

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Panama
Name of Borrower:	Banco Delta, S.A., a Panamanian corporation.
Project Description:	Expansion of a housing finance program marketed to non-salaried micro-entrepreneurs and small business owners in Panama. The Project includes (a) mortgage loans for the purchase of homes and (b) home equity loans for home improvements and investment in businesses owned by the borrowers. The target market does not have access to conventional mortgages and has limited access to working capital credit and other business loans.
Proposed OPIC Loan:	\$10 million with a 15 year tenor.
Total Project Costs:	\$41,560,000
U.S. Sponsors:	Clayton McNeel, Ian McNeel, and Rene Wood
Foreign Sponsors:	Raul Estripeaut Barrios and Arturo Muller Norman
Policy Review	
U.S. Economic Impact:	This Project is not expected to have a negative impact on the U.S. economy or employment as it involves housing finance and finance for small businesses in Panama. There is no U.S. procurement associated with this Project, and, therefore 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.
Developmental Effects:	<p>This Project is expected to have a highly developmental impact in Panama by helping to ramp up two pilot financial products: housing finance for small business owners that operate in the informal sector, and working capital loans for small enterprises backed by owners' existing home equity. The Project will expand a unique housing product, which is expected to finance the purchase of hundreds of homes by small business owners in the informal sector. The IFC estimates that one in four Panamanians live in substandard housing. The Project will support the Government of Panama's Housing Solidarity Fund to increase the number of affordable homes. Approximately half of Project-supported loans are expected to support female borrowers, and a portion are expected to support the purchase of a home by low-income borrowers. The Economist's</p> <p>Intelligence Unit estimates that Panamanian banks finance less than one percent of investments in women-led micro, small and medium enterprises. Banco Delta is a SMART campaign endorsee. The Project</p>

	aligns with UN Sustainable Development Goal 1 (No Poverty) and Goal 8 (Decent Work and Economic Growth).
Environment:	Loans to financial institutions for the purposes of mortgage lending and micro-finance are screened as Category C projects under OPIC's environmental and social policies, but are 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. The financial institution has a corporate policy that will be used to guide the project to achieve sound and sustainable environmental and social performance. The financial institution will also be required to maintain its grievance mechanism to properly respond to concerns expressed by external stakeholders.
Workers' Rights:	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 non-discrimination, security, and the rights of association, organization, and collective bargaining. Standard and supplemental contract language will be applied to all workers of the Project.
Human Rights:	OPIC issued a human rights clearance for this project on November 7, 2016.