

Public Information Summary

Host Country	Moldova
Names of Guaranteed Parties	OCN Prime Capital SRL (Moldova)
Project Description	Multi-borrower unfunded guaranty to expand access to credit to Moldovan MSMEs and as an economic response to the COVID-19 pandemic.
Proposed DFC Guaranty	\$3,000,000 guaranty, tenor of eight years
All-Source Funding Total	\$5,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in Moldova by partially guaranteeing credit issued to micro, small, and medium enterprises (MSMEs) primarily within USAID priority sectors including agriculture, light industry, information technology, and tourism. With the MSME credit gap worth 14 percent of GDP in the country, these firms face limited access to finance despite driving approximately 60 percent of business sector employment and 71 percent of value added in the economy. Domestic credit to the private sector remains low in Moldova, at 25 percent of GDP as of 2019, which was down from 36 percent in 2013 and reflected bank stress in the intervening years that has relaxed.
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 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 prescreened as Category C and further review and consent is not required for these investments. 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 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

	<p>because the Project will use DFC support for the expansion of lending to MSME's in Moldova in the sectors of agriculture, tourism, manufacturing, and transportation, 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 hire private security and therefore, PF 4 requirements are triggered at this time. The Guaranteed Party has a basic environmental and social management system ("ESMS") that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its environmental and social risk management policies in order to meet the DFC's 2020 Environmental Policy and Procedures.</p>

