

Information Summary for the Public

Host Country:	Mexico
Name of Borrower(s):	WBC – Financiamiento Progreseemos, S.A. de C.V.
Project Description:	Expansion of Progreseemos micro and SME lending operations in Mexico where more than 50% of the use of proceeds will benefit women.
Proposed OPIC Guaranty:	\$11.7 million
Total Project Costs:	\$30.06 million
U.S. Sponsor:	Kandeo Fund L.P. and Kandeo Spain Latam, S.L.
Foreign Sponsor:	N/A
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is minimal U.S. procurement associated with this Project, and the Project is expected to have a de minimis impact on U.S. employment. The Project is expected to have a small, but positive, five-year U.S. balance of trade impact.
Developmental Effects:	The Project is expected to have a highly developmental impact on Mexico by helping to scale up an existing financial institution and by expanding the availability of financing to local microenterprises and SMEs. Despite Mexico’s status as a high-income country, access to finance continues to be a constraint for growth to MSMEs. MSMEs are an important driver for economic growth in Mexico, as they employ close to half of the labor force in the nation’s formal economy and a large amount in the informal sector. Additionally, the Project Company estimates that over 80 percent of its loan proceeds will target women-owned/managed businesses, as well as targeting over 80 percent of the portfolio to serve in rural areas. Finally, the Project expects to lead to the creation of over 120 local permanent jobs. The Project will help Mexico to attain UN Sustainable Development Goals #8 (Decent Work and Economic Growth) and #10 (Reduced Inequalities).
Environment:	Loans to financial intermediaries for the purpose of consumer, micro-enterprise, and SME portfolio expansion are screened as Category C projects under OPIC’s environmental and social guidelines, but are subject to conditions related to the use of proceeds. Proceeds from OPIC-supported loans will not be used for categorically prohibited activities or activities likely to have a

	significant adverse impact on the environment, health, safety, or local communities.
Social Assessment:	<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.</p> <p>OPIC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including any contracted workers.</p> <p>The Borrower has in place a labor management system, which includes human resources policies, employment contracts, and an environmental and social management system (ESMS) that addresses its on-lending policies, which are commensurate to the risks associated with this Project.</p> <p>This review covers the commensurate human rights risks associated with micro and SME on-lending in Mexico.</p>