

Information Summary for the Public

Host Country:	Sri Lanka
Name of Borrowers:	LOLC Micro Credit Limited (“LOMC”)
U.S. Sponsor:	Financial Services Volunteer Corps
Foreign Sponsor:	Lanka Orix Leasing Company Limited
Project Description:	Expansion of LOMC’s micro loan and lease portfolio in Sri Lanka.
Total Project Cost:	\$15,450,000
Loan Provided Under OPIC-WorldBusiness Capital Framework Agreement:	\$14,625,000
Developmental Effects:	<p>This Project is expected to have a highly developmental impact in Sri Lanka with increased lending to individuals that are underserved with a particular focus on poor, rural women. LOLC is one of the largest microcredit providers in Sri Lanka, with over 250,000 borrowers, 70% of which are women. The Project will reach into rural areas and villages with a high concentration of unbanked households through its strategic partnership with Sri Lanka Post, the national post office system. This permeation will also allow borrowers access to technical assistance to their loans. The Project Company is one of a few MFIs to be certified under the Smart Campaign, a voluntary set of principles to protect clients from over-indebtedness, predatory lending, and unfair treatment. The Project will create new local professional jobs (many of whom will be filled by women) with benefits and provides support to local communities through its Corporate Social Responsibility activities. The Project aligns with UN Sustainable Development Goal #1 (No</p>

	Poverty) and #8 (Decent Work and Economic Growth).
Environment:	Loans for the purposes of microfinance on-lending 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.
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy, as it involves the provision of financial services to microenterprises and consumers in Sri Lanka. The Project is expected to have a small, but positive, impact on U.S. jobs through the procurement of technical assistance. The Project is expected to have a net negative effect on the U.S. balance of payments over the first five years.
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 the rights of association, organization and collective bargaining, and security. Loans to MSME borrowers will be restricted with respect to the MSME 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. 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 in writing. OPIC has reviewed

	<p>the project-level grievance mechanism which will be enhanced with an anonymous channel to achieve compliance with IFC Performance Standard 2. The Project has developed and implemented an Environmental and Social Management System (ESMS) that addresses labor risk commensurate with the risks associated with the portfolio.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this Project on October 4, 2016.</p>