

## Public Information Summary

<b>Host Country</b>	Lao People's Democratic Republic
<b>Guaranteed Party</b>	Phongsavanh Bank (PSVB)
<b>Project Description</b>	A loan portfolio guaranty to support increased lending under the Village Fund program.
<b>Proposed DFC Guaranty</b>	\$4,000,000
<b>All-Source Funding Total</b>	\$5,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project will support up to \$5,000,000 in new loans disbursed to Village Funds in Laos PDR. PSVB administers the Village Fund Program which provides unsecured loans to “Village Funds”, small-scale financial services groups. The bank provides loan(s) to each Village Fund to execute projects against a business plan that help generate income and improve livelihoods in their village/community. The Village Fund program is a specialized program tailored to serve village populations that have been underserved by the financial sector and is the only program in Laos PDR that allows village populations to access finance from a commercial bank at reasonable rates.
<b>Environment and Social Assessment</b>	<p>The Project has been reviewed against the DFC’s 2024 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC loans to financial institutions who will utilize the loan to expand their small, and medium enterprise lending are screened as a Financial Intermediary C (FI-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 low risk and further review and consent is not required for these investments.</p> <p>To ensure that the Bank’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</p>

to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.

Under the DFC’s ESPP, the Bank 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 the expansion of the Bank’s SME lending in Laos, significant adverse impacts concerning biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Bank does utilize private security and as such, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered.

The Bank represents that it does not yet have a basic environmental and social policy, grievance mechanisms, and human resources policies that generally align with the expectations listed in the DFC’s 2024 Environmental Policy and Procedures and IFC PS 1 and 2. The Bank will be required to provide its Environmental and Social Policy regarding GHG emission tracking, child and forced labor risk assessments, human resources policies, and security guard training to align with DFC’s expectations as a condition prior to effectiveness of the DFC guaranty.