

INFORMATION SUMMARY FOR THE PUBLIC

Host Country	El Salvador
Name of Borrower(s)	Azure Source Capital, LLC
Project Description	ASC is a lending vehicle that finances the rehabilitation, expansion and improvement of water infrastructure and services in rural and peri-urban communities.
Proposed OPIC Loan	\$4,000,000, 7-year OPIC loan with a final maturity date of September 15, 2025.
Total Project Costs	\$10,275,000
U.S. Sponsor	Catholic Relief Services, Total Impact Capital
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 no U.S. procurement associated with this loan, and, therefore the project is expected to have a neutral impact on U.S. employment. The loan is expected to have a neutral five-year U.S. trade balance impact.
Developmental Effects	This project will have a highly developmental impact on El Salvador through support of small-scale water service providers, such as municipal water supply operators, community water boards, and private water and sanitation service enterprises that operate largely in rural parts of the country. El Salvador faces chronic water issues, as underinvestment in critical infrastructure has left an estimated one third of the population reliant upon external water delivery providers. This project will provide both financial and technical support to these water service providers, with the aim of serving 300,000 people. Technical assistance for the borrowers comes through Azure Technical Services, a partnership dedicated to addressing the needs of water service providers, through the provision of engineering guidance, and business training. In addition, this loan will help El Salvador achieve UN Sustainable Development Goal number 6 (Clean Water & Sanitation).
Environment	Loans made to financial intermediaries for loans to water service providers are screened as Category C projects under OPIC's environmental and social guidelines. The environmental, health, safety and social impacts from the Project are considered minimal. However, in order to insure that the Project is consistent with OPIC's statutory and policy requirements, the OPIC-guaranteed loans made by the Borrower will be subject to conditions regarding the use of proceeds, and the Borrower will be required to provide a healthy and safe work environment for its employees.
Social Assessment	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

	<p>local laws. OPIC's statutorily required language will be supplemented with provisions concerning non-discrimination and the timely payment of wages. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers. Investments in SMEs will be restricted with respect to the borrowers' operations, including the employment of minors and other applicable labor laws.</p> <p>The Project involves provision of financing to water and sanitation providers in El Salvador. The Borrower has developed policies and management systems that address social risk, including labor, commensurate with the risks associated with the Borrower's anticipated Portfolio. These policies address the process through which prospective investments are screened, assessed for risks, and monitored, including prohibitions on forced and child labor.</p> <p>This review covers the commensurate human rights risks associated with SME on-lending in El Salvador.</p>
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