

Annex B – Public Information Summary

Host Country	El Salvador
Name of Guaranteed Party	Banco Davivienda Salvadoreno, S.A.
Project Description	Loan Portfolio Guaranty with Banco Davivienda Salvadoreno, S.A. to catalyze lending to women-led businesses and SMEs in high-growth sectors (textiles, plastics, information and communication technologies, and agro-processing).
Proposed DFC Loan/Guaranty	\$15,500,000 guaranty; tenor of 7 years
All-Source Funding Total	\$31,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a highly developmental impact through a guaranty to support the issuance of SME loans in El Salvador, particularly those affected by the pandemic. Salvadoran banks face multiple challenges in lending to SMEs as these businesses often have insufficient collateral, weak financial management, including incomplete financial reporting due to their participation in informal economic activities, and limited credit history. For women clients, limited credit history has a disproportionate negative impact on their ability to acquire loans. Loans guaranteed through this Project will promote inclusive economic growth and mitigate the negative impacts of the pandemic.
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 guaranties for banks to support their expansion of lending to 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 Guaranteed Party’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 Guaranteed Party 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 to support lending to small and medium enterprises (“SME’s”) in El Salvador, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.

The Guaranteed Party lacks adequate procedures related to child and forced labor risk identification and mitigation. Prior to receipt of support, this will require development, DFC review and acceptance, and implementation.