

Information Summary for the Public

Host Countries:	OPIC-eligible countries in Latin America and the Caribbean
Name of Borrower:	Deetken Impact Investments L.P. (the “Fund”)
Sponsor:	Deetken Impact
Project Description:	The Fund will use the proceeds of the OPIC loan to fund debt investments to inclusive financial institutions and social enterprises, which will make downstream loans to primarily women borrowers in Latin America and the Caribbean.
Proposed OPIC Loans:	\$10 million loan, with tenor of five years
Term of Fund:	Nine years
Selection Process:	Deetken Impact Investments L.P. applied for an OPIC loan through OPIC’s Innovative Financial Intermediaries Program (“IFIP”), a program created to support financial intermediaries investing in OPIC-eligible countries through pooled investment vehicles containing elements typical of both of OPIC’s direct finance and investment funds programs. IFIP proposals are batched and reviewed quarterly with the assistance of an independent consultant. The Fund’s proposal was reviewed by the IFIP Screening Committee in July 2017 and by the IFIP Evaluation Committee in April, 2019.
Policy Review	
U.S. Economic Impact:	This Project is unlikely to negatively impact the U.S. economy. The Project is expected to have a neutral impact on U.S. employment, with no associated U.S. procurement. The Project is not expected to impact the U.S. balance of trade.
Developmental Effects:	This Project is expected to have a highly developmental impact in the Latin America and Caribbean region by supporting credit issued to small businesses and lower-income individuals that are primarily female. This demographic remains substantially credit constrained in the region according to World Bank and International Finance Corporation data. Women in the region are much more likely to lack access to emergency funds than men, while micro-, small-, medium-sized enterprises owned by women have a \$98 billion credit gap in the region. The

	<p>Fund will provide customized capital and technical assistance to mid-sized lending institutions in the region, including non-profit and microfinance institutions that make small downstream loans. The Fund’s technical assistance includes portfolio analysis and sector-specific training. In 2018, downstream borrowers at the Fund’s partner institutions had an average loan size of less than \$3,000 and were mostly female. Several partner institutions of the Fund provide healthcare services like medical consultations and screening tests. The Fund often finances its partner institutions with subordinated debt and preferred equity, which instruments provide more flexible support than senior debt. The Project aligns with U.N. Sustainable Development Goals for Good Health and Well-Being (3), Gender Equality (5), Decent Work and Economic Growth (8), and Reduced Inequalities (10).</p>
<p>Environment & Social:</p>	<p>The Project has been reviewed against OPIC’s 2017 Environmental and Social Policy Statement (“ESPS”) and has been determined to be categorically eligible. Loans for the purposes of SME lending and micro-finance are screened as a Category C for the purposes of 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 pre-screened as Category C and further review and consent are not required for these investments.</p> <p>To ensure that the Fund’s lending practices are consistent with OPIC’s statutory and policy requirements, the OPIC-guaranteed loans made to the Fund will be subject to conditions regarding the use of proceeds. The primary environmental and social issues associated with the Project include the need for an Environmental and Social Management System (ESMS) commensurate with the risks posed by the Fund’s lending activities with the applicable 2012 IFC Performance Standards.</p> <p>Under OPIC’s ESPS, 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. For Category C projects, applicable provisions are:</p>

- The requirement to maintain an Environmental and Social Assessment Management System. This includes the environmental and social principles that will be used to guide the Fund and its downstream investments to implement measures that will eliminate risks, ameliorate damage, and enhance positive effects. (PS 1, Paragraph 5).
- The requirement to establish a stakeholder grievance mechanism to receive and facilitate the resolution of concerns and grievances about the Project's environmental and social performance (PS 1, Paragraph 35).
- The requirement to treat its workers fairly; to clearly communicate terms and conditions of employment to its workers; to provide a worker grievance mechanism to receive and facilitate resolution of concerns and grievances by workers (PS 2 Paragraphs 10-20).
- The requirement to provide a healthy and safe work environment for employees (PS 2, Paragraph 23).

A desk-review based due diligence assessment indicates that because the Project involves financial services, micro-finance, and SME on-lending 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 has an ESMS that is specific for financial intermediaries and covers a short range of topics such as: providing a corporate E&S policy, risk identification, risk classification, organizational roles, and record keeping. The Fund also has other policies and procedures that help guide it to make sound social and sustainable environmental investment decisions.