Board of Directors Notational Vote
Friday, May 10, 2024

Information summaries for the below listed projects can be found on dfc.gov.

Meeting Agenda

I. PROJECT APPROVALS

a. Meridiam Eurasia 2 – Türkiye
b. Middle East Investment Initiative - West Bank within the Palestinian Territories
c. Helios CLEAR Fund SCSp – African Regional
d. Trade and Development Bank of Mongolia JSC – Mongolia
e. Banco Daycoval S.A. – Brazil

Host Country	Türkiye
Name of Insured Party	Meridiam Eurasia 2
Foreign Enterprise	Nakkaş Otoyol Yatirim ve İşletme A.Ş.
Private Insurer Participation	Private Reinsurers
Project Description	The development of a 31 kilometer greenfield motorway project, connecting the Nakkaş district to the Başakşehir district in Istanbul, Türkiye.
Investment Amount	Up to €166,000,000
Investment Type	Equity
Proposed Insurance Amount	Up to $350 million
All Source Funding	Up to €1,332,000,000
Policy Review	
Developmental Objectives	Türkiye has experienced rapid economic growth in recent decades, leading to a heightened demand for road transportation to support increased commercial activities and integration with global trade networks. While the increased mobility of goods and services has fueled economic development, the heightened road congestion has significantly hampered the ease of transportation for both passengers and commercial activities. Furthermore, Türkiye grapples with infrastructure resilience challenges, as evidenced by the slow and inadequate relief response to the devastation of the 2023 earthquake. In response to these challenges, the Project is expected to have a positive development impact in Türkiye by enhancing transportation infrastructure, thereby reducing transit times, stimulating economic activity, and fortifying Türkiye's road network resilience. More specifically, the construction of the motorway will alleviate road congestion, enhance the reliability of road transportation, and facilitate more efficient travel along trade routes. This improvement in resilience extends to better preparedness for natural disasters, a need illuminated by the devastation brought on by the 2023 earthquake. Furthermore, the road will connect lower-income districts to the capital, improving residents' access to employment opportunities, hospitals, and other critical services. Given the Project's characteristics, it is categorized as Impactful per DFC's Impact Quotient (IQ).
Environment and Social Assessment	**SCREENING:** The Project has been reviewed against DFC's 2020 Environmental and Social Policy Procedures (ESPP) and determined to be categorically eligible. Projects involving the construction of motorways or express roads or the construction of new roads with four

or more lanes where such new road, would be 10 km or more in continuous length are screened as Category A projects under DFC's environmental and social guidelines because they have significant adverse environmental and/or social impacts that are irreversible, sensitive, diverse, or unprecedented in the absence of adequate mitigation measures.

APPLICABLE STANDARDS: Under DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC's environmental due diligence indicates that the investment will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts
- PS 2: Labor and Working Conditions
- PS 3: Resource Efficiency and Pollution Prevention
- PS 4: Community Health, Safety, and Security
- PS 5: Land Acquisition and Involuntary Resettlement
- PS 6: Biodiversity
- PS 8: Cultural Heritage

In addition to the above standards, the Project will also be required to meet applicable provisions of the IFC's Environmental, Health, and Safety (EHS) General Guidelines (2007), IFC EHS Guidelines for Toll Roads (April 30, 2007); and IFC EHS Guidelines for Construction Materials Extraction (April 30, 2007). Under DFC's ESPP, the Project is required to comply with applicable national laws and regulations related to environmental and social performance.

Environmental and Social Risks and Mitigation Measures:
The primary environmental and social risks identified for the Project are those associated with: expropriation of land and the associated displacement; gender-based violence and harassment (GBVH) in the communities hosting the worker camps during the construction phase; identified and potential impact to cultural heritage sites located along the Project corridor; noise and vibration; occupational health and safety of workers; soil erosion management; impacts to biodiversity (flora and fauna); impacts to community health and safety; and the need for an overall environmental and social management system.

