

Public Information Summary

Host Countries	Sub-Saharan Africa and Asia
Name of Borrower	Energy Access Relief Fund, B.V.
Project Description	The Fund will make unsecured loans to energy access companies that require liquidity due to impact of the COVID-19 pandemic. The Fund also supports UN Sustainable Development Goal 7 (SDG7) to ensure access to affordable, reliable, sustainable and modern energy for all.
Proposed DFC Loan/Guaranty	The DFC will purchase \$10 million of notes with a 4- year term.
All-Source Funding Total	Up to \$70.5 million, plus co-investment of \$29.5 million.
Policy Review	
Developmental Objectives	The DFC investment is expected to have a highly developmental impact by supporting a fund that provides debt financing to the SMEs engaged in the renewable energy sectors in sub-Saharan Africa and Asia. The COVID-19 pandemic has left many SMEs cash strapped and unable to secure financing. SMEs contribute significantly to employment and GDP in developing economies. Yet, SMEs often find themselves unable to obtain financing from formal financing institutions. The Fund is hopeful that with additional liquidity injections, its SME clients will maintain their current employment levels and inventories, and eventually return to growth.
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 loans to financial institutions for the purposes of providing loans to are screened as Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of 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 Fund’s investments are consistent with the DFC’s statutory and policy requirements, the DFC investment 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 that meets the 2012 IFC Performance Standards.</p>

	<p>Under the 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 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for SME lending, 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 has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy and has been previously reviewed and supported by two other DFC projects. Its existing policies regarding its environmental and social risk management policies meet the requirements found within the DFC's 2020 Environmental Policy and Procedures.</p>
--	--

