

Public Information Summary

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| Host Country(ies) | Senegal |
| Name(s) of Borrower(s)/Guaranteed Party(ies) | <i>Union des Caisses du Crédit Mutuel du Sénégal (UCCMS)</i> |
| Project Description | A partial credit loan portfolio guaranty with UCCMS, a savings and credit cooperative, to promote lending to Senegalese micro, small, and medium enterprises (MSMEs) working in agriculture and WASH and aligned with USAID/Senegal’s development objectives. |
| Proposed DFC Loan/Guaranty | \$10,000,000 |
| All-Source Funding Total | \$20,000,000 |
| Policy Review | |
| Developmental Objectives | The Project is expected to have a highly developmental impact in Senegal through guaranteeing new loans to MSMEs and individuals, including to women and rural clients, and with a focus on activities related to agriculture as well as water, sanitation, and hygiene. Senegal’s MSME finance gap is \$915 million, or 185 percent of the estimated value of credit outstanding, according to the IFC. In Senegal, 60 percent of women -owned/-led MSMEs report being financially constrained, and only seven percent of residents reported taking any loan from a financial institution as of 2017. |
| 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 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 of 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</p> |

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| | <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 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 micro, small, and medium enterprises (MSMEs) in Senegal in the sectors of agriculture/agribusiness and water, hygiene, and sanitation, significant adverse impacts concerning community health and safety, biodiversity, land 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 utilize private security to protect physical assets and therefore applicable sections of IFC PS 4, Community, Health, Safety, and Security are triggered.</p> <p>The Guaranteed Party is in the process of developing a basic environmental and social management system (“ESMS”) that will include grievance mechanisms, environmental and social risk identification and mitigation procedures, and has human resources policies commensurate with its investment strategy; however, the Guaranteed Party will be required to strengthen its environmental and social risk management policies in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p> |
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