Public Information Summary

Host Countries	Global
Name of Co-Financing Party	MASSIF (The Netherlands), managed by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO")
Project Description	Facility for short-term liquidity loans to qualifying financial institutions for on-lending to microentrepreneurs, small-, and medium-sized enterprises ("MSMEs") (the "Facility").
Proposed DFC Loan	$50,000,000 (6 years)
All-Source Funding Total	$75,000,000
Policy Review	
Developmental Objectives	This Facility will support loans to financial intermediaries that will lend to MSMEs in 55 different countries where FMO and DFC operate. According to the SME Finance Forum, the MSME financing gap in these markets is estimated to be in excess of $691 billion, of which $531 billion is comprised of the SME gap. Collectively the 55 countries where borrowers of the Facility lend are classified on average as lower-middle income. In addition, half of the loans from the Facility are expected to support lending to women MSMEs, for which the financing gap in these same markets is estimated to be $73 billion.
Environment and Social Assessment	This Facility represents a unique and first-time instance of co-financing and cooperation between DFC and FMO to address the acute and severe impacts of the COVID-19 pandemic. Specifically, the two bilateral development finance institutions will establish the Facility to provide short-term (emergency) liquidity products, mainly senior debt, for financial intermediaries that are facing COVID-19 related liquidity constraints impacting their ability to service MSMEs. The Facility has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. Loans to financial intermediaries for the purposes of MSME lending are screened as a 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 are not required for these investments. Under the DFC's ESPP, the borrowers under the Facility are required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the International Finance Corporation's 2012 Performance Standard ("IFC PS") 1 and 2.

	To ensure that the Facility's investments are consistent with the DFC's statutory and policy requirements, the disbursement of DFC funds to the Facility will be subject to conditions regarding the use of proceeds. Climate change resilience assessments for Category C projects are not required because the Facility's activities involve financial transactions, which are not vulnerable to climate change. The primary environmental and social ("E&S") issues identified in this transaction relate to the need for an Environmental and Social Policy that meets the IFC's PS. FMO's E&S approach, which is equally applied to all of FMO's investments and funds, including MASSIF, is guided by the IFC PS. All MASSIF clients are required to comply with (a) Association of European Development Finance Institutions' Exclusion List, and (b) relevant local environmental, health and safety, and labor laws, and the requirements of the IFC PS 2. In addition, financial intermediaries with IFC PS-triggered transactions are also required to assess E&S risks against the IFC PS, and to ensure their borrowers comply with the IFC PS.