

## Public Information Summary

<b>Host Country</b>	Nigeria
<b>Name of Guaranteed Party</b>	AB Microfinance Bank Nigeria Limited
<b>Project Description</b>	Loan portfolio guaranty to support lending to 2X-eligible SMEs in Nigeria, sponsored by USAID/African Union in support of AUDA/NEPAD's 100,000 SME Initiative.
<b>Proposed DFC Guaranty</b>	USD 250,000
<b>All-Source Funding Total</b>	USD 10 million
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>The Project is expected to have a highly developmental impact on Nigeria's economy through the provision of guaranty coverage to support lending to MSMEs. Nigerian MSMEs currently account for 50% of the country's GDP and 80% of total employment. The COVID-19 pandemic has exacerbated existing challenges MSMEs face through supply chain disruptions and limited access to financing. In a PWC survey, 22% of Nigerian MSME respondents reported that obtaining finance was their most pressing challenge. In total, the SME Finance forum estimated that Nigerian MSMEs face a financing gap of \$158.1 billion. In addition, over half of the country's women-owned or -led MSMEs are considered either fully or partially financially constrained. The DFC-supported Project is expected to entirely target women-owned and -led enterprises, with expectations of supporting up to 8,310 Nigerian MSMEs.</p>
<b>Environment and Social Assessment</b>	<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 to microfinance institutions for the expansion of lending to micro, small, and medium enterprises ("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>

	<p>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 MSMEs in Nigeria, 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 use privately contracted security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>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 be required to strengthen in its non-discrimination and equal opportunity policy and provide evidence of adequate training for its contracted private security to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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