

Public Information Summary

Host Countries	El Salvador and Costa Rica
Names of Borrowers	CrediQ, S.A. de C.V. (“CrediQ El Salvador”) and CrediQ Inversiones C.R. S.A. (“CrediQ Costa Rica”)
Project Description	CrediQ El Salvador and CrediQ Costa Rica will borrow funds to support the expansion of the Borrowers’ lending and leasing programs to small and medium enterprises (“SMEs”) for the acquisition of vehicles to support income-generating activities. A portion of DFC funds will be used for refinancing of existing short term indebtedness to allow the Borrowers to restructure SME loans impacted by COVID-19. The Loan is being processed under the DFC’s COVID-19 Rapid Response Liquidity Facility. Citibank will provide a separate loan of up to \$7,692,308 to the project.
Proposed DFC Loan	Up to \$92,307,692. Tenor of no more than 9 years from first disbursement.
All-Source Funding Total	\$123,076,923
Policy Review	
Developmental Objectives	The Project is expected to have a developmental impact in Costa Rica and in El Salvador through support for SME credit to acquire vehicles, with a dedicated 2X component to support women-owned/-led SMEs. These countries have been buffeted by the COVID-19 pandemic’s economic effects, with 2020 real GDP declining by five percent in Costa Rica and by nine percent in El Salvador. The after-effects are very likely to subdue prospects substantially, with per capita incomes projected below pre-pandemic levels for years to come. In Costa Rica, the pre-pandemic financing gap among SMEs was estimated at nine percent of GDP, while in El Salvador, SMEs have remained overwhelmingly self-financed. Most women-owned/-led SMEs in Costa Rica report being financially constrained, while these firms in El Salvador are more likely than SMEs owned by men to report self-financing.

Environment and Social Assessment	<p>The Project involves a direct loan to expand CrediQ’s small and medium enterprise (SME) credit portfolio for vehicle leasing/purchasing (the “Project”). Projects involving on-lending to SMEs for the leasing/purchase of automobiles are typically screened as Category C projects under DFC’s environmental and social guidelines. Environmental, social, health, and safety impact concerns are considered minimal. Based on DFC’s due diligence, the Project’s environmental and social risks can be readily mitigated through the application of sound environmental and social management practices.</p> <p>In order to ensure that the Fund’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds. DFC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Project has in place an environmental and social management system appropriate to the risks associated with Project activities.</p>
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