



# Public Information Summary

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| <b>Host Country:</b>          | Mongolia   |
| <b>Name of Borrower:</b>      | Schulze Global Mongolia Debt Facility Limited  |
| <b>Project Description:</b>   | A continuation of an on-lending facility providing senior secured loans to small and medium size enterprises in Mongolia.  |
| <b>Proposed OPIC Loan:</b>    | \$10,000,000   |
| <b>Total Project Cost:</b>    | \$11,111,111   |
| <b>U.S. Sponsor:</b>          | Gabriel Schulze, a U.S. citizen and the ultimate controlling shareholder of the Borrower.  |
| <b>Foreign Sponsor:</b>       | Schulze Global Investments Limited   |
| <b>U.S. Economic Impact:</b>  | Projects involving loans to SMEs are screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to insure that the Borrower's loans are consistent with OPIC's statutory and policy requirements, proceeds of the OPIC loan will be subject to conditions regarding use of proceeds.  |
| <b>Developmental Effects:</b> | This Project is expected to have a developmental impact through the extension of commercial loans in Mongolia. With the Mongolian economy's focus on extractive industries, traditional banks tend to ignore the potential of small and mid-sized businesses. Moreover, in the current economic environment of depressed commodity prices, local lending to small and mid-sized businesses is likely to weaken further as the economy cools. Small and mid-sized businesses are often undercapitalized and immature, and typically viewed as too risky by traditional banks in Mongolia. According to World Bank Enterprise Survey data, 30% of SMEs cited access to financing as the greatest challenge to their businesses. In addition, while traditional banks are typically only willing to lend short-term loans with heavy collateral requirements to such businesses, the Project's loans will have tenors of five years or more, and flexible collateral standards. Through flexible financing terms for small and mid-sized businesses, the Project will support the country's economic diversification away from extractive industries. |
| <b>Environment</b>            | The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact.  |
| <b>Labor/Human Rights</b>     | <p>The Project will be the extension of Schulze Global Mongolia Debt Facility Limited, an on-lending facility providing loans to small and medium size enterprises (SMEs) in Mongolia.</p> <p>The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws. Use of proceeds are subject to conditions to ensure consistency with OPIC's statutory and policy requirements.</p> <p>The Borrower has developed and implemented human resources policies and an ESMS that addresses social risk, including labor, commensurate with the risks associated with the Project's anticipated Portfolio and activities. The Borrower will be required to implement an employee grievance mechanism consistent with IFC Performance Standard 2. This review covers the commensurate human rights risks associated with SME Finance in Mongolia.</p>   |