

Public Information Summary

Host Country	Guatemala
Name of Guaranteed Party	Banco de América Central, S.A.
Project Description	A loan portfolio guaranty supporting Bank lending to small and medium-sized enterprises (SMEs) in Guatemala especially in the rural Western Highlands where insufficient borrower collateral requires DFC risk-sharing to incentivize BAC to extend credit.
Proposed DFC Loan/Guaranty	10-year, \$12,500,000 guaranty to share in 50% of the risk of principal default by Qualifying Borrowers of the Bank.
All-Source Funding Total	\$25,000,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Guatemala through support for underserved segments in the financial sector. The Project will focus on SMEs, which generally lack sufficient collateral to secure financing, and the Western Highlands region, which has an elevated rate of poverty. A majority of borrowers are expected to be rural, and a third of them women-owned enterprises. The Project will also create modest support to the banking sector, which has limited penetration in the Guatemalan economy.
Environment and Social Assessment	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. 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. 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 for the expansion of lending to SMEs in Guatemala, significant adverse impacts concerning

	<p>community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Guaranteed Party has an environmental and social policy as described in IFC PS 1, which includes grievance mechanisms, basic environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy. However, the Guaranteed Party will be required to provide the DFC an environmental and social policy aligned with IFC PS 1 related to child and forced labor risk identification, training of personnel in environmental and social risk, and updates to its existing human resources policies to align with principles of non-discrimination to meet the DFC's 2020 Environmental Policy and Procedures.</p>
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