

INFORMATION SUMMARY FOR THE PUBLIC
Blue Bond for Marine Conservation - Barbados

Host Country:	Barbados
Name of Insured Investor	The Nature Conservancy
Private Insurer Participation:	To be determined.
Project Description:	The project involves the restructuring of Government of Barbados sovereign debt and redirecting of a portion of the loan payments to fund grants and to capitalize an endowment fund for long-term funding of conservation activities with the goals of conserving and enhancing marine and coastal ecosystems, strengthening the governance and management of such ecosystems, and creating resilient ecological and human communities (the “Project”). The Project results in \$22 million of debt savings, reducing the GoB’s debt burden by approximately 0.3%.
Investment Amount:	\$237,500,000
Investment Type:	Debt
Proposed Insurance Amount:	\$100,000,000
Eligible Investor:	The Nature Conservancy, acting through a wholly-owned subsidiary
Policy Review: The Office of Investment Policy has provided clearance for this Project based on a structure with a Master Insurance Contract (“MIC”) with TNC, under which TNC plans to undertake approximately 20 project transactions (“subprojects”), including this Project, over a period of five years in countries in the Caribbean region, Latin America, Africa and Asia.	
U.S. Economic Impact:	The subprojects under the MIC are unlikely to have negative impacts on the U.S. economy. There will be no U.S. procurement associated with the subprojects, and therefore the subprojects are expected to have a neutral impact on U.S. employment. The subprojects are not expected to impact the U.S. balance of trade.
Developmental Effects:	The subprojects are expected to have a highly developmental impact by supporting long-term, sustainable funding for marine and environmental conservation activities in island and coastal countries. Oceans contribute to human well-being by providing marine ecosystem services such as food, income, cultural services, recreation, carbon storage, and storm protection. However, