

Public Information Summary

Host Country	Colombia
Name of Guaranteed Party	Coltefinanciera S.A. Compañía de Financiamiento (Coltefinanciera)
Project Description	Loan portfolio guaranty to catalyze lending to Venezuelan migrant and Colombian students and MSMEs hiring Venezuelan migrants and Colombians in receptor communities.
Proposed DFC Loan/Guaranty	\$4,800,000 guaranty, tenor 8 years.
All-Source Funding Total	\$8,000,000
Policy Review	
Developmental Objectives	This guaranty is expected to have a highly developmental impact with coverage loans for students and MSMEs in Colombia, which are impacted by the economic crisis in Venezuela that has sent more than a million migrants across the border into Colombia. Loans covered will include support for both businesses operated by Venezuelan migrants in Colombia, as well as businesses hiring these migrants. Coverage under the guaranty also includes support for students, both Venezuelan and Colombian that reside in areas heavily impacted.
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 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 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 supporting the expansion</p>

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	<p>of its on-lending to Micro, Small, and Medium Enterprises (“MSMEs”) in Colombia, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, 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, aspects of IFC PS 4 Community Health, Safety, and Security are triggered.</p> <p>The Guaranteed Party lacks an environmental and social management policy (“ESP”) as described in IFC PS 1 and required under the DFC’s ESPP. While it does have grievance mechanisms and human resources policies, it will be required to provide an ESP along with updates to its forced and child labor policies, GHG tracking and reporting, non-discrimination and equal opportunity policy, worker grievance mechanism, and evidence that its privately contracted security is trained in accordance with principles described in IFC PS 4.</p>
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