

Information Summary for the Public

Host Country	Mongolia
Name of Borrower	Gobi Finance Non-Bank Finance Institution, LLC
Project Description	Expansion of the Borrower's current loan portfolio and funding expenses for branch expansions
Proposed OPIC Loan	\$2,000,000
Total Project Costs	\$2,936,415
U.S. Sponsor	Ralph Parks, Co-founder/shareholder
Foreign Sponsor	Ulambayar Bayansan, Co-founder/shareholder
Policy Review	
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 the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral five-year U.S. balance of trade impact.
Developmental Effects	The Project is expected to have a highly developmental impact on Mongolia by supporting local MSMEs. Access to finance is identified as one of the key barriers to growth and development by this segment. When financing is available, loans provided by commercial banks tend to be short-term, expensive, and require extensive collateral pledges. According to the Organization for Economic Co-operation and Development (OECD), Mongolia's MSMEs generate an estimated 25 percent of the country's GDP and roughly 52 percent of its employment across a variety of sectors, thus serving as the backbone of Mongolian economy. The Project will support the growth of this important segment and generate employment opportunities, as well as assist in the country's effort to diversify its economy away from a dependency on the mining sector. The Project supports UN Sustainable Development Goal #8 (Decent Work and Economic Growth), which calls for strengthening the capacity of domestic financial institutions in order to expand access to financial services.
Environment	The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in microfinance and small and medium enterprises are screened as Category C for the purposes of environmental and social assessment. The key environmental and social issues of concern include the need for the Borrower to have an environmental and social management

	<p>system (ESMS) commensurate with the environmental and social risks of its downstream investments.</p> <p>The Borrower has adopted environmental and social policy and procedures which serve as the Borrower's Environmental and Social Management System (ESMS). OPIC's review has found the Borrower's ESMS to be consistent with the International Finance Corporation's 2012 Performance Standards.</p>
<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 regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning 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 any contracted workers.</p> <p>The Project has in place a labor management system, including human resources policies and employment contracts, commensurate to the Project's activities. The Project has in place a policy that outlines its overall approach to ethical business practices; however, the Project will be required to update this policy to address its onlending activities.</p> <p>This review covers the commensurate human rights risks associated with microfinance in Mongolia.</p>