

Public Information Summary

Host Country	Colombia
Name of Guaranteed Party	Cooperativa Ahorro y Crédito Colanta (AyC Colanta), Colombia
Project Description	A loan portfolio guaranty of qualifying loans to micro, small, and medium private enterprises in agricultural production, rural agribusinesses, and businesses focused on expanding the cassava and dairy sector in targeted municipalities in Colombia. The guaranty structure will advance access to finance for the agribusiness sector, promote rural development, and improve the competitiveness and sustainable growth of dairy and cassava production.
Proposed DFC Guaranty	\$6,000,000 guaranty, tenor 10 years
All-Source Funding Total	\$10,400,000
Policy Review	
U.S. Economic Impact	None
Developmental Objectives	This transaction is expected to have a highly developmental impact in Colombia with the provision of loans to support the milk production value chain in Colombia. The potential beneficiaries of these guaranties include communal boards, individual farmers, agricultural associations, and MSMEs that operate in all aspects of the dairy production process in Colombia. This transaction will support not only improvements in rural dairy operations, but also the production of feed. On the dairy side, this guaranty is expected to support loans for the purchase of silos, milking machines and tanks that will increase the efficiency of the milking process and increase milk quality. On the feed side, the transaction is focused on increasing cassava production, which serves as a cow feed input that is expected to substitute the higher cost imported (feed) commodities. The dairy industry is growing in importance in Colombia, with the country being Latin America’s fourth largest milk producer
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 micro, 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 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 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 meet 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 Amended DFC ENV & SOC Clearance Revision: 1A Conducted By: Matthew Pritchard, ESRO Date: 07/20/2020 Page 9 of 11 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 on-lending to Micro, Small, and Medium Enterprises ("MSMEs"), associations, cooperatives and pre-cooperatives, community/communal action boards and individuals in Colombia to promote access to finance for the dairy agribusiness sector, 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 Guaranteed Party has a basic environmental and social management system ("ESMS") that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its environmental and social risk management policies in order to meet the DFC's 2020 Environmental Policy and Procedures.

