

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country(ies):	Afghanistan
Name of Borrower(s):	Afghan Growth Finance LLC, a limited liability company organized and existing under the laws of Delaware (“AGF Delaware”), and Afghan Growth Finance, LLC, a wholly-owned subsidiary of AGF Delaware, organized and existing under the laws of Afghanistan (“AGF”).
Project Description:	Expand the permitted financing activities under two of OPIC’s existing facilities with AGF, a non-bank financial institution operating in Afghanistan and providing loans to Afghan companies. The facilities were previously approved by OPIC’s Board of Directors on March 31, 2010. The request is to expand the category of companies to which AGF may lend to beyond Afghan small- and medium-sized enterprises.
Proposed OPIC Loan:	No increase in funding is proposed to that previously approved by OPIC’s Board of Directors, which included an OPIC loan of up to \$30 million, together with a framework agreement for OPIC to provide up to \$30 million in co-financing together with AGF.
Total Project Costs:	Anticipated project costs remain unchanged: \$67.9 million under the direct loan facility, plus an additional \$40 million under the co-financing agreement.
U.S. Sponsor:	Small Enterprise Assistance Funds, a New York not-for-profit corporation based in Washington, DC which is the 100% owner of AGF.
Foreign Sponsor:	None.
<b>Policy Review</b> – the information below was previously disclosed in connection with approval of the two existing facilities in 2010. OPIC will review and provide policy clearance on each downstream loan to non-SMEs.	
U.S. Economic Impact:	<p>With respect to the \$30 million direct loan, the Project is not expected to have a negative impact on the U.S. economy or employment, since the Project involves the provision of financial services exclusively in the host country. The Project does not involve U.S. procurement, so it should have a neutral impact on U.S. employment. The Project is expected to have a net negative five-year U.S. balance of payments impact; however, this impact is expected to turn positive over the lifetime of the OPIC Loan.</p> <p>As to the co-lending framework facility, the downstream investments will be individually analyzed for their impact on the U.S. economy in accordance with OPIC’s guidelines. OPIC will assess the U.S. economic impact of each of the downstream</p>

	<p>investments upon receipt of the completed application prior to giving the OPIC consent. This evaluation will include the downstream investment's impact on the specific U.S. industry, employment, and balance of payments, as well as the destination of the downstream investment's production and identification of any trade-related performance requirements imposed by the host country.</p>
<p>Developmental Effects:</p>	<p>The direct loan project will have a positive developmental impact on the host country. It will support the development of the financial services sector in Afghanistan through the expansion of credit available for lending to small and medium sized businesses. The project's business model focuses on technology and knowledge transfer by providing technical assistance for business development to all borrowers. As the project will provide longer-term capital to small businesses throughout the host country, the project will stimulate significant multiplier impacts in an underdeveloped sector. Finally, the project will have significant corporate governance impacts, through the introduction of best business practices and adherence to international accounting standards, as well as human capital development impacts, through the creation of a number of local jobs for its own operations, the provision of benefits to employees, and by providing training to all employees.</p> <p>Similarly, the co-lending project is expected to have a positive developmental impact on the host country.</p>
<p>Environment:</p>	<p>Microfinance and small business lending facilities are screened as Category C projects, but 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 or local communities.</p> <p>Co-lending agreements are screened as Category D projects under OPIC's environmental and social guidelines. As in all framework facilities, OPIC will review and provide environmental and social clearance on each downstream loan prior to granting consent for each such loan. OPIC will require mandatory environmental and social language to be included in the downstream loan documentation applicable to downstream borrowers.</p>
<p>Workers Rights:</p>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum</p>

	<p>age requirements, the timely payment of wages, minimum wages, and hours of work. 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. Standard and supplemental contract language will be applied to all workers of the Project. This direct loan Project received a Worker Rights clearance on August 19, 2009.</p> <p>Each of the subprojects under the co-financing will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language for each subproject will be included in the subproject's loan agreement.</p>
Human Rights:	<p>The direct loan project received a Human Rights Clearance on October 5, 2009.</p> <p>In consultation with the Department of State, the co-lending project received a Human Rights Clearance on January 7, 2010.</p>