

Public Information Summary

Host Country	El Salvador
Name of Guaranteed Party	Banco de America Central, S.A. (“BAC”)
Project Description	10-year loan portfolio guaranty with BAC to provide loans to small and medium-size enterprises in El Salvador with a focus on women borrowers, to help them remain in the workforce, succeed as entrepreneurs, and increase their economic empowerment, thereby stimulating economic growth and gender equity.
Proposed DFC Guaranty	10-year \$17,500,000 loan portfolio guaranty
All-Source Funding Total	Up to \$50,000,000
Policy Review	
Developmental Objectives	<p>The LPG is expected to have a highly developmental impact in El Salvador through providing partial coverage on individual loans to SMEs in the country, including women owned/led SMEs. The country’s smaller firms are overwhelmingly self-financed and more likely to receive credit from informal sources than through the banking system. The country scores well below the lower-middle income country average for women’s access to financial services per the USAID Women’s Economic Empowerment tool. Additionally, the LPG is designed to provide additional support to newer firms within El Salvador.</p>
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 loan portfolio guaranties for the expansion of lending to small, and medium enterprises (“SMEs”) 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 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</p>

	<p>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 for the expansion of lending to SMEs in El Salvador, 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 use private security and therefore, relevant aspects of IFC PS 4 Community Health, Safety, and Security are triggered at this time.</p> <p>The Guaranteed Party has an environmental and social management system (“ESMS”) that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its child and forced labor policies, nondiscrimination and equal opportunity policy, GHG reporting and accounting, and supply chain risk management in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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