Early Warning System

IDBI-11749-07

Guayaquil Social Bond

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Quick Facts

Countries	Ecuador
Specific Location	Guayaquil
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	U
Voting Date	2020-07-27
Borrower	Banco Guayaquil, S.A.
Sectors	Education and Health, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 20.00 million

Project Description

The Project consists of supporting Banco Guayaquil ("BG"), as it issues its first social bond for Ecuador's private sector. The total amount of the bond is up to US$30 million, and IDB Invest will take part as an investor, with a subscription of 100%.

The proceeds from this medium-term social bond will be used to finance the Micro, Small, and Medium-sized enterprises that are part of the microcredit portfolio under the "Banco del Barrio" (neighborhood bank) program and in the bank's Small and Medium-sized Enterprises portfolio. Banco del Barrio is the nonbank correspondent financing system with the largest geographical reach in the country.

The Project will mainly be focused on MSMEs located in the Ecuadorian cities most impacted by Covid-19. Technical assistance will also be provided for designing the conceptual framework of the bond issue, and a second party opinion will be included, pursuant to the Sustainable Development Goals.

Investment Description

- IDB Invest (IDBI)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Banco Guayaquil SA (Financial Intermediary)

Contact Information

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).