

INFORMATION SUMMARY FOR THE PUBLIC
WEOF Loan

Host Country:	Cambodia
Name of Borrower:	ACLEDA Bank Plc.
Project Description:	The women-owned enterprise market is an underfunded market with an aggregate global credit gap estimated between \$260 billion and \$320 billion per year. In the East Asia and Pacific region, unmet demand for financing is estimated at \$67 billion per year for women-owned small and medium enterprises (“SMEs”). In Cambodia, 41% of SMEs are owned by women, the majority of which are unserved or underserved by financial institutions. The loan will provide the long-term senior financing that ACLEDA needs to expand the bank’s loan portfolio to women-owned enterprises and will leverage the resources of the Women Entrepreneur Opportunity Facility to develop new products for women-owned enterprises.
Proposed OPIC Loan:	\$30,000,000 with a seven year term
Total Project Costs:	\$40,000,000
U.S. Sponsor:	Goldman Sachs Foundation
Foreign Sponsor:	ACLEDA Staff Association, a Cambodian public limited company; ACLEDA NGO, a Cambodian non-governmental organization; Sumitomo Mitsui Banking Corporation, a Japanese banking corporation; Orix Corporation, a Japanese private limited company; COFIBRED, a French limited liability company; Triodos Microfinance Fund, a Dutch private limited liability company; Triodos Fair Share Fund, a Dutch private limited liability company; and Triodos Sustainable Finance Foundation, a Dutch private limited liability company.
Policy Review	
U.S. Economic Impact:	The loan is not expected to have a negative impact on the U.S. economy or employment. There is no U.S. procurement associated with this loan, and, therefore the loan is expected to have a neutral impact on U.S. employment. The loan is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The loan is expected to have a highly developmental impact in Cambodia by expanding ACLEDA Bank’s lending to women-owned small and medium sized businesses. Economic research demonstrates that investing in women-owned businesses, and increasing female participation in the labor force can create huge economic returns, but limited access to finance remains a challenge for many women in developing countries. The IFC estimates that as many as 70% of women-owned SMEs in the

	<p>formal sector in developing countries are underserved by financial institutions – a financing gap of around \$285 billion— but if this credit gap is closed, per capita incomes could increase by 12%. Loans originated through this loan will be used for start-up, working, and expansion capital as well as equipment purchasing. Additionally, the loan will catalyze funding from GSF for technical assistance and incentives for lending to women-owned enterprises.</p>
Environment:	<p>Projects involving loans to micro, small and medium enterprises 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 ACLEDA’s investments are consistent with OPIC’s statutory and policy requirements the loan will be subject to conditions regarding use of proceeds.</p> <p>ACLEDA has an environmental and social management system to screen and assess potential environmental and social risks of projects it supports, but does not have a formalized community grievance mechanism. ACLEDA will be required to develop and implement a formalized community grievance mechanism.</p>
Worker Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Standard and supplemental contract language will be applied to all ACLEDA workers. ACLEDA will be required to operate in a manner consistent with the requirements of the International Finance Corporation’s (“IFC”) Performance Standard 2 on Labor and Working Conditions.</p> <p>Loans to MSMEs will be restricted with respect to the MSMEs’ operations, including the employment of minors and other applicable labor law requirements.</p> <p>ACLEDA has developed and implemented an environmental and social management system; however, OPIC will require modifications to its written grievance mechanism to fully align with the requirements of IFC Performance Standard 2.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on February 10, 2016.</p>