Public Information Summary

Host Country(ies)	Africa Regional
Name of Guaranteed Party / Fund	Fonds Européen de Financement Solidaire II (FEFISOL II) S.A., SICAV-RAIF
Project Description	DFC will provide an unfunded loan portfolio guaranty to FEFISOL II, which will support microfinance institutions and agriculture small- and medium-sized enterprises primarily across low-income and lower-middle income countries in Africa.
Proposed DFC Loan/Guaranty	10-year, $19,250,000 loan portfolio guaranty
All-Source Funding Total	$38,500,000
Policy Review	
Developmental Objectives	The Fund is expected to have a positive development impact in Africa by providing much needed capital to microfinance institutions (MFIs) and agriculture enterprises. More specifically, the Fund seeks to invest in MFIs and agriculture enterprises in financially underserved areas in North and Sub-Saharan Africa, increasing access to finance for women borrowers, rural borrowers, and small and medium enterprises (SMEs). The Fund will support the implementation of socially and environmentally sustainable practices across its portfolio and provide tailored technical assistance on a range of topics, including sustainable agriculture practices and marketing for agriculture SMEs, and credit risk and social performance management for MFIs.
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. Loan portfolio guarantees (LPG) to investment funds for MFI and SME on-lending are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those investments have been pre-screened as low risk and further review and consent is not required for these investments. To ensure that the Fund'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 Management System ("ESMS") that meets the 2012 IFC Performance Standards.

	Under the DFC's ESPP, the Fund 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 MFI and agriculture SME on-lending in 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, 4, 5, 6, 7, and 8 are not triggered at this time. The Fund has an environmental and social policy that is partially aligned with IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Fund will be required to update its environmental and social policy to include a methodology for GHG tracking and reporting, identification of the position responsible for E&S Management and update its Human Resources Policies regarding non-discrimination to meet the DFC's 2020 Environmental Policy and Procedures.