

Annex B – Public Information Summary

Host Country	El Salvador
Name of Borrower	Multi Inversiones Banco Cooperativo de los Trabajadores, S.C. de R.L. de C.V. (the “ <i>Borrower</i> ”)
Project Description	A loan guaranty to WorldBusiness Capital, Inc. to support the expansion of the Borrower’s lending portfolio to individuals and microenterprises in El Salvador (the “ <i>Project</i> ”).
Proposed DFC Loan/Guaranty	\$9 million guaranty with a term of up to 10 years
All-Source Funding Total	\$11.25 million
Policy Review	
Developmental Objectives	<p>This Project is expected to have a developmental impact through support for the issuance of consumer loans, largely to microfinance borrowers in El Salvador. Banks in El Salvador face multiple challenges in lending to microborrowers, as these individuals and 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 economic growth and financial inclusion.</p>
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“<i>ESPP</i>”) and has been determined to be categorically eligible. DFC direct investments to Borrowers to finance the expansion of consumer loan portfolios 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.</p> <p>To ensure that the Borrower’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 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 (“<i>ESP</i>”) 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 (“<i>PS</i>”) 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support</p>

	<p>for the expansion of its consumer lending portfolio 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, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private security and therefore, relevant aspects of PS4, Community Health, Safety, and Security are triggered.</p> <p>The Borrower has an Environmental and Social Risk Policy, Human Resources Policies, and Grievance Mechanisms that will require strengthening to meet the requirements found in IFC PS 1 and 2. This will include adjustments to its risk management related to child and forced labor screening, GHG accounting, E&S training for management, its non-discrimination policy, and its ESMS to align with the expectations listed within the DFC's ESPP prior to the receipt of support.</p>
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