

Public Information Summary

Host Country	Armenia
Name of Borrower	ACBA Bank OJSC (the “Borrower”)
Project Description	The proceeds of the Loan will be used to make loans to the Borrower’s downstream borrowers in Armenia, with at least 50% of the Loan proceeds to be used to support women and woman-owned MSMEs (the “Project”).
Proposed DFC Loan	Up to \$50,000,000
All-Source Funding Total	\$95,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Armenia by helping to address the country’s MSME financing gap, which is estimated to be approximately \$1.02 billion, or 9.6% of GDP. More specifically, the Project will seek to facilitate women’s entrepreneurship by utilizing at least 44% of funds (including at least 50% of DFC funds) for on-lending to 2X eligible MSMEs.
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 direct loans to financial institutions who will use the loan to on-lend to micro, small, and medium enterprises 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 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 Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>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. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of MSME on lending in Armenia, significant adverse impacts concerning</p>

	<p>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 Borrower has a formal Environmental and Social Management System and human resources policies generally commensurate with its investment strategy but will be required to provide the DFC evidence that it has a methodology to consider the GHG emissions associated with itself and its portfolio to meet the DFC's ESPP requirements along with an update to its Personnel Management Policy that includes a non-discrimination clause aligned with IFC PS 2.</p>
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