

# DENTONS SECURES \$50M FINANCING AS COVID RECOVERY FACILITY IN ECUADOR

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**Dentons has secured \$50 million financing for the Republic of Ecuador under the terms of a**

## COVID-19 Crisis Recovery Facility



Dentons has successfully secured US\$50 million in financing for the Republic of Ecuador under the terms of a COVID-19 crisis recovery program. Along with the World Bank, the Asian Infrastructure Investment Bank (AIIB) will co-finance the COVID-19 Credit Line Project for Ecuador's largest public bank, Corporación Financiera Nacional B.P.

This project aims to develop and improve financial products, in order to provide private micro, small and medium enterprises (MSMEs) with access to finance. MSMEs represent 99.5% of businesses in Ecuador, and many are facing liquidity constraints as a result of the COVID-19 crisis.

Under the project, AIIB will provide through Corporación Financiera Nacional, short-term liquidity financing for MSMEs in the form of partial credit guarantees and/or credit lines to mitigate the impact of the economic crisis induced by the COVID-19 pandemic. AIIB's loan is expected to finance 350 smaller loans and 1,000 partial credit guarantees to eligible MSMEs associated with Asia-Ecuador trade.

The Republic of Ecuador was the first Latin American member of the AIIB when it joined on November 1, 2019. The AIIB is a China-led multilateral bank, which began operating in 2015 with a mandate to finance development projects around the world. Currently counting over 100 worldwide member countries, the bank invests in energy, public transport, sustainable infrastructure, internet connectivity and other productive sectors in Asia and beyond.

The Dentons team assisting the Republic of Ecuador comprised Paris office Sovereign Advisory partner Yun Ma, Madrid office Banking and Finance partner Jesus Mardomingo (pictured left), Prague office Sovereign Advisory counsel Carolina Barzola, Madrid office Banking and Finance associate Lola Noguera (pictured right), and Paris office Sovereign Advisory associate Alexis Giroulet.