

Public Information Summary

Host Countries	Cambodia, Indonesia, India, Philippines, Sri Lanka, and Vietnam.
Name of Borrower	Indo-Pacific Liquidity Facility Pte. Ltd.
Project Description	\$10 million DFC loan to complement a \$20 million bond issuance (to attract private sector investors) to provide liquidity to micro, small, and medium enterprises (MSMEs) through lending to financial intermediaries in South and Southeast Asia. 30% of the MSMEs will be 2X qualifying borrowers.
Proposed DFC Loan	\$10 million loan.
All-Source Funding Total	\$30 million.
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in India, Vietnam, Cambodia, Indonesia, and the Philippines by providing loans to micro, medium, and small enterprises (MSMEs) as well as to low-income individuals. MSMEs – and in particular women-owned and -led MSMEs -- in these countries face financing constraints due to a lack of collateral availability and formal credit history, leading to significant financing gaps across South and Southeast Asia. Large proportions of the low-income population in these countries also remain unbanked. DFC’s \$10 million investment with GreenArc will introduce \$30 million much-needed liquidity into the market for financial institutions and fintechs serving MSMEs and low-income individuals, with 30% of the loan proceeds going to women or women-owned or -led MSMEs.
Environment and Social Assessment	The Project has been reviewed against 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 MSME 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 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 DFC’s statutory and policy requirements, 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.

	<p>Under 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 MSME’s in Asia, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Borrower lacks an environmental and social policy as described in IFC PS 1. It does have grievance mechanisms and human resources policies commensurate with its investment strategy. However, the Borrower will be required to provide DFC an environmental and social policy aligned with IFC PS 1 to meet DFC’s 2020 Environmental Policy and Procedures.</p>
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