Public Information Summary

Host Country(ies)	South Africa
Name(s) of Borrower(s)/Guaranteed Party(ies)	UsPlus Limited
Project Description	A direct loan to expand UsPlus' flexible working capital lending to small- and medium-sized enterprises ("SMEs") throughout South Africa via factoring and purchase order financing (the "Project").
Proposed DFC Loan/Guaranty	$8 million direct loan
All-Source Funding Total	$8,800,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in South Africa by expanding access to alternative financing for SMEs. SMEs account for approximately 50% to 60% of South Africa's workforce and around 34% of its GDP, yet they face a formal financing gap of $30.3 billion. Through the purchase of receivables, called "factoring" or "invoice discounting", the Project Company will inject liquidity into South African SMEs, with an emphasis on women-owned/led and Black-owned/led SMEs. UsPlus' factoring model is distinct in that it pays almost the full face value of a client's accounts receivable rather than 70-80% of the face value, which is the model that characterizes most of the South African factoring market.
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 direct loans to financial intermediaries for SME financing 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 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 Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan 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 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 because the Project will use DFC support to make loans to SME's in South Africa, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time The Borrower has an environmental and social policy, but it is not fully aligned with principles described in IFC PS 1. Further, the Borrower's grievance mechanisms and human resources policies are not fully aligned with requirements found within IFC PS 2. Therefore, the Borrower will be required to provide the DFC an environmental and social policy, grievance mechanisms, and human resources policies aligned with the applicable IFC Performance Standards to meet the DFC's 2020 Environmental Policy and Procedures.