



Public Project Profile

Host Country:	Republic of Zambia
Name of Borrower:	African Banking Corporation Zambia Limited
Project Description:	Expansion of SME lending portfolio in Zambia.
Proposed OPIC Loan:	\$7,500,000 (Loan provided under OPIC-WorldBusiness Capital Framework Agreement)
Total Project Cost:	\$7,730,000
U.S. Sponsor:	Financial Services Volunteer Corps
Foreign Sponsor:	ABC Holdings Limited
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 negative five-year U.S. balance of payments impact.
Developmental Effects:	Many small and medium enterprises in sub-Saharan Africa lack access to sufficient credit. McKinsey & Company and the IFC estimate that for small and medium enterprises in sub-Saharan Africa an \$80-100 billion credit gap exists. BancABC Zambia will help address such credit constraints by providing loans to small and medium enterprises in need of financing. BancABC Zambia will support approximately 600 small and medium enterprises over the life of the project and estimates that almost half of loans under the project will be to women or women-managed businesses.
Environment:	Loans for the purposes of SME 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 insure that the Borrower's loans are consistent with OPIC's statutory and policy requirements the loan will be subject to conditions regarding use of proceeds. WBC-African Banking Corporation Zambia Limited has an environmental and social management system in place and policies and procedures are integrated into its credit policies. WBC-African Banking Corporation Zambia Limited has an adequate grievance mechanism in place.
Worker Rights:	OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Loans to SME borrowers will be restricted with respect to the SME borrowers' operations, including the employment of minors and other applicable labor law requirements. The project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions. 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 October 8, 2013.