

PUBLIC INFORMATION SUMMARY

Host Countries:	Uganda
Name of Borrowers:	Tugende Limited
Project Description:	Tugende provides lease-to-own financing to motorcycle taxi drivers. Lease-to-own financing increases drivers' net income and asset ownership. Tugende utilizes best practices to improve driver and passenger safety and to enhance efficiencies in the motorcycle transport system.
Proposed OPIC Loan:	US\$ 5 million loan with a tenor of five years
Total Project Costs:	US\$6,667,000
U.S. Sponsors:	Michael Wilkerson
Foreign Sponsor:	Andrew Mwenda
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. U.S. procurement associated with this Project is expected to have a small but positive impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact.
Developmental Effects:	The Project is expected to have a highly developmental impact East Africa by expanding the availability of transportation financing for entrepreneurs and microenterprises in East Africa. According to the International Finance Corporation, only seven percent of Ugandan micro, small and medium enterprises ("MSME") have access to finance. Sixty percent of Tugende's clients are expected to be young adults and forty percent are expected to reside in rural areas. These groups lack access to finance at higher rates than MSMEs as a whole in the region. Tugende uses unique credit rating methodologies to serve populations that typically cannot access financing. The Project supports the Government of Uganda's National Development Plan, which calls for improving access to finance for MSMEs. The Project complements target ten of Sustainable Development Goal Eight, which aims to "strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all."
Environment:	Loans to financial intermediaries for the purpose of providing financing to individuals for consumer product purchases are screened as Category C projects, but are subject to conditions

	<p>related to the use of proceeds. The project has an established Environmental and Social Policy, risk identification and mitigation procedures, and a grievance mechanism consistent with Performance Standards' requirements.</p>
<p>Social Assessment:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions, OPIC's Environmental and Social Policy Statement and applicable local labor laws. 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, and security. Standard and supplemental contract language will be applied to all workers of the Project. The Project's human resource policies and procedures have been evaluated against the IFC Performance Standards and OPIC's Environmental and Social Policy Statement. Terms and conditions of work are communicated to employees through written policies and appointment letters. OPIC has reviewed the project-level grievance mechanism which is compliant with IFC Performance Standard 2.</p>