An internationally compliant Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plans were developed for the Project. The existing management plans and systems including the Resettlement Action Plan, Gender Action Plan,

	Cultural Heritage Management Plan and Local Recruitment Plan must be updated and evidence of their appropriate implementation, including training must be provided. DFC will also require the client to supervise and monitor the appropriate implementation of all management plans and systems including OHS, Human Resources, and CSR plans by the EPC and all other contractors and their workers. DFC will require bi-annual E&S reports, as well as quarterly construction reports, and quarterly RAP reports containing data on both physical and economic displacement. DFC will require evidence that all Corrective Measures for Past Land Acquisition and Valuation Methodology Assessment identified during due diligence are closed prior to financial close, and appropriately implemented for the lifetime of the Project. Construction of roads requires appropriate spoils management and mitigation measures for soil erosion. The Project will be required to develop a spoils management and soil erosion control plan as part of its Environmental and Social Management Plans. Impacts to air quality associated with the construction and operational phases have been assessed using dispersion modelling and software, which indicate that impacts are not expected to be significant. DFC will require that the Project develop and implement an Air Quality Monitoring and Mitigation Plan for the operational phase based on passive monitoring techniques (e.g. diffusion tubes), including dust emissions and focusing on areas of potential exposure alongside the route. The Plan will identify mitigation measures to reduce impacts if there is a risk of exceeding air quality standards. During construction, noise and vibration impacts have the potential to be significant in certain locations but will be managed in line with the national and international standards using good practice mitigation measures such as noise barriers and restriction of working times. During operations, noise and vibration impacts are able to be mitigated in accordance with IFC and Turkish standards through installation of noise barriers and through specific track design measures; however, where noise and vibration impacts are not able to be mitigated to meet IFC thresholds and are predicted to be significant, households will be offered the opportunity to relocate at the cost of the Project. The Project crosses through two internationally recognised areas; i) Kucukcekmece Basin - International Bird Area (IBA) and Key Biodiversity Area (KBA) and ii) West Istanbul Grasslands Important Plant Area (IPA). The ESIA concluded that both of these areas are heavily degraded, and it is considered that they no longer support biodiversity which qualifies as critical habitat (CH). Therefore, any potential impacts during construction would not result in the loss of

	viability or function of the qualifying habitat of the IBA/KBA once the mitigation hierarchy is applied. However, there could be impacts on biodiversity and habitat from the operational phase of the Project; therefore, a Biodiversity Action Plan (BAP) has been developed for the Project and DFC will be require that implementation of the BAP be reported to DFC as part of the annual E&S reporting requirement. A specific risk assessment was conducted with respect to collision of birds with the cable stayed bridge. Based on the assessment, it was concluded that there will still be sufficient room for birds to fly around, over or under the bridge structure and the bridge length will be sufficient to provide for effective bird movement beneath the structure over a relatively broad area. The assessment also included mitigation measures to be undertaken during the design of the bridge which DFC will require the Project to implement. The Project's ESIA was posted on DFC's website on February 13, 2024, through April 15, 2024.

Host Country	West Bank within the Palestinian Territories
Name of Guaranteed Party	Middle East Investment Initiative ("MEII")
Project Description	The project involves the provision of loan guaranty and financial lease guaranty facility for micro-, small-, and medium-sized enterprises ("MSMEs") operating in and households located in the West Bank within the Palestinian Territories.
Proposed DFC Guaranty	$150 million (12-year total facility tenor, 8-year downstream loan origination period)
All-Source Funding Total	$206.2 million
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in the West Bank by increasing access to finance for MSMEs, which represent nearly all enterprise types in the region and employ the overwhelming majority of the labor force. By partnering with local lenders and lessors to de-risk financing MSMEs, the Project will not only increase access to finance in the short term but will increase local financial institutions' confidence in future lending to this enterprise segment. If approved, DFC technical assistance ("TA"), operating in coordination with MEII's existing TA program, would support both the partner financial institutions ("FIs") and MSMEs. The Project is particularly expected to benefit women-owned enterprises through the adoption of strong gender targets, partnership with new FIs targeting women borrowers, and business development support to women micro-entrepreneurs. Additionally, the Project will expand eligibility for coverage to home improvement loans for the first time, expected to represent 15% of the guaranty cover. The Project qualifies for 2X certification under the leadership, employment, and investment through financial intermediaries criteria. Given the Project characteristics, the Project is categorized as Highly Impactful per DFC's Impact Quotient.
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 loan portfolio guarantees for financial intermediaries to expand their MSME portfolio 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 downstream investments have been pre-screened

	as low risk and further review and consent is not required for these investments. To ensure that the Facility Manager'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 Facility Manager 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 MSME lending, home improvement lending, and leasing in the West Bank, 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 Facility Manager has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy but will require updating and strengthening to meet the expectations listed in the DFC's 2020 Environmental Policy and Procedures and IFC PS 1.

Host Countries	Pan-African, with focus on Egypt (LMIC), Ghana (LMIC), Kenya (LMIC), Morocco (LMIC), Nigeria (LMIC), and South Africa (UMIC).
Name of Fund	Helios CLEAR Fund SCSp (the “Fund”)
Name of Fund Manager	Helios Investment Partners LLP (the “Fund Manager”)
Project Description	The Fund will invest in climate-focused growth businesses, seeking to scale and accelerate green growth in Africa, protect livelihoods from the effects of climate change and support Africa’s contribution to global net zero goals.
Proposed DFC Loan/Guaranty/Equity Investment	DFC’s equity investment will be the lesser of 20% of committed capital or $40 million.
Target Fund Size	$400 million
Policy Review	
Developmental Objectives	Climate change represents a major challenge to the current and future well-being of Africa. Although the continent accounts for less than 3% of global carbon dioxide emissions, Africa disproportionately suffers from the negative effects brought on by climate change. It also requires an estimated $2.8 trillion through 2030 to implement its commitments to contribute to limiting global warming to 1.5°C. Investments are needed across energy, agriculture, forestry, and land use to meet this goal. In response to these challenges, the Fund seeks to have a positive development impact in Africa by providing much-needed capital to businesses whose products and services seek to avoid and reduce carbon emissions, enable economic development to decouple from carbon emissions, and help local populations adapt to climate change. Predominantly focused on lower-middle-income countries, the Fund will seek investment opportunities across renewable energy, food and agriculture, green transit and logistics, resource efficiency, and climate enablers. The Fund Manager will build on its deep expertise in Africa to make control investments in growth-oriented companies. Given the Fund’s characteristics, it is categorized as Highly Impactful per DFC’s Impact Quotient (“IQ”).
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 equity investments into Investment Funds who will support investments into SMEs are screened as a Financial Intermediary B (FI-B) 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 B or lower risk and further review and consent is not required for these investments. To ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the DFC equity investment 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 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 continued equity investments into portfolio companies primarily in technology, agriculture, manufacturing energy and infrastructure, sectors 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 and management system as described in IFC PS 1, grievance mechanisms, and human resources policies generally commensurate with its investment strategy. However, the Fund will be required to update their portfolio monitoring policy to include a process to monitor Category C investments on a regular basis and develop and maintain a process to screen for and mitigate risks, such as forced labor, in their higher risk supply chains.

Host Country	Mongolia
Name of Borrower	Trade and Development Bank of Mongolia JSC
Project Description	Direct Loan of up to $120 million (the "**Loan**") to the Borrower to finance the expansion of the Borrower's on-lending program to Micro, Small and Medium-Sized Enterprises ("**MSMEs**") with at least 30% of Loan proceeds on lent to Qualified Climate Finance Customers[1] in Mongolia (the "**Project**").
Proposed DFC Loan	$120,000,000
All-Source Funding Total	$150,000,000
Policy Review	
Developmental Objectives	Accounting for an estimated 50% of Mongolia's employment and 90% of all registered businesses, the country's MSME segment is an important contributor to its economic growth. Notwithstanding their role in the economy, there is a significant financing gap for MSMEs of approximately $1.3 billion. Women-owned/led MSMEs are disproportionately affected by this dearth of capital as they account for approximately 30% of all MSMEs in the country but represent 62% of the financing gap. Additionally, economic growth in Mongolia is hindered by extreme climate conditions, which have been exacerbated by heavy air pollution. The IFC has estimated that Mongolia's annual green investment need is nearly $700 million to transition to a more sustainable economy. In response to these challenges, the Project will have a positive development impact in Mongolia by increasing access to finance for the country's growing MSME segment, including enterprises that are women-owned/led and/or seek to make investments in distributed renewable energy installations, energy efficiency improvements, and sustainable agriculture practices. Given the Project characteristics, the Project is categorized as Highly Impactful per DFC's Impact Quotient ("IQ").
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 investments into financial institutions who will subsequently invest into MSMEs are classified as 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 downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.

[1] Qualified Climate Finance Customers are borrowers of DFC-supported financial institutions who receive financing for end uses compatible with DFC On-lending Eligibility Guidelines for Qualified Climate Finance Customers.

	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 for a financial institution to make subsequent debt investments in MSMEs in Mongolia, 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 Borrower has an Environmental and Social Management system generally commensurate with the risks associated with its investment strategy but will require some strengthening of its processes as a condition of DFC support. This will include strengthening and updating its ESMS to include the use of third-party experts when in-house expertise is insufficient, client protection standards for financial service providers, and examination of supply chain risks within its borrowers' supply chains.

Host Country	Federative Republic of Brazil
Name of Borrower	Banco Daycoval S.A.
Project Description	The creation of a $500 million portfolio of loans (the "**Project**") to small and medium-sized enterprises ("**SMEs**"), of which $400 million will be provided by DFC through a Direct Loan ("**the Loan**") and $100 million will be provided by the Borrower. The proceeds of the Loan will be used for the financing of Eligible Loans by the Borrower to Qualified SME Customers in Brazil (the "Project") with at least 30% of the Loan proceeds to be used to provide loans to 2X Eligible SMEs ("2X Loans") and at least 25% of the Loan proceeds to be used to provide loans to SMEs located in the Project Zone ("**Project Zone Loans**").
Proposed DFC Loan/Guaranty	$400,000,000
All-Source Funding Total	$500,000,000
Policy Review	
Developmental Objectives	SMEs account for approximately 98.5% of Brazil's enterprises, 54% of employment and 27% of GDP, yet they face a finance gap of over $437 billion. Within this total, women-owned and -led enterprises face a finance gap of up to $15.7 billion. Brazilian SMEs face a variety of challenges in accessing finance, including high interest rates, a lack of collateral, and limited training, capacity building and networking opportunities. Further, Brazil is challenged by inequality, with a Gini coefficient of 0.53 and distinct regional gaps in economic growth between the northern and southern parts of the country. In response to these challenges, the Project is expected to have a positive development impact in Brazil by expanding lending to Small and Medium Sized Enterprises (SMEs) with an emphasis on women-owned and led enterprises. The DFC Project will expand access to SME finance across Brazil, with at least 30% of the proceeds expected to support 2X eligible enterprises and 25% allocated to economically disadvantaged states in the Project Zone. DFC plans to qualify the Project as 2X based on the Borrower's undertaking to meet and/or exceed the 2X criteria for women's representation in employment and the percentage of women-owned and -led enterprises in the DFC Project. Given the Project characteristics, the Project is categorized as Impactful per DFC's Impact Quotient ("IQ").
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 loans to financial institutions for the expansion of lending to small- and medium-enterprises ("SME") in various sectors 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 downstream investments have been pre-screened as low risk and further review and consent is not required for these investments. To ensure that the Borrower's on-lending is 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-based due diligence assessment indicates that because the Project will provide DFC support to a financial institution for the purposes of expanding its on-lending portfolio to various SME's in Brazil, 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 does utilize private armed security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered. The Borrower does have an environmental and social policy partially aligned to IFC PS 1, and grievance mechanisms and human resources policies generally commensurate with its investment strategy. However, the Borrower will be required to provide an updated Environmental and Social Policy and including revisions for additional screening and monitoring procedures, responsible managers, and GHG considerations, to be fully aligned with the DFC's 2020 Environmental Policy and Procedures.