

### **Project Information Summary**

Host Countries:	Benin, Burkina Faso, Cameroon, Kenya, Madagascar, Senegal, Tanzania, Togo
Name of Borrower:	PAMIGA Finance S.A. a Luxembourg public limited company (the “Borrower”)
Project Description:	According to the World Bank, Sub-Saharan Africa has the lowest rates of financial inclusion in the world, with only 24% of the adult population having access to a formal financial institution. <sup>1</sup> Moreover, Sub-Saharan Africa has some of the lowest rates of electrification (31%) <sup>2</sup> and the largest number of water-stressed countries in the world. <sup>3</sup> In order to increase access to finance for the purchase of affordable renewable energy systems and investments in productive water resources, the Borrower will establish a \$12 million loan facility for on-lending to ten of its microfinance network partners located in eight countries in Sub-Saharan Africa. The proceeds of the OPIC loan will be used to on-lend to microfinance institutions that are members of its network in Benin, Burkina Faso, Cameroon, Kenya, Madagascar, Senegal, Tanzania, and Togo for the purposes of financing investments in solar energy, productive water, and general microfinance lending. Over the five year period, the loan facility is expected to finance approximately 92,000 microloans, impacting the lives of some 582,000 Africans.
Proposed OPIC Loan:	Up to \$4,750,000
Total Project Costs:	Approximately \$12,000,000
U.S. Sponsor:	The Calvert Social Investment Foundation, a U.S. 501(c)(3) non-profit organization
Foreign Sponsor:	PAMIGA ( <i>Participatory Microfinance Group for Africa</i> ) Association, a French non-profit association
<b>Policy Review</b>	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy, as the project will provide micro-lending services exclusively in Sub-Saharan Africa. The project is expected to generate initial procurement from the U.S., which

<sup>1</sup> [datatopics.worldbank.org/financialinclusion/region/sub-saharan-africa](http://datatopics.worldbank.org/financialinclusion/region/sub-saharan-africa)

<sup>2</sup> [www.iea.org](http://www.iea.org)

<sup>3</sup> [UNwater.org](http://UNwater.org)

	<p>will have a small, but positive, impact on U.S. employment. The project is expected to have a net negative effect on the U.S. balance of payments over the first five years.</p>
Developmental Effects:	<p>This project will have a positive developmental impact on the Sub-Saharan countries in which it is based. The loan will allow the Borrower to scale up the activities of its network of microfinance institutions (“MFIs”) in eight countries in West, Central, and East Africa. The expansion will correspond to a scale-up of the Borrower’s program for water and renewable energy investments for households and small businesses. The MFIs also provide technical assistance to borrowers in the use of these technologies, as well as their application to agriculture. The MFIs comply with the Smart Campaign Client Protection Principles for microfinance, and offer financing options that are relatively scarce for borrowers, such as loans with longer tenors or seasonally adjusted repayment plans.</p>
Environment:	<p>Loans to financial institutions for the purposes of on-lending to microfinance institutions are screened as Category C projects under OPIC’s environmental and social policies, but are 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. The Borrower has an environmental policy that will be used to guide the project to achieve sound and sustainable environmental and social performance. The Borrower also has an appropriate grievance mechanism.</p>
Workers Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining. The Borrower 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. Loans to MFIs will be restricted with respect to the MFI borrowers' operations, including the employment of minors. Standard and supplemental contract language will be applied to all workers of the Borrower.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this project on July 15, 2014.</p>