

Host Country:	Mexico
Name of Borrower:	Bancash Mexico, S.A. de C.V., S.O.F.O.M., E.N.R.
Project Description:	Expansion of an existing micro-consumer finance program servicing members of the Mexican National Teachers' Union (the "Union" or "SNTE").
Proposed OPIC Loan:	\$50,000,000
Total Project Costs:	\$59,000,000
U.S. Sponsors:	Mr. Richard F. Podgorski, Mr. Thomas R. Canham, Mr. Thomas Duensing and Mr. Keith H. Sieber.
Foreign Sponsors:	Mr. Juan Pablo Salazar, Mr. Samuel Gamez Gonzalez, Mr. Erick Salazar, Mr. Daniel Hinojosa Gonzalez and Mr. Rafael Zarazua Olvera.
<b>Policy Review</b>	
U.S. Economic Impact:	As this project involves an investment in a consumer lending company, which provides loans to underserved communities in the host country, it is unlikely to have a significant negative impact on the U.S. economy. Since there is some U.S. procurement associated with this project, the investment is expected to have a positive impact on U.S. employment. The project is expected to have a negative impact on the U.S. balance of payments impact over the first five years.
Developmental Effects:	The project will have a positive developmental impact in Mexico. The investment will provide Bancash with necessary expansion capital, which in turn, will positively impact the income and quality of life for middle income teachers. Borrowers (members of the Federal Teachers Union) will benefit through increased access to finance through payroll deductions.
Environment:	Loans to financial services companies are screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety and social impacts are minimal. However, in order to insure that the Borrower's loans are consistent with OPIC's statutory and policy requirements, the loan will be subject to conditions regarding the use of proceeds.  The Borrower will be required to implement the environmental and social policy that will be used to guide the Project and achieve sound and sustainable environmental and social performance. The Borrower will also be required to implement the grievance mechanism.
Workers Rights:	OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining. 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.
Human Rights:	OPIC issued a human rights clearance for the project on January 4, 2012.