Public Information Summary

Host Country	Republic of Ecuador
Name of Borrower	Ecuador DPR Funding, Ltd.
Project Description	An up to $200 million direct loan to Ecuador DPR Funding Ltd. to raise long-term U.S. dollar funding through a diversified payment rights securitization. 100% of loan proceeds will be used by Banco Pichincha, C.A. for the expansion of the bank's women-led, owned, and supported micro, small and medium enterprise loan portfolio in Ecuador.
Proposed DFC Loan	$200 Million
All-Source Funding Total	$250 Million
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in Ecuador through support for on-lending to women owned/led MSMEs that will generate downstream economic activity. The COVID-19 pandemic reduced GDP in Ecuador greater than expected at pandemic onset, with an eight percent 2020 decline that fell much lower than the 2 percent decline across emerging market and developing countries. Ecuador's decline was the country's worst GDP performance in over 40 years. The 2021 rebound benefitted from higher commodity prices, though the economy will remain below pre-pandemic levels this year, with a population several percent larger. Even prior to the pandemic, growth was faltering, with a five-year average real GDP increase of 0.5 percent. The MSME financing gap in Ecuador was last estimated at around $18 billion, or above 15 percent of the country's current GDP. Women MSMEs in Ecuador amount to over 100,000 and have a greater than $1.5 billion finance gap.
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 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 Pichincha's investments are consistent with DFC's statutory and policy requirements, the DFC Loan will be subject to conditions regarding the use of proceeds including what is considered eligible as climate finance. 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 DFC's ESPP, Pichincha 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 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 Pichincha does use private security, aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time. Pichincha has an Environmental and Social Risk Policy, grievance mechanisms, community health and safety, and human resources policies commensurate with its investment strategy and that generally aligns with the DFC's 2020 Environmental Policy and Procedures.