

## Annex B – Public Information Summary

<b>Host Country</b>	Honduras
<b>Name of Guaranteed Party</b>	Banco Lafise Honduras, S.A.
<b>Project Description</b>	An LPG to Lafise to on-lend to SMEs that support gender equity and inclusion and/or companies supporting the health care response to the COVID pandemic.
<b>Proposed DFC Loan/Guaranty</b>	\$3,5000,000 guaranty; 7-year tenor
<b>All-Source Funding Total</b>	\$7,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	<p>The Project is expected to have a highly developmental impact on Honduras’ economy through the provision of guaranty coverage for lending to SMEs. SMEs face a \$2 billion financing gap compared to \$1 billion for microenterprises, and together, Honduran MSMEs employ 70 percent of the population. The country still struggles with gender inequality, ranking 132 out of 189 countries on the UN’s Gender Development Index, and women only own 23 percent of the country’s SMEs. The World Bank estimated that the country’s GDP contracted by nine percent in 2020 due to the pandemic and the unprecedented impact of two successive hurricanes, and SME growth is expected to positively contribute to Honduras’ economic recovery. The Guaranteed Party represents that 40 percent of the loans covered by the DFC will support women-owned SMEs.</p>
<b>Environment and Social Assessment</b>	<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 loan portfolio guaranties for banks to support their expansion of lending to small and medium enterprises 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 Guaranteed Party’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan portfolio guaranty will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction</p>

	<p>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 Guaranteed Party 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 support lending to small and medium enterprises (“SME’s”) in Honduras, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize private armed security to protect its physical locations and therefore, applicable sections of IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>The Guaranteed Party lacks adequate environmental and social risk identification and mitigation procedures and adequate Human Resources Policies related to principles of equal opportunity, non-discrimination, and policies to prevent and address harassment, intimidation, and/or exploitation, especially in regard to women. Prior to receipt of support, these will require development, DFC review and acceptance, and implementation.</p>
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