

Public Information Summary

Host Country(ies):	Panama
Name of Borrower(s):	Materiales Vista Bahia, S. de R.L.
Project Description:	The OPIC direct loan will be used by the Borrower to support the development of the 824-home Luces del Pacifico affordable housing project (the "Project") in La Chorerra, Panama. The Project is expected to improve the quality of life of low-middle income families near Panama City by providing affordable housing and access to security, health facilities, education, retail and recreation. The Panamanian government provides downpayment assistance and interest rate subsidies for homes between \$35,000 and \$120,000, but relatively few units are being built at the lower end of this range. The average sales price of a home in the Luces del Pacifico development is expected to be approximately \$50,000.
Proposed OPIC Loan:	\$7,500,000
Total Project Costs:	Up to \$38,928,746
U.S. Sponsors:	Ernesto Arguello (50%) and Juan Carlos Arguello (50%)
U.S. Guarantors:	Ernesto Arguello and Juan Carlos Arguello
Foreign Guarantor:	HOLA Realty S.A. de C.V.
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project is expected to have a small, but positive, impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact.
Developmental Effects:	The Project is rated "developmental", with a score of 57.5. The Project will have a positive developmental impact on Panama's housing sector, targeting lower income home buyers eligible for government-subsidized mortgages. The Project supports the Government of Panama's initiatives to increase the supply of low income housing. In 2010, Panama's Ministry of Housing and Land Management estimated that the country had a housing shortage of over 136,000 units, including 44,000 units in the province of Panama where the Project is located. This housing shortage is particularly

	<p>acute among low income earners. Additionally, the Project is expected to create over 150 unskilled, technical, and managerial jobs by its fifth year. The Borrower will sponsor an entrepreneurship program and youth soccer league, and provide charitable donations and scholarships to local schools. The Borrower will also use energy- and water-saving installations in the new housing units.</p>
<p>Environment:</p>	<p>Screening: The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving loans for developers of small to medium scale housing in urban areas are screened as Category B projects under OPIC’s environmental and social guidelines and are considered medium risk. Category B projects are likely to have limited impacts that are reversible, site-specific, and can be remediated through mitigation measures. In addition to typical impacts associated with construction, the primary environmental and social issues associated with the Project are the need for an environmental and social management system to ensure that proper protections and mitigation plans are implemented, including an occupational health and safety plan, and a community grievance mechanism.</p> <p>Applicable Standards: OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <p>PS 1: Social and Environmental Assessment and Management Systems; PS 2: Labor and Working Conditions; PS 3: Pollution Prevention and Abatement; PS 4: Community Health, Safety and Security; and</p> <p>In addition to the Performance Standards listed above the Project will also be required to follow International Finance Corporation (IFC) April 30, 2007 Environmental, Health, and Safety General Guidelines.</p> <p>The Borrower has stated that the land for the Project, comprised of empty lots was acquired pursuant to agreements with ready, willing, and able sellers. The Borrower confirmed that no persons were physically or economically displaced, therefore, PS 5 is not triggered at this time. Because this vacant property is not expected to have any critical habitat and is unlikely to negatively impact local biodiversity, indigenous peoples or</p>

	<p>cultural heritage sites, PS 6, 7, and 8 are not triggered at this time.</p> <p>Environmental and Social Risks and Mitigation: The Borrower has sufficient policies and programs in place to ensure environmental and social compliance with applicable local, national and international standards, including occupational health and safety. Structures will be built with responsible construction techniques with internationally accepted building materials, and units will be provided with municipal supplies of electricity and potable water and municipal disposal of sewage and solid waste.</p> <p>OPIC will require that the Borrower submit evidence of a Project-specific grievance mechanism that adheres to IFC Performance Standard principles prior to disbursement, and evidence that the Project complies with internationally acceptable Life and Fire Safety Standards.</p>
Workers' Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age of employment, hours of work, the timely payment of wages and hazardous work situations. 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.</p>
Human Rights:	<p>The Project received Human Rights Clearance on February 11, 2015.</p>