

Proposed OPIC Loan to the Microfinance Growth Fund

Information Summary for the Public

Host Countries:	Host countries are expected to include Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, and Uruguay.
Name of Borrower:	Microfinance Growth Fund (“MIGROF” or the “Fund”), a Delaware limited liability partnership.
U.S. Sponsors:	U.S. sponsors are expected to include Accion International and possibly others, to be determined.
Foreign Sponsors:	Non-U.S. sponsors are expected to include the Multilateral Investment Fund (“MIF”) of the Inter-American Development Bank (“IDB”), the Inter-American Investment Corporation (“IIC”), the Andean Development Corporation (“CAF”), Norwegian Microfinance Initiative (“NMI”), Netherlands Development Finance Company (“FMO”), and Developpement International Desjardins (“DID”) (together with the U.S. Sponsors, the “Sponsors”).
Project Description:	On April 18, 2009 at the Summit of the Americas, President Obama announced a partnership of the IDB and OPIC for the purpose of launching a microfinance growth fund for Latin America. The proceeds of the OPIC Loan, together with the equity contributions of the Sponsors, will be used by the Fund, managed by investment manager BlueOrchard Finance, S.A., to make loans to microfinance institutions (“MFIs”) in Latin America (the “Project”). The MFIs will use the proceeds of the Fund loans to expand their microfinance lending activity.
Total Project Costs:	The Fund will have an initial capitalization of up to \$156.25 million and a maximum capitalization of \$250 million.
Proposed OPIC Loan:	OPIC will provide a senior loan to the Fund of up to \$125 million for a term of up to seven years.

Developmental Effects:	The Fund will provide much needed capital to MFIs in Latin America and the Caribbean in order to provide micro-loans to micro-borrowers. The Fund will encourage private sector development and provide significant downstream benefits to consumers and suppliers by targeting micro-entrepreneurs.
Environment:	Microfinance facilities are screened as Category C projects under OPIC's environmental and social guidelines, but subject to conditions related to the use of proceeds. Excluded activities include lending to entities engaged in categorically prohibited activities or activities likely to have a significant adverse impact on the environment or local communities.
Workers Rights:	OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum wages, timely payment of wages, and hours of work. Loans to micro-borrowers will be restricted with respect to the micro-borrowers' operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers of the Project.
Human Rights:	In consultation with the Department of State, the Project received a Human Rights Clearance on September 18, 2009.