

Public Information Summary

Host Country(ies)	Jordan, Egypt
Name(s) of Borrower(s)/Guaranteed Party(ies)	liwwa, Inc. (USA)
Project Description	The Project will provide capital for on-lending to SMEs in Jordan and Egypt allowing SMEs with limited collateral or assets to access short-term working capital and term loans which will allow SMEs to support and grow their businesses, create jobs, and generate economic impact.
Proposed DFC Guaranty	\$5,000,000
All-Source Funding Total	\$10,500,000
Policy Review	
Developmental Objectives	The Project is expected to have positive development impact in Jordan and Egypt by expanding lending to small and medium enterprises (SMEs). In Jordan, the SME finance gap is estimated to be \$214 million, whereas in Egypt, this gap is estimated to be \$39 billion. In both Egypt and Jordan, complex application procedures and strict collateral requirements limit SME access to financing. The Project Company leverages cash-flow-based and technology-enabled underwriting, which allows SMEs to access working capital and term loans with no collateral requirements.
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 direct loans to financial intermediaries for SME lending 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 Borrower’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan 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.</p>

	<p>Under the DFC’s ESPP, the Borrower 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 make loans to SME’s in Jordan and Egypt, significant adverse impacts concerning 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.</p> <p>The Borrower has an environmental and social policy, but it is not fully aligned with principles described in IFC PS 1. Further, the Borrower’s human resources policies are not fully aligned with requirements found within IFC PS 2. Therefore, the Borrower will be required to provide the DFC an environmental and social policy and human resources policies aligned with the applicable IFC Performance Standards to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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