

## INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Ukraine.
Name of Borrower:	PJSC Agroprosperis Bank.
Project Description:	<p>Small and medium-sized enterprise (“SME”) farmers cultivate one-third of the arable land in Ukraine, but lack access to an estimated \$8.7 billion in needed financing to support existing operations and to invest for the future. These farmers are often unbankable due to a lack of hard assets for collateral and/or limited experience by local lenders in servicing this segment of the larger overall market for agricultural financing in Ukraine.</p> <p>Building on its investment experience in both agriculture and banking, the Sponsor is seeking an OPIC Loan to expand working capital financing and other similar lending to SME farmers in Ukraine to purchase essential inputs such as seeds, spare parts and fuel for use during planting and harvesting. These loans will be underwritten by the Borrower, a Ukrainian bank established for this purpose, and secured by agrarian receipts, pledges of future crops which serve as collateral.</p>
Proposed OPIC Loan:	\$10,000,000, 10-year loan
Total Project Costs:	\$23,700,000
U.S. Sponsors:	NCH Agribusiness Partner II, LP, through various U.S. legal trusts and partnerships.
<b>Policy Review</b>	
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, 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:	This Project is expected to have a highly developmental impact in Ukraine by expanding the availability of capital to small and medium-sized agribusinesses. Agriculture is one the country’s most important sectors, representing 11.7% of Ukraine’s GDP in 2014; however, SME agribusinesses cite a lack of access to capital as a key constraint to growth. SMEs are unserved by traditional commercial banks, which have strict collateral requirements. Overall demand for agri-lending in Ukraine outpaces supply by approximately \$8.7 billion. The Project will provide technical assistance to its clients, uncommon financial products such as forwarding contracts, and offer SMEs innovative financing structures through its use of crop receipts as collateral for loans. The Project will help Ukraine achieve UN Sustainable Development Goals #2 (Zero Hunger) and #8 (Decent Work and Economic Growth).

Environment:	Loans to financial institutions for the purposes of SME lending 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 will be required to develop an Environmental and Social Management System to formalize the integration of environmental and social due diligence into the credit approval process and will guide the project to achieve sound and sustainable environmental and social performance.
Social Assessment:	The Project will be required to operate in a manner consistent with the IFC's Performance Standards, OPIC's Environmental and Social Policy Statement, and applicable local 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, 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. The Project will be required to develop and implement a formalized Environmental and Social Management System that addresses social risk, including labor, commensurate with the risks associated with the Borrower's portfolio. It is anticipated the Project will operate in a manner that is consistent with local law, IFC Performance Standards, and OPIC's ESPS. This review covers the commensurate human rights risks associated with financial services in Ukraine.