

Public Information Summary

Host Country	Georgia
Name of Guaranteed Party	JSC TBC Bank
Project Description	In collaboration with USAID/Georgia, an eight-year \$15 million (\$30 million in total project size) loan portfolio guaranty with JSC TBC Bank to catalyze lending to micro, small and medium enterprises with a focus on 2X eligible borrowers, rural borrowers, and start-ups.
Proposed DFC Guaranty	An 8-year, \$15,000,000 loan portfolio guaranty
All-Source Funding Total	\$30,000,000
Policy Review	
Developmental Objectives	This project is expected to have highly developmental impact in Georgia through the provision of loans to MSMEs, helping to address Georgia's \$2.1 billion MSME financing gap. At least 30% of proceeds will be lent to women owned and led MSMEs, and at least 30% to less developed areas of Georgia. Borrowers under the project will also be supported by technical assistance from USAID Georgia.
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 lending to micro, small, and medium enterprises ("MSMEs") 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.</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 of lending to MSMEs in Georgia, significant adverse impacts concerning community health and safety, biodiversity, land</p>

	<p>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 Guaranteed Party does use private security and therefore, relevant aspects of IFC PS 4 Community Health, Safety, and Security are triggered at this time.</p> <p>The Guaranteed Party has an environmental and social management system (“ESMS”) that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy. However, the Guaranteed Party will be required to provide the DFC evidence that its security guards receive training related to human rights and use of force as described in IFC PS 4 and that its external grievance mechanism is functional to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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