

Public Information Summary
Global Access Fund IV LP

Host Countries	Global
Name of Borrower	Global Access Fund IV LP
Project Description	The DFC loan proceeds will be used to make downstream loans to microfinance institutions and other financial institutions and intermediaries to finance access to water and sanitation (the “Project”)
Proposed DFC Loan	\$100,000,000, 7-year tenor
All-Source Funding Total	Up to \$250,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact through the investment in water, sanitation, and hygiene (“WASH”) enterprises operating in primarily low- and lower-middle income countries. The Sustainable Development Goals call for universal coverage of basic water service by 2030, yet globally over 700 million people lack access to basic drinking water, and 1.7 billion lack access to safely-managed sanitation. Furthermore, lack of access to WASH services disproportionately falls on women and girls, who are often charged with water collection for the household. DFC is expected to support on-lending to approximately 25 microfinance institutions, financial intermediaries, and related entities, that will provide water and sanitation loans to individuals and SMEs in nine countries.
Environment and Social Assessment	<p>WaterEquity (the “fund manager”) is requesting an up to \$100 million DFC loan to leverage a \$50 million equity investment to capitalize a replica of Global Access Fund LP , which DFC (then OPIC) supported in 2020. The new Fund will follow its predecessor’s investment strategy by targeting tier 1 or 2 microfinance institutions (“MFIs”) who seek to expand their downstream loans to micro- borrowers and small and medium enterprises (“SMEs”) for the purpose of water and sanitation related purchases such as the construction of various water and sanitation facilities, water tanks, wells, toilets, septic tanks, sewer connections, water filters, and bathrooms (the “Project”). The Fund is planning to seek 2X certification.</p> <p>The Project has been reviewed against DFC’s 2020 Environmental and Social Policy Procedures (“ESPP”) and has been determined to be categorically eligible. Debt investments into funds are screened as a Category D activity for the purposes of environmental and social</p>

assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose limited environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices.

Consistent with DFC's policy assessment of financial intermediary transactions ("FI Policy," dated April 2020), the Fund is eligible for delegated responsibility for the application of DFC's policies related to environmental and social impact assessment, risk management and monitoring. To ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds. The primary environmental and social issues identified in this transaction relate to the need for a strong Environmental and Social Management System that meets the IFC Performance Standards to ensure that downstream investments are developed in accordance with DFC's ESPP. DFC will monitor the effectiveness of the Fund's application of DFC policies throughout the Project's life cycle.

Under DFC's ESPP, the Fund 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. DFC's ESPP requires fund managers to maintain an ESMS that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector-specific EHS Guidelines. A virtual¹ due diligence assessment indicates that because the Project involves a direct loan to an investment fund that will support microfinance institutions, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.

The Fund provided its Environmental, Social, and Governance Policy ("ESG policy") that functions as its Environmental and Social Management System ("ESMS"). The ESG policy was updated in 2022 since the last DFC investment and generally addresses the environmental and social risks associated with investments into MFI's that specialize in providing financing for water and sanitation to households living in poverty. However, the Fund will be required to provide some updates to its ESG policy to align with the expectations listed in the ESPP prior to receipt of support.

¹ Due to the coronavirus pandemic, in-person interviews and site visits were not possible for this Project.