

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Palestinian territories
Name of Borrower:	Middle East Investment Initiative (“MEII”)
Project Description:	Historically, lending in the Palestinian territories has been characterized by aversion to risk, overcollateralization, and, most significantly, a low capacity to assess or manage small- and medium-sized enterprise (“SME”) credit risk. The project (the “Project”) involves the provision of loan guaranty support for SMEs operating in the Palestinian territories. The loans under the Project will be made by downstream financial institutions and guaranteed pursuant to guaranty facility agreements among OPIC, MEII, and each downstream financial institution. MEII will also provide technical assistance and training (“TA”) to loan officers and mid-level management of the participating downstream financial institutions, enabling those institutions to better assess the creditworthiness of prospective SME borrowers and to structure loans that effectively meet the working capital or longer-term financing needs of those businesses. To address “demand”-side weaknesses, TA efforts will help SMEs on the threshold of bankability demonstrate their creditworthiness to commercial lenders. The goals of the Project, which will replace a highly successful but expiring OPIC loan guaranty facility, are to increase the number and enhance the quality of loans from private financial institutions operating in the Palestinian territories to local SMEs, and to improve economic conditions in the Palestinian territories.
Proposed OPIC Revolving Loan Guaranty Amount (and Total Loan Guaranty Tenor and Guaranty Consent Period):	\$100 million (12 year total loan guaranty tenor, 8 year guaranty consent period)
Total Project Costs:	\$151.2 million
U.S. Sponsor:	MEII
Policy Review	
U.S. Economic Impact:	Each guaranty to a participating financial institution will be analyzed as an individual project to estimate potential impacts on the U.S. economy.

Developmental Effects:	The Project is expected to have a positive developmental impact. Uncertain political and economic conditions in the region have stifled the development of a strong private sector, including SMEs, and impeded economic growth. By providing capital to underserved SMEs, the Project is expected to stimulate the local economy and create jobs. This second facility will expand upon the developmental success of the first loan facility by including more financial institutions and by introducing new products. MEII will continue to provide TA to financial institutions as well as SME borrowers. Each guaranty to a participating financial institution will be analyzed separately for its potential developmental impacts.
Environment:	Framework clearance pending, downstream clearance to be supplied by OIP at the time of review of individual downstream loans.
Workers' Rights:	Framework clearance pending, downstream clearance to be supplied by OIP at the time of review of individual downstream loans.
Human Rights:	Clearance pending at State Department.