

Public Information Summary

Host Country:	Ecuador
Name of Borrower:	WBC - Cooperative de Ahorro y Credito Fernando Daquilema (“Daquilema”)
U.S. Sponsor:	WorldBusiness Capital
Foreign Sponsor:	Daquilema, a cooperative, has more than 147,000 members, most of whom are of indigenous background, and 48.7% of the total are women. Approximately 63% of their members have been with the institution for more than four years.
Project Description:	Cooperativa de Ahorro y Crédito Fernando Daquilema (“the Project Company”) is a savings and credit cooperative founded in 1985 in the province of Chimborazo that provides financial and non-financial services to underserved communities in Ecuador. The DFC guaranty will support the expansion of the Project Company’s micro, small and medium enterprise (“MSME”) loan portfolio with an emphasis on extending lines of credit to indigenous and women-owned and led enterprises (the “Project”).
Total Project Cost:	\$10,300,000
Loan Provided Under OPIC-WorldBusiness Capital Framework Agreement:	\$9,000,000
Developmental Effects:	The Project is expected to have a positive development impact in Ecuador by addressing the country’s micro, small and medium enterprise (“MSME”) financing gap, which is estimated to be approximately \$18 billion, or 17% of GDP. With women only accounting for a relatively small percentage of MSME ownership in Ecuador, the Project will also seek to support women entrepreneurs by allocating no less than 50% of project proceeds to loans that benefit womenowned- or -led MSMEs. Additionally, the Project will leverage the Project Company’s geographic focus on the region of Chimborazo to reach

	indigenous enterprises located in rural areas.
Environment:	<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. Loans for the purposes of SME lending are screened as Category C projects for the purpose of environmental and social assessment in accordance with DFC’s ESPP. 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.</p> <p>To ensure that the Borrower’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.</p> <p>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 to make loans to MSME’s 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 security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p>

	<p>While the Borrower has a basic environmental and social policy, it lacks various aspects as described in IFC PS 1. It does have grievance mechanisms, basic environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy. However, the Borrower will be required to provide the DFC an environmental and social policy aligned with IFC PS 1 and updates to its existing human resources policies to align with IFC PS 2 to meet the DFC's 2020 Environmental Policy and Procedures.</p> <p>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 Paraguay, 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.</p>