DFC-2022-COMMERCIALBANK

Commercial Bank of Ceylon PLC

Quick Facts

Countries	Sri Lanka
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	Commercial Bank of Ceylon PLC
Sectors	Finance
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 125.00 million

Project Description

The proposed investment by DFC will support the expansion of the Borrower's on-lending to micro-, small- and medium-sized enterprises ("MSMEs") in Sri Lanka with a focus on 2Xeligible enterprises (the "Project").

In addition, the Borrower will dedicate a portion of funding to support loans to women-owned and women-led businesses.

ENVIRONMENT AND SOCIAL ASSESSMENT

DFC loans for the purpose of lending to micro, small, and medium enterprises 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.

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 Borrower 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 significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private security to protect physical assets and therefore applicable sections of IFC PS 4, Community, Health, Safety, and Security are triggered.

The Borrower has an Environmental and Social Policy ("ESP") and an Environmental and Social Management System ("ESMS") that includes environmental and social risk identification and mitigation procedures and grievance mechanisms commensurate with its investment strategy; however, the Borrower will be required to provide important updates in its ESMS, human resources policies, and security management and training to be in alignment with IFC Performance Standards.

Investment Description

- US International Development Finance Corporation (DFC)

Contact Information

No contact information 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]