



INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Lebanon
U.S. Sponsor and Recipient of the OPIC Guaranty:	Cooperative Housing Foundation, a U.S. 501(c)(3) non-profit organization incorporated in New Jersey, doing business as “CHF International” and “Global Communities.”
Project Company:	Vitas s.a.l., a financial institution incorporated as a joint stock company in Lebanon.
Project Description:	OPIC will expand its back-to-back investment guaranty to Global Communities in support of Global Communities’ guaranty of microenterprise, small business, home improvement, consumer finance, and education loans made by the Project Company to qualified borrowers in Lebanon. With a target to serve over 42,000 clients by 2022, the Project supports financial inclusion, private business development, job creation, and income, standards of living, and economic growth in Lebanon. Although Lebanon has a relatively advanced commercial banking system, loans for microenterprises and small businesses, which comprise an estimated 90% of businesses in Lebanon, are not widely available, and the Project will assist in addressing this challenge.
Proposed OPIC Guaranty:	\$25 million
Total Risk Share:	\$36.8 million
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 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:	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;">  <p>1 NO POVERTY</p> </div> <div>  <p>10 REDUCED INEQUALITIES</p> </div> </div> <p>This Project is expected to have a highly developmental impact in Lebanon. With the expansion of OPIC’s guaranty, the Project Company expects to increase its lending to micro- and small-sized businesses in Lebanon, reaching a total portfolio of approximately \$45 million with approximately 70,000 loans disbursed by the Project’s fifth year. The Project aligns with Sustainable Development Goals One and Ten, which aim to reduce poverty and inequality. According to the World Bank’s Enterprise Survey, 42% of Lebanese firms, particularly firms with less than 20 employees, cited access to finance as a major constraint to growth. Micro- and small-sized businesses are important drivers of growth in the Lebanese economy, as they account for more than 90% of enterprises, and employ 50% of</p>

	<p>the Lebanese workforce. The Project is expected to have a significant development reach, with the majority of the Project funds targeting underserved borrowers such as women, youth, and previously “unbanked” borrowers located in rural areas of the country, including the Bekaa Valley. The Project is also expected to have strong demonstration effects, by providing technical assistance to borrowers and uncollateralized loans. Traditional collateral requirements in Lebanon are particularly stringent, resulting in 45% of firms to be disconnected from the banking sector, and 25% of firms to feel discouraged from applying for loans. Finally, the Project Company is expected to create over 30 new, quality jobs with higher than average wages and robust training and benefits.</p>
<p>Environment:</p>	<p>Projects involving loan guaranties to banks for the purposes of microfinance and SME on-lending 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 safeguard that the Project Company’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.</p>
<p>Workers’ Rights:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions, OPIC’s Environmental and Social Policy Statement, and applicable local labor laws. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization, and collective bargaining. Standard and supplemental contract language will be applied to all workers of the Project. The Project Company will be required to update its labor management system to include an anonymous grievance channel for employees. Lending activities are guided by a Social and Environmental Management System that is appropriate for the Project; however, loans to micro-borrowers will be restricted with respect to the operations, including employment of minors and other applicable labor law requirements.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for this Project on August 18, 2016.</p>