

Public Information Summary

Host Countries	Global
Name of Borrower	MISIF LLC, a Delaware limited liability company
Project Description	The Project is the capitalization and operation of MISIF LLC, an investment vehicle organized to finance subprojects administered by institutions affiliated with the Roman Catholic Church. The proceeds of the Loan will be used to finance agribusinesses and revenue-generating healthcare and education enterprises operated by Catholic social service organizations and to make loans to local financial institutions affiliated with the Church for on-lending to microenterprises and SMEs in impoverished communities.
Proposed DFC Loan	Up to \$20 million for up to 10 years from the date of first disbursement
All-Source Funding Total	\$32.35 million
Policy Review	
Developmental Objectives	This transaction is expected to have a highly developmental impact through increased financing and technical assistance to SMEs engaged primarily in the agricultural sector in Sub-Saharan Africa, Asia, and Latin America. SMEs play a crucial role in growth for economies in these regions, as they comprise the majority of firms and contribute significantly to GDP. However, SME growth is often hindered due to lack of financing. The IFC SME Finance Forum estimates that the current SME Finance Gap stands at \$226 billion in Sub-Saharan Africa, \$1 trillion in Latin America and \$336 billion in Asia. SME growth in the agricultural sector is crucial for reducing poverty and improving food security. According to the World Bank, an increase in agricultural productivity has nearly twice the impact on reducing extreme poverty as a comparable productivity increase in other sectors. This project will aim to increase lending to undercapitalized agribusiness, which serve as a catalyst of economic growth and increased agricultural productivity for low-income populations.
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures (“ESPP”) and has been determined to be categorically eligible. Loans to financial intermediaries for microfinance 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 are not required for these investments.</p> <p>To ensure that the Facility’s investments in microfinance lending are consistent with the DFC’s statutory and policy requirements, the DFC loan made to the Facility will be subject to conditions regarding the use</p>

	<p>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 Facility 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.</p> <p>The Facility has developed and implemented various policies and procedures that assist it to identify and assess environmental, social, and labor risks associated with its investment strategies. The Facility has a process to review applications for financial and basic environmental and social risks as it relates to its investment strategy, a restricted activity list, human resources policies and procedures, and is in the process of updating and improving its policies and procedures to align with the DFC’s ESPP and the relevant IFC Performance Standards.</p>
Grants Assessment	NA