

Public Information Summary

Host Country	Papua New Guinea (PNG)
Name of Guaranteed Party	Nationwide Microbank Limited (“MiBank”)
Project Description	A 50% partial credit guaranty facility to MiBank, a microfinance bank in PNG, to promote financial inclusion for women-owned and women-led micro, small, and medium enterprises (MSMEs).
Proposed DFC Guaranty	\$2,500,000
All-Source Funding Total	\$5,000,000
Policy Review¹	
Developmental Objectives	The project is expected to have a highly developmental impact in PNG through the provision of financial services to microenterprises with an emphasis on lending to women. PNG’s informal economy is valued at one-fifth of its GDP and employs over 80 percent of adults, and women are overrepresented in the informal sector. A World Bank survey on the impacts of COVID-19 in PNG revealed that approximately 25 percent of women working at the pre-crisis baseline were no longer working, and women disproportionately stopped business operations compared to men. The project is expected to benefit approximately 2,000 microenterprise clients through loans and financial education, half of whom will be women.
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 banks to support their expansion of lending MSMEs 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.</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 of proceeds. The primary environmental and social issues identified in this</p>

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 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 to loans to MSMEs across PNG, 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 privately contracted security and as such, relevant aspects of PS 4, Community Health, Safety, and Security are triggered.

The Guaranteed Party will be required to submit to DFC an environmental and social management policy (“ESP”), comprised of environmental and social risk identification and mitigation procedures, and adequate human resources policies. The policy will need to be reviewed and accepted by DFC prior to support from DFC, and such policies are expected to be implemented by the Guaranteed Party.