

Global Partnerships Impact-First Fund 9.0, LLC

Public Information Summary

Host Countries	Benin; Colombia; Costa Rica; Democratic Republic of the Congo; Ecuador; El Salvador; Guatemala; Honduras; Kenya; Nigeria; Peru; Sierra Leone; Tanzania; Zambia
Name of Borrower	Global Partnerships Impact-First Fund 9.0, LLC (the “Fund”)
Project Description	An investment fund making loans to deeply inclusive financial institutions and social enterprises providing goods and services to low-income and underserved populations (the “Project”). The Fund is wholly owned by Global Partnerships (the “Fund Manager”).
Proposed DFC Loan/Guaranty	\$15,000,000 total for up to 20 years.
All-Source Funding Total	\$50,000,000
Policy Review	
Developmental Objectives	<p>Nearly half of the world’s population live on less than \$5.50 per day (or World Bank equivalent), a group which is disproportionately female, young, rural, and with limited educational attainment. Rates of poverty across the developing world have been increasing, driven in part by widening gender and rural poverty gaps. Thus far, international finance has struggled to support the needs of this growing population as return-first impact investors demonstrate limited interest in the types of social enterprises which most directly address the needs of the global poor.</p> <p>In response to these challenges, the Fund is expected to have a positive development impact through financing social enterprises which serve low-income and other marginalized groups across developing markets. The Fund Manager will employ an impact-first investment strategy which prioritizes investment in enterprises reaching and creating value for end beneficiaries earning under \$5.50 per day. Most of the Fund’s portfolio is expected to comprise microfinance institutions which will on-lend the proceeds of DFC support to low-income borrowers. Additionally, most portfolio companies are expected to be 2X eligible enterprises. DFC has qualified the Fund as 2X based on the leadership, employment, and investments through financial intermediaries’ criteria. Given the Fund’s characteristics, it is categorized as Exceptionally Impactful per DFC’s Impact Quotient.</p>
Environment and Social Assessment	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 direct debt loans to investment funds who will invest in small, and medium enterprises in

	<p>agriculture and off-grid micro energy, and healthcare projects that provide financials service and primary care are screened as Financial Intermediary - C for environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices. 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 Fund's investments are 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 and social issues identified in this transaction relate to the need for an Environmental and Social Management Policy ("ESMP") that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC's ESPP, the Fund Manager 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 investments into SMEs in sectors including financial services, healthcare, food and agriculture, and off-grid renewable energy, 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 Fund Manager has an environmental and social management system ("ESMS" or the "Policy"), and an E&S evaluation framework that is comprised of environmental and social risk identification and mitigation procedures, monitoring processes and review, and an E&S team to oversee its execution in accordance with IFC PS1 and the DFC's ESPP. The Fund Manager has grievance mechanisms and human resources policies commensurate with its investment strategy, including for higher risk sectors such as agriculture and healthcare, which are aligned with the DFC's ESPP and the IFC Performance Standards.</p>
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