

Public Information Summary

Host Country(ies)	Indonesia
Name(s) of Borrower(s)/Guaranteed Party(ies)	Edu Growth Capital Management Pte. Ltd., a special-purpose vehicle to be established under the laws of Singapore (the “Pintek Vehicle”).
Project Description	A \$16.0MM partial credit guaranty facility with special purpose vehicle setup by Socap Holding that utilize an online peer to peer (P2P) platform to lend to borrowers, which include students and education centers. The guaranty will help the institutions raise funds from commercial lenders to increase access to finance for students and education centers through digital platforms. Additionally, given the reduced operations by banks in light of the COVID19 pandemic, online platforms are alternative lenders that can ensure students can continue to attend trade schools and universities.
Proposed DFC Loan/Guaranty	\$8.0MM to be guaranteed by DFC over 7 years
All-Source Funding Total	\$16.0MM
Policy Review	
U.S. Economic Impact	None
Developmental Objectives	This Project is expected to have a highly developmental impact in Indonesia with support for educational loans on the supply and demand side. While Indonesia recently graduated from World Bank lower-middle-income to upper-middle-income status, its education financing sector remains largely underdeveloped, especially for low- and lower-middle-income families and individuals. Improving the educational outcomes represents a massive challenge in Indonesia, the fourth most populous in the world, with over 55 million students, three million teachers, and 236,000 schools. When seeking to access capital to expand education opportunities, only 21.8 percent of adults have used financial services to procure loans, and only 1.6 percent of adults have been able to access loans without providing collateral. The government of Indonesia sees increasing financial inclusion as a high priority item, including in the education finance space. This transaction will lead to the provision of products to further this inclusive goal in the developmentally essential sector of education. This transaction will provide a means by which more

	<p>students can access education, and more educational institutions can grow their offerings for all Indonesians.</p>
Environment and Social Assessment	<p>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 student 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 is not required for these investments.</p> <p>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.</p> <p>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 expansion student lending in Indonesia, 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.</p> <p>The Guaranteed Party lacks the required Environmental and Social Risk Policy. The Guaranteed Party has basic grievance mechanisms and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its environmental and social risk management policies in order to meet the DFC's 2020 Environmental Policy and Procedures.</p>