

## INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Kenya
Name of Borrower(s):	Sanergy Limited Sanergy, Inc.
Project Description:	Expansion of social enterprise in the sanitation sector, including a new animal feed production facility
Proposed OPIC Loan:	\$5,000,000 over 9 years
Total Project Costs:	\$12,805,000
U.S. Sponsor:	Sanergy, Inc., a Delaware corporation
Foreign Sponsor:	Novastar Ventures East Africa Fund I LP, a private limited company organized under the laws of Mauritius
<b>Policy Review</b>	
U.S. Economic Impact:	This Project is not expected to have a negative impact on the U.S. economy. There will be no procurement from the U.S. and will have no effect 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 Kenya. The Project is expected to reduce environmental and public health risks in informal settlements by diverting waste that would otherwise be disposed untreated into the environment and converting it into high-quality protein for animal feed. The Project is also supporting local job growth, and spurring economic growth through local procurement of construction services and materials. The Project is expected to help Kenya achieve Sustainable Development Goal number 6 (Clean Water and Sanitation) by providing sustained access to sanitation for residents of urban informal settlements and number 8 (Decent Work and Economic Growth) by creating over a hundred local jobs.
Environment:	<b>SCREENING:</b> The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Projects involving expansion of waste processing and production of animal feed production facilities are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated. The major environmental issues associated with the Project include the need for appropriate health and safety measures, solid and sanitary waste management measures, and

mitigation to minimize noise and dust impacts on the community.

**APPLICABLE STANDARDS:** Under OPIC's Environmental and Social Policies, the Borrower is required to comply with applicable national laws and regulations related to environmental and social performance. OPIC's environmental and social 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 (PS):

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

PS 2: Labor and Working Conditions

PS 3: Resource Efficiency and Pollution Prevention

PS 4: Community Health, Safety, and Security

Adverse impacts on biodiversity are not anticipated. Therefore, P.S. 6, is not triggered at this time.

Additionally, the World Bank Groups General Environmental Health and Safety (EHS) Guidelines (2007) and the World Bank Group EHS Guidelines for Water and Sanitation (2007) apply to the Project.

**Environmental and Social Risks and Mitigation:** Sanergy has an ESG framework and Quality, Health, Safety and Environment procedures and plans.

During construction solid wastes will be managed by the construction contractor. During operations solid wastes arising from operations that are not recycled back into the process are consolidated and will be collected by a waste management company. Sanitary wastes are managed by the Project's production facilities including an existing septic system. Water is piped from a borehole at a neighboring site and water from a government operated water point is trucked to site as backup and stored.

Heat is provided to the production facility by a boiler that will run on LPG or biomass. Two diesel generators are utilized for backup purposes. Total GHG emissions are expected to be less than 8,000 tons CO<sub>2eq</sub> per year.

	<p>The Co-Borrowers will be required to develop a construction phase occupational health and safety plan, amicrobial water testing plan, a noise and dust mitigation plan, and a severe weather management and mitigation plan.</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.</p> <p>The Project’s human resource policies and procedures have been evaluated against the IFC Performance Standards. 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.</p> <p>OPIC will require the Project to prepare a Stakeholder Engagement Plan to guide outreach and communication with nearby residents and communities, and make available to them the Project’s grievance mechanism. OPIC will also require the Project to ensure that its worker rights policies, including the employee grievance mechanism with an anonymous channel, are available to contracted workers, and that contracted security personnel are required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 4 paragraphs 12- 14.</p> <p>This review covers the commensurate human rights risks associated with solid and sanitary waste processing and fertilizer production in East Africa.</p>