

INFORMATION SUMMARY FOR THE PUBLIC

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| Host Country(ies): | Kenya |
| Name of Borrower(s): | I &M Bank Limited (Kenya) |
| Project Description: | Guaranteed Lending Facility for Small and Medium-Sized Agribusinesses in Kenya. |
| OPIC Risk Share: | \$10,000,000 |
| Total Project Costs: | \$14,285,000 |
| U.S. Sponsor: | Global Communities (New Jersey) |
| Foreign Sponsor: | I&M Holdings Limited (Kenya) |
| Policy Review | |
| U.S. Economic Impact: | The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral impact on the U.S. trade balance. |
| Developmental Effects: | This Project is expected to have a highly developmental impact by expanding the availability of capital to small- and medium-sized enterprises (SMEs) operating in the agribusiness sector in Kenya. According to the latest IFC Enterprise Survey for Kenya, only an estimated 23% of small enterprises, and 27% of medium-sized enterprises, have access to bank finance. The IFC quantifies the credit gap for both formal and informal SMEs in Sub-Saharan Africa as between \$140 billion and \$170 billion. Through a grant from the USDA, Global Communities will provide technical assistance to I&M Bank Kenya Limited as well as downstream agribusiness SMEs. This will increase the Bank's capacity to target and serve agribusiness SMEs and improve their financial sustainability and operational performance. The Project supports Kenya's Global Food Security Strategy Country Plan with Feed the Future's Program from USAID, which calls for sustainably reducing hunger, malnutrition and poverty in the agricultural sector. |
| Environment and Social Assessment: | The Project has been reviewed against OPIC's 2017 Environmental and Social Policy Statement ("ESPS") and has been determined to be categorically eligible. Loans for the purposes of SME on-lending are screened as a Category C for the purposes of environmental and social assessment. These downstream investments are expected to result in minimal |

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| | <p>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 Bank’s investments in SME’s are consistent with OPIC’s statutory and policy requirements, the OPIC-guaranteed loan made to I&M Bank will be subject to conditions regarding the use of proceeds. The primary environmental and social issues associated with the Facility include the need for an adequate Environmental and Social Management System (“ESMS”) and specific policies to address child/forced labor to ensure that downstream investments are developed in accordance with the IFC Performance Standards 1 and 2.</p> <p>The Bank has multiple management programs in place to help guide it to make sound social and sustainable environmental investment decisions. These include exclusions lists, an ESMS, risk rating & categorization software, human resources policies and Procedures, ESDD reports, grievance mechanisms, occupational safety and health programs, and project monitoring/reporting policies.</p> |
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