Public Information Summary

Host Country	Ecuador
Name of Borrower	Cooperativa de Ahorro y Credito 23 de Julio Ltda. ("23deJulio")
Project Description	Expansion of lending to microfinance and SMEs in Ecuador.
Proposed DFC Loan/Guaranty	$9,000,000 (10 -year tenor)
All-Source Funding Total	$10,000,000
Policy Review	
Developmental Objectives	While Ecuador has made significant progress in growing credit access to the MSME segment of their economy, they still face an estimated $18 billion financing gap due to its relatively shallow financial market. Women owned/led MSMEs in Ecuador face larger barriers to credit than their male owned/led counterparts as they typically must overcome gender norms and a less formal credit history. Similarly, Ecuador's rural areas and populations have lagged the rest of the country in terms of financial inclusion and most financial institutions have not extended their services to these communities. In response to these challenges, the Project is expected to have a positive development impact in Ecuador by expanding MSME credit, with target allocations to rural MSMEs and women owned/led MSMEs. The Project operates primarily in the Ecuadorian highlands, which has an agriculture-based economy and a population that has faced high rates of poverty. Additionally, 23deJulio provides training to its clients with the objective of improving MSME financial literacy and operations. DFC has qualified the Project as 2X based on the Borrower's intent to meet and/or exceed the 2X criteria for women representation in its leadership team and percentage of Project proceeds allocated to 2X eligible MSME clients. Given the Project characteristics, the Project is categorized as Exceptionally Impactful per DFC's Impact Quotient ("IQ").
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 guarantees for financial institutions to expand their micro, small and medium enterprise portfolio 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. To ensure that the Bank's investments are consistent with the DFC's statutory and policy requirements, the DFC loan 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 Bank 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 MSME lending 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. The Borrower does utilize private and armed security, thus triggering relevant aspects of IFC PS 4, Community Health, Safety, and Security at this time. The Borrower has an Environmental and Social Risk Policy, 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.