

Public Information Summary

Host Country	Paraguay
Name(s) of Borrower(s)/Guaranteed Party(ies)	Sudameris Bank, S.A.E.C.A.
Project Description	Onlending throughout Paraguay to support small and medium enterprises (“SMEs”)
Proposed DFC Loan/Guaranty	The proceeds of the loan made by DFC will be used exclusively to support onlending to small and medium enterprises in Paraguay, including an earmarked amount for SMEs that meet DFC’s 2X criteria for onlending to women-owned and women-led businesses and an earmarked amount for smaller SMEs that have received business training and assistance through other US government-supported initiatives.
All-Source Funding Total	\$125,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a highly developmental impact by expanding the availability of growth capital, especially longer tenor loans, for SMEs in Paraguay. Access to long term financing for businesses in Paraguay is constrained, as most banks do not have long term funding sources to match their portfolio risk. For most banks, only those that receive funding from development finance institutions can provide longer tenor downstream loans. According to the World Bank’s Enterprise Survey rankings of the top 10 obstacles to operating a business, access to finance was rated fourth in Paraguay. This same survey also highlights that while over 80 percent of large businesses in the country have a bank loan or line of credit, just under half of small business have such financing. The Project will also focus on lending to women borrowers, as over 30 percent of the proceeds will target women-owned or women-led businesses and a significant portion will be targeted to smaller growing business.
Environment and Social Assessment	The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in small and medium enterprises are screened as Category C for the purposes of environmental and social assessment. The key environmental and social issues of concern include the need for the Borrower to have an environmental and social management system

	<p>(ESMS) commensurate with the environmental and social risks of its downstream investments.</p> <p>The Borrower has adopted Environmental and Social Policy and Procedures and, based on those, developed a Sustainability Management System which serves as the Borrower's Environmental and Social Management System (ESMS), including labor risk screening and monitoring commensurate to the portfolio. DFC's review has found the Borrower's ESMS to be consistent with the International Finance Corporation's 2012 Performance Standards.</p>
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