

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Myanmar
Name of Borrower:	BRAC Africa Microfinance Ltd. (“BAML”), Cayman Islands
Project Description:	According to the IMF, Myanmar has the lowest rate of financial intermediation among ASEAN nations, with total credit to the private sector representing just under 19% of GDP in 2016. ¹ With a population of 53.3 million people, including 39.8 million adults, Myanmar has substantial unmet demand for microfinance services. In order to address this need, OPIC will lend \$5 million to BRAC Myanmar in order to expand its portfolio of micro-loans serving mainly female clients in urban and rural areas. With an average loan size of about \$200, the OPIC loan is expected to fund an additional 25,000 loans once fully disbursed and several multiples of this over the proposed five year tenor.
Proposed OPIC Loan:	up to \$5,000,000
Total Project Costs:	up to \$6,700,000
U.S. Sponsor:	BRAC USA
Foreign Sponsor:	BRAC
Policy Review	
U.S. Economic Impact:	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 negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact in Myanmar by increasing access to finance for micro borrowers, which have difficulty obtaining competitive financing from the local financial sector. According to the World Bank, less than 20% of the local population has access to formal financial services and most people and businesses use informal ways to save, borrow and transfer money. The vast majority of Project beneficiaries will be women borrowers, an underserved segment at the base of the economic pyramid. As part of its social impact activities, BRAC will provide micro

¹ www.imf.org

	<p>borrowers with training in financial literacy, health education, HIV awareness, and legal rights. BRAC Bangladesh is certified under the Smart Campaign, and plans to obtain certification for all of its international subsidiaries. The Project dovetails with the government’s Roadmap for Financial Inclusion, which aims to increase financial inclusion from 30% in 2014 to 70% percent by 2020. The Project aligns with UN Sustainable Development Goal #1 (No Poverty) and #8 (Decent Work and Economic Growth).</p>
<p>Environment:</p>	<p>Loans to financial institutions involved in microfinance 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 financial institution has an environmental policy that will be used to guide the Project to achieve sound and sustainable environmental and social performance. The financial institution will also be required to maintain its grievance mechanism to properly respond to concerns expressed by external stakeholders.</p>
<p>Social Assessment:</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. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association.</p> <p>This Project involves the expansion of microfinance lending. Loans to MSME borrowers will be restricted with respect to the borrower’s operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers engaged by the Project. The Project will be required to enhance its Environmental and Social Management System (ESMS) to prohibit activities involving forced and child labor consistent with the requirements of the IFC Performance Standards. OPIC issued a human rights clearance for this project on February 23, 2017.</p>