Public Information Summary

Host Country	Georgia
Name of Guaranteed Party	JSC MFO Crystal
Project Description	Crystal, a Georgian Microfinance Institution founded in 2003, seeks an 8-year, $15 million, 50% ($3.75 million in DFC exposure), *pari passu* loan portfolio co-guaranty from DFC and the Swedish International Development Cooperation Agency (Sida). This guaranty is sponsored by USAID/Georgia to assist its MSME clients and the Georgian economy to recover from the economic impact of COVID-19 and to promote lending to underserved populations, such as rural communities and women.
Proposed DFC Guaranty	Total amount to be guaranteed by DFC will be $3,750,000 over 8 years.
All-Source Funding Total	$15,000,000
Policy Review	
U.S. Economic Impact	None
Developmental Objectives	The Project is expected to have a highly developmental impact in Georgia by partially guaranteeing credit issued to micro, small, and medium enterprises (MSMEs) with targets for the portion of women owned/led and rural MSMEs included. With the MSME credit gap worth 18 percent of GDP in Georgia, these firms face limited access to finance despite driving approximately 60 percent of both national employment and GDP. While women owned/led MSMEs account for 30 percent of Georgian MSMEs, they account for over 40 percent of the total MSME finance gap. Ninety-one percent of women owned/led MSMEs are financially constrained.
Environment and Social Assessment	The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC loan portfolio guaranties for the expansion 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. Therefore, all of those downstream investments have been pre-screened as Category C 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 loan portfolio guaranty 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 the support of investing into micro-, small- and medium-sized enterprises (“MSMEs”) in the manufacturing, trade, tourism, and agriculture sectors within Georgia, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party has an environmental and social management policy (“ESP”), and various policies and procedures comprised of financial risk screening, grievance mechanisms, and human resources policies commensurate with its investment strategy. The Guaranteed Party will be required to strengthen its Environmental and Social Risk Policy, prior to receipt of DFC support.