

INFORMATION SUMMARY FOR THE PUBLIC

Host Country(ies):	Mongolia
Name of Borrower(s):	XacBank LLC
Project Description:	Over 98% of business in Mongolia are Small and Medium Enterprises (“SMEs”), but only 50% have access to financing. Women-owned SMEs are an important driver of growth and diversification in the Mongolian economy. This loan to XacBank will support on-lending to women-owned SMEs.
Proposed OPIC Loan:	\$49 million, 6 years
Total Project Costs:	\$78.67 million
U.S. Sponsor:	Cargill Financial Services Incorporated
Foreign Sponsor:	TenGer Financial Group LLC
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy as it involves financial services to SMEs in Mongolia. The Project is expected to have a net negative impact on the U.S. balance of payments over the first five years of operations.
Developmental Effects:	The Project is expected to have a highly developmental impact on Mongolia by supporting SMEs. An independent study commissioned by the IFC found that SMEs identify the lack of access to finance as the leading barrier to their growth and development. SMEs also report that when finance is accessible it is often short term, expensive and accompanied by high collateral requirements. The Asian Development Bank notes that Mongolia’s economy is highly reliant on the mining sector, and growth of SMEs is an important part of diversifying and growing the economy as well as generating employment opportunities. All SME loans originated as a result of OPIC financing will support women-led SMEs, over half of which are expected to be located in rural parts of Mongolia. The Project supports UN Sustainable Development Goal 8, which calls for strengthening the capacity of domestic financial institutions in order to expand access to financial services.
Environment:	Loans for the purposes of on-lending to SMEs are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety, and social impact concerns are minimal. However, in order to ensure that the Borrower’s loans are consistent with OPIC’s statutory and policy requirements, the loan will be subject to conditions regarding the use of proceeds.

<p>Social Assessment:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers. Loans to SMEs will be restricted with respect to the borrowers' operations, including the employment of minors and other applicable labor laws.</p> <p>The Project has developed and implemented an ESMS that addresses social risk, including labor, commensurate with the risks associated with the Bank’s anticipated Portfolio. It is anticipated the Project will operate in a manner that is consistent with local law, IFC Performance Standards, and OPIC’s ESPS.</p> <p>This review covers the commensurate human rights risks associated with SME on-lending in Mongolia.</p>
---------------------------	---