

Annex B – Public Information Summary

Host Country	El Salvador
Name of Borrower	Federación de Cajas de Crédito y de Bancos de los Trabajadores, S.C. de R.L. de C.V. (the “ <i>Borrower</i> ”)
Project Description	A loan guaranty to WorldBusiness Capital, Inc. to support the expansion of the Borrower’s lending portfolio to member entities (credit unions and worker banks) that provide financing for small businesses across El Salvador (the “ <i>Project</i> ”).
Proposed DFC Loan/Guaranty	\$9 million guaranty with a term of up to 8 years
All-Source Funding Total	\$10 million
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in El Salvador by addressing the country’s small and medium enterprise as well as microenterprise (“MSME”) financing gap country wide, which is estimated to be approximately \$2.1 billion or 8% of GDP. Fedecredito’s business model as a cooperative allows the Borrower to reach MSMEs and lower-income borrowers through its broad network as well as interact, understand, and assess these borrowers’ needs. Additionally, the Project seeks to support women-owned or -led enterprises in the country that have historically faced constraints in accessing financial services.
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 corporate loans to non-banking financial services companies to address working capital needs are screened as a Financial Intermediary C (FI-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 low risk 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 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 the expansion of the Guaranteed Party's micro, small, and medium sized (SME) businesses, 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.</p> <p>The Guaranteed Party has an Environmental and Social Management System, grievance mechanisms, and human resources policies commensurate with its investment strategy and that will require updating and strengthening meet the expectations listed in the DFC's 2020 Environmental Policy and Procedures and IFC PS 1 and 2.</p>
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