

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Global
Name of Borrower:	Unreasonable Capital Fund I, L.P.
Sponsor:	N/A
Project Description:	This project involves a loan to Unreasonable Capital Fund I LP (the “Fund”) to expand their portfolio of investments in small and medium enterprises (“SMEs) in Sub-Saharan Africa, Southeast Asia and Latin America (the “Project”). The Fund will provide equity or equity-like investments to early-stage SMEs in healthcare, education, energy, agriculture and financial inclusion sectors, and whose customers live on less than \$2 per day. The Fund anticipates making 15 to 20 equity investments ranging from \$50,000 to \$2 million in size.
Total Fund Capitalization:	\$15,000,000
Proposed OPIC Loan:	Up to \$5,000,000
Term of OPIC Loan:	Ten years
Selection Process:	On November 19, 2013, OPIC opened its Innovative Financial Intermediaries Program (“IFIP”) to accept proposals on a rolling basis. IFIP is a program created to support financial intermediaries investing in OPIC-eligible countries through pooled investment vehicles containing elements typical of both of OPIC’s direct Finance and Investment Funds programs, but that did not fit squarely within either Investment Funds or Finance processes. Proposals are batched quarterly and reviewed by the IFIP Screening Committee, with the assistance of Imprint Capital as an investment consultant. The Sponsor-GP applied to IFIP in round 6 and was reviewed by the IFIP Screening Committee March 2015.
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.

<p>Developmental Effects:</p>	<p>This Project is expected to have a highly developmental impact by providing equity or equity-like investments to early-stage SMEs in emerging markets. The Fund will target investments in Southeast Asia, Latin America and Sub-Saharan Africa, where private equity funds have recently faced challenges in attracting capital. For example, Latin America experienced a \$5.2 billion reduction in capital raised in the last year, and in Africa, private equity deals fell to \$2.5 billion in 2015, compared to \$8.1 billion in 2014. Moreover, private equity investments in SMEs in developing countries represent a small fraction of total equity investments. The World Economic Forum has identified a persistent gap in financing for businesses that require between \$50,000 and \$2 million in external capital. The Project will target SMEs in highly impactful sectors such as healthcare, education, energy, agriculture and financial inclusion, and whose customers live on less than \$2 per day. The Fund’s investment strategy aligns with Sustainable Development Goals One and Ten, which aim to reduce poverty and inequality. The Fund will provide technical assistance to portfolio companies to help them obtain additional funding, expand operations and sales, and access new markets.</p> <div data-bbox="591 936 878 1071"> </div>
<p>Environment:</p>	<p>The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving loans to financial institutions for the purposes of SME on-lending are screened as Category C projects under OPIC’s environmental and social guidelines. The environmental, health, safety and social impacts from the Project are considered minimal. However, in order to ensure that the Project is consistent with OPIC’s statutory and policy requirements, the OPIC-guaranteed loans made by the Fund will be subject to conditions regarding the use of proceeds, and the Fund will be required to provide a healthy and safe work environment for its employees.</p>
<p>Worker Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Standard and supplemental contract language will be applied to all workers. The Fund will be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Use of OPIC’s loan proceeds will be limited to SMEs that satisfy certain operational requirements,</p>

	<p>including with respect to the employment of minors and other applicable labor laws.</p> <p>OPIC’s review of the Fund’s labor management system included the Fund’s Code of Ethics, employment contract/offer letters, Investment Code, and the Fund’s own representations of its environmental and social management systems (including labor). In order to fully align the Project with the IFC Performance Standards and OPIC’s Environmental and Social Policy Statement, OPIC will require the Fund’s environmental and social management system to address how it implements the social and labor policies in its Investment Code, in addition to providing an updated worker grievance mechanism that addresses the process through which complaints are handled.</p>
Human Rights:	OPIC issued a Human Rights clearance for this Project on November 29, 2016.