

 Early Warning System

DFC-2022-AREGAKUCOCJSC

Aregak UCO CJSC



Quick Facts

Countries	Armenia
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	C
Borrower	SEF International UCO LLC
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 4.00 million
Project Cost (USD)	\$ 8.00 million



Project Description

As stated by the DFC, the project consists of a loan portfolio guaranty with SEF International to catalyze lending to MSMEs with a focus on 2X eligible borrowers.

This Project is expected to have a highly developmental impact through the provision of loans to MSMEs, including women owned MSMEs and MSMEs in the agriculture sector. While Armenia is an upper-middle-income country which has made a lot of developmental progress over the past decade, unemployment remains very high at nearly 20% and the effects of the 2020 Nagorno-Karabakh war and the COVID-19 pandemic have adversely affected the country's economy broadly, and SMEs and microenterprises in particular. The World Bank has projected that these economic shocks could cause over 720,000 Armenians to suffer from downward mobility and send 70,000 into poverty.



Investment Description

- US International Development Finance Corporation (DFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [SEF International UCO LLC](#) (Financial Intermediary) **is owned by** [Vision Fund Microfinance Institution \(VFMFI\)](#) (Parent Company)



Private Actors Description

As stated on the company's LinkedIn account, SEF International was founded by World Vision International in 1997 and since 2009 has been under VisionFund, a microfinance subsidiary of World Vision International. First licensed MFI in Armenia, SEF International is regulated by the Central Bank of Republic of Armenia (CBA) as of 2003.

Currently SEF occupies 3rd position in terms of asset size among non-bank financial organizations involved in micro finance, and 8th position, if banks are included.



Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)



Other Related Projects

- DFC-2022-SEFINTERNATION SEF International UCO LLC