

Host Country	Costa Rica
Name of Borrower	Banco Improsa, S.A.
Project Description	DFC will provide a direct loan to Banco Improsa, S.A. for the purpose of providing loans to small and medium enterprises (“ <i>SMEs</i> ”) and women-owned and women-led SMEs in Costa Rica.
Proposed DFC Loan/Guaranty	\$15,000,000; 7-year tenor
All-Source Funding Total	\$87,606,689
Policy Review	
Developmental Objectives	The project is expected to have a positive developmental impact in Costa Rica by funding credit to SMEs, including women-owned or women-led businesses. According to the International Finance Corporation (“ <i>IFC</i> ”), the financing gap among microenterprises and SMEs equals 9% of the country’s GDP. SMEs provide approximately one third of the nation’s employment, and less than one in five SMEs are financed through formal credit. IFC counts 13.6% of Costa Rican SMEs as women-owned or women-led and counts 56% of women-owned or women-led businesses as credit constrained.
Environment and Social Assessment	<p>The DFC loan will facilitate the expansion of the Borrower’s lending activities in Costa Rica, primarily for SME borrowers in the manufacturing, agriculture, services and trade sectors, with a focus on women-owned and women-led SMEs.</p> <p>The Borrower 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 to its environmental and social risk management policies in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p>