

REPORT FROM OPIC PROJECT TEAM TO INVESTMENT COMMITTEE

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Afghanistan
Name of Borrower:	Afghan Growth Finance Company (Delaware)
U.S. Sponsors:	<ol style="list-style-type: none"> 1. Small Enterprise Assistance Funds; 2. Delphos International; and 3. EnterpriseWorks/VITA.
Foreign Sponsor:	None
Project Description:	New non-bank financial institution dedicated to providing debt financing (including leasing) to Afghanistan SMEs with a focus on agribusiness, light manufacturing, construction, consumer goods and services.
Total Project costs:	\$33.4 million over the projected 3-year drawdown period of the OPIC loan.
Proposed OPIC Loan:	\$20 million 15-year loan
Developmental Effects	<p>This project provides an innovative source of capital for SME lending in Afghanistan, thereby augmenting the Afghan financial sector. The project anticipates supporting substantial capital mobilization over five years and involves several public-private partnerships with local Afghan NGOs and public ministries. The project will provide significant downstream benefits to an underserved segment of the Afghan economy by targeting the SME sector and Afghan suppliers will benefit indirectly through increased business expenditures and demand for their goods and services.</p>
Environment:	<p>OPIC loans to financial intermediaries 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 the Borrower's sub-loans are consistent with OPIC statutory and policy requirements, the following conditions should be included in the loan agreement:</p> <ol style="list-style-type: none"> 1. The Borrower shall not use the proceeds of any loan guaranteed by OPIC to make a loan for any project that involves a categorically prohibited activity as defined in Attachment A to OPIC's environmental clearance for

	<p>the project.</p> <p>2. The Borrower shall not use the proceeds of any loan guaranteed by OPIC to make a loan to 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 OPIC's environmental clearance for the project.</p>
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