lists. Capital Sisters has dedicated Lending Policies that include formalized due diligence procedures for each investment, human resources policies, gender lens investing procedures, and processes to adhere to international best practices such as the UN PRI.