

Host Country:	Tajikistan
Name of Insured Investor:	Mountain Enterprises International, Inc.
Foreign Enterprise:	Mountain Food Products, LLC
Project Description:	Processing local agricultural crops to sell snack products that are currently imported or unavailable in Tajikistan.
Total Project Cost:	\$850,000/\$4,150,000 (initial investment/planned future expansion)
Proposed OPIC Insurance Amount:	Up to \$4,500,000
Developmental Effects:	<p>The Project is expected to have a highly developmental impact through the investment in a local potato chip and snack manufacturer in Tajikistan. The Project will support the local agricultural supply chain by distributing seeds and sourcing potatoes from roughly 600 farmers in Tajikistan. Agriculture is an important sector in Tajikistan, representing roughly 28% of the country's GDP in 2014. In addition to supporting rural farmers, the Project is expected to create over 80 permanent jobs. The Project is expected to have strong demonstration effects as the first company in Tajikistan to locally source and manufacture snack food products, which are primarily imported. By processing the waste products from potato processing into livestock feed ingredients, the Project will have positive environmental benefits. The Project will help Tajikistan achieve UN Sustainable Development Goals #8 (Decent Work and Economic Growth) and #12 (Responsible Consumption and Production).</p>

Environment:

SCREENING: The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Political risk insurance on the construction and operation of food processing facilities is screened as Category B under OPIC's Environmental and Social Policy (January 2017). Environmental, health and safety impacts are expected to be site-specific and readily mitigated through appropriate environmental management systems and food safety controls. The Project is subject to a climate resiliency assessment under Executive Order 13677.

SCOPE OF REVIEW: This environmental and social assessment was based on information submitted in the Request for Clearance (October 2016), OPIC Form 52 – Application for Political Risk Insurance (October 2016), OPIC Form 248 – Office of Investment Policy Questionnaire (October 2016), Project Background (undated); Draft Environment, Social Management and Site Security Status and Policies (April 2017), responses to the Office of Investment Policy's request for additional information (April - May 2017), Tajikistan: National Action Plan for Climate Change Mitigation (December 2003), and Tajikistan: Strategic Programme for Climate Resilience (January 2011).

APPLICABLE STANDARDS: Under OPIC's Environmental and Social Policies (2010), the Insured Investor is required to comply with applicable national laws and regulations related to environmental and social performance. OPIC's environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (P.S.): P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts P.S. 2: Labor and Working Conditions P.S. 3: Resource Efficiency and Pollution Prevention P.S. 4: Community Health, Safety and Security The Project site is located in

	<p>Khorog Town, a built environment situated at the confluence of the Gund River and Panj River. The nearest protected area is Khorog City Park located approximately 0.79 miles across the Gund River. The next closest protected areas are located in the mountains of Central Asia approximately 32 miles northeast (as the crow flies) and Drumkul Lake located approximately 31 miles southeast. The Project is not expected to impact biodiversity conservation and therefore P.S. 6 is not triggered at this time. Additionally, the Project will be required to meet applicable provisions of the IFC's April 30, 2007 Environmental Health and Safety (EHS) General Guidelines and Food and Beverage Processing Guidelines. KEY ENVIRONMENTAL & SOCIAL ISSUES AND MITIGATION: The Project's primary environmental issues involve water use and wastewater disposal for its processing operations. The Insured Investor will monitor the effects of the Project's process wastewater disposal outfall on the receiving waterbody in conformance with national and international effluent limits. Domestic wastewater from the Project will be discharged to septic tanks serviced by outside contractors. The Insured Investor will implement an Environmental Management System to identify and manage environmental risks associated with construction, operations and maintenance of the Project. The Insured Investor will implement a food safety management and quality control system incorporating Hazard Analysis Critical Control Points to ensure quality in the processing, storage and distribution of the Project's food products.</p>
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Workers' Rights	<p>The Insured Investor will be required to operate the Project 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, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, 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 contracted workers. The Insured Investor has developed and implemented management policies that address social risk, including labor, commensurate to food processing activities. OPIC will require the Insured Investor to develop for the Project supply chain policies and procedures, employment contracts, formalized wage payment documentation procedures, and an employee grievance mechanism. This review covers the commensurate human rights risks associated with food processing in Tajikistan.</p>
Human Rights	<p>OPIC issued a human rights clearance for the Project on June 15, 2017.</p>
U.S. Effects	<p>The Project is not expected to have a negative impact on the U.S. economy, as neither Tajikistan nor the Project's export market are significant for U.S. snack food exports. 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.</p>