

Public Information Summary

Host Country	Ecuador
Name of Borrower	Cooperativa de Ahorro y Crédito Alianza del Valle, Ltda (“Alianza”)
Project Description	Expansion of lending to microfinance enterprises in Ecuador
Proposed DFC Guaranty	\$13,500,000 (8-year tenor)
All-Source Funding Total	\$15,000,000
Policy Review	
Developmental Objectives	<p>This Project is expected to have a highly developmental impact in Ecuador, by providing lending to MSMEs, helping to address Ecuador’s \$17.9 billion MSMSE financing gap. With the DFC guaranteed loan, Alianza anticipates providing at least half of the proceeds to support women entrepreneurs and women-led and owned enterprises. In addition, Alianza will provide technical assistance to its borrowers and potential future borrowers on financial literacy and management. Internally, Alianza also champions inclusive governance with a Board of Directors and senior level management the majority of whom are women.</p>
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 direct investments for the expansion of on-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 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 Borrower’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. Under the DFC’s ESPP, the Borrower 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>

	<p>of its on-lending to Micro, Small, and Medium Enterprises (“MSMEs”) in Ecuador, 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. Because the Borrower does use private security, aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p> <p>The Borrower has a basic environmental and social policy (“ESP”) that is comprised of grievance mechanisms, environmental and social guidelines, and human resources policies commensurate with its investment strategy and that generally aligns with the DFC’s 2020 Environmental Policy and Procedures. However, the Borrower will be required to provide updates to its ESP with respect to its forced and child labor policies, non-discrimination and equal opportunity, and worker grievance mechanism for DFC’s review and acceptance.</p>
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