

## Public Information Summary

### Industrial DPR Funding

<b>Host Country</b>	Republic of Guatemala.
<b>Name of Borrower</b>	Industrial DPR Funding Ltd.
<b>Project Description</b>	The proceeds of the loan will be used to expand Banco Industrial, S.A.'s portfolio of loans to borrowers in Guatemala that are women-led and owned businesses and/or that are small-and-medium enterprises.
<b>Proposed DFC Loan</b>	\$200 million for a term of 12 years.
<b>All-Source Funding Total</b>	\$250 million.
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>This Project is expected to have a highly developmental impact in Guatemala. The Bank will use the proceeds from a DPR securitization to issue loans to small, medium and growing businesses throughout Guatemala, with a particular focus on women owned or operated businesses. SMEs make up a large and important part of Guatemala's economy. In 2015, the Guatemala Ministry of Economy estimated that SME and micro-enterprises comprised 99 percent of all companies and produced 35 percent of total revenue generated by all companies, with larger companies contributing the balance. This significant middle of the economy remains unsupported by the finance sector, and as a result is unable to fully support further growth. According to the SME Finance Forum, SMEs and microenterprises in Guatemala face a \$14 billion financing gap, with women owned or operated SMEs and microenterprises facing a financing gap of over \$1.2 billion.</p> <p>Furthermore, there are significant development challenges within secondary and tertiary cities, and rural parts of the country, as indicated as Guatemala's global ranking as 19<sup>th</sup> most economically unequal, according to World Bank Gini coefficient analysis. The Project will help meet these gaps as it will focus lending towards SMEs, women owned or operated businesses, and rural enterprises.</p>
<b>Environment and Social Assessment</b>	Loans to financial institutions for the purposes of lending to small and medium enterprises are screened as Category C projects under DFC's environmental and social policies but are subject to conditions related to the use of proceeds. Excluded activities include lending to entities engaged in categorically prohibited activities or activities likely to have a significant adverse impact on the environment.

	<p>DFC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions.</p> <p>The financial institution has an environmental and social management system (ESMS) commensurate with the environmental and social risks of its downstream investments and it will be used to achieve sustainable environmental and social performance. Banco Industrial also has in place an appropriate labor management system, which includes human resources policies and employment contracts.</p> <p>Under the DFC's Environmental and Social Policies and Procedures, the Project 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 Standards 1 and 2.</p>
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