Public Information Summary

Host Countries	Honduras (LMIC); El Salvador (LMIC); and Guatemala (UMIC).
Name of Borrower	Central American Bank for Economic Integration ("**CABEI**")
Project Description	A corporate loan of up to $100 million (the "**Loan**") that will be lent to CABEI to fund financial institution intermediaries in Honduras, El Salvador and Guatemala, which will then lend to micro, small and medium enterprises ("**MSMEs**") in response to the COVID-19 pandemic (the "**Project**"). The Loan is part of a larger estimated $365+ million fund-raising to help support COVID-19 affected MSMEs.
Proposed DFC Loan	A $100 million 10-year door-to-door loan with a two-year principal grace period before level-payment amortization.
All-Source Funding Total	Up to $365 million
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in El Salvador, Guatemala, and Honduras through support for on-lending to MSMEs. Economic growth projections for these countries reveal steep 2020 declines due to the COVID-19 pandemic, with growth projected at -8.6, -4.1, and -6.1 percent, respectively, by the United Nations (CEPAL). Support for MSMEs through local financial intermediary institutions will support continuity of essential business operations, with MSME loans under the Project designed to promote and track retention of employment levels as of March 11, 2020.
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 loans to banks for providing support to FI's for COVID-19 recovery 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 of 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 Bank's investments are consistent with the DFC's statutory and policy requirements, the DFC-guaranteed loans made to the Bank 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 Bank 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 the economic recovery of FI's in El

	Salvador, Guatemala, and Honduras to alleviate adverse impacts of COVID-19 on their portfolios, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time. The Bank has an environmental and social management policy and policies that include grievance mechanism and human resources policies commensurate with its investment strategy. Overall, the Bank's environmental and social risk framework will require some strengthening to meet the DFC's 2020 Environmental Policy and Procedures.