

## Information Summary for the Public

**Host Country:** Latin America regional

**Name of Borrower:** Emergency Liquidity Facility

**U.S. Sponsor:** Accion International, Inc.

**Foreign Sponsor:** N/A

**Total Project Cost:** \$29,000,000

**Proposed OPIC Loan:** \$4,000,000

**Project Description:** A direct loan for on-lending to prequalified microfinance institutions experiencing liquidity problems in Latin America and the Caribbean.

**Developmental Effects:** The project is expected to have an immediate developmental impact by providing financial assistance, in the form of working capital, to MFIs in Latin America and the Caribbean that have been negatively impacted by external shocks due to natural disasters, the current financial downturn and resulting liquidity constraints. Emergency liquidity is essential to promote the recapitalization of the financial system and for recovery from natural disasters. This project will significantly augment the private capital available in the financial sectors of the host countries, and will have a strong multiplier impact by targeting lower income demographics. The project targets an underserved sector of the community by focusing on micro-entrepreneurs, 80 percent of whom are located in rural areas.

**Environment:** Loans from OPIC to financial institutions that on-lend to MFIs are considered financial transactions and are screened as Category C projects having no material environmental impacts. Therefore, no further environmental assessment is warranted for this project. However, in order to ensure that ELF's sub-loans are consistent with OPIC statutory and policy requirements, the Borrower shall ensure that the following conditions are met: The MFI shall not use the proceeds of any direct loan by OPIC to make a loan to a borrower for any project that involves a categorically prohibited activity as defined in Attachment A to this clearance. Nor shall the MFI use the proceeds of any direct loan by OPIC to make a loan to a borrower for any project that involves an activity likely to have significant adverse impact on the environment (taking into account, among other factors, the sensitivity of the impacted ecosystem) or human health or safety, including without limitation the types of operations listed in Attachment B to this

clearance.

**Workers Rights:**

OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, timely payment of all wages, and hours of work. Loans to micro-borrowers will be restricted with respect to the micro-borrowers' operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers of the Project.

**Human Rights:**

In consultation with the Department of State, the project received a human rights clearance on February 27, 2009.