Public Information Summary

Host Country

Benin

Name of Counterparty / Issuer

Coris Bank International Benin

Project Description

A loan portfolio guarantee to support lending to small and medium enterprises ("SMEs"), particularly to those operating in the private health sector.

DFC Product Type

Loan Portfolio Guarantee

DFC Investment

$8,400,000

Total Project Costs

$14,400,000

U.S. Involvement

N/A

Policy Review

Developmental Objectives

Benin faces public health challenges, including high rates of morbidity, mortality, and malaria, which are detrimental to Benin's development. Life expectancy at birth is estimated to be just 63.4 years and Benin ranks 171 out of 195 countries on the Global Health Security Index, a ranking of health security and access. Lack of investment in Benin's healthcare sector drives these negative health outcomes. Currently, the Beninese government only spends one percent of GDP on healthcare, but the IMF estimates Benin would need to spend nine percent of its estimated 2030 GDP to achieve the United Nations 2030 health goals.

In response to these challenges, the Project is expected to have a positive development impact in Benin by helping to address the country's healthcare financing gap. More specifically, the Project will seek to improve the quality and availability of healthcare services in Benin by allocating 50% of proceeds to SMEs in the healthcare sector. The Project will also address women's lack of representation in healthcare leadership by allocating 10% of proceeds to women-owned/led SMEs. Given the Project's characteristics, it is categorized as Highly Impactful per DFC's Impact Quotient.

Environment and Social Assessment

The Project has been reviewed against the DFC's 2024 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC guarantees to banks for the expansion of lending to small and medium enterprises ("SMEs") 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.

To ensure that the Guaranteed Party's investments are consistent with the DFC's statutory and policy requirements, the DFC guarantee 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.

Under the DFC's ESPP, the Guaranteed Party 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 a loan portfolio guarantee to a bank for on-lending to SMEs, with a focus on the health sector, in Benin, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize private security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.

The Guaranteed Party does have 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 Guaranteed Party will be required to update its labor and environmental and social policies to fully align with DFC's 2024 Environmental Policy and Procedures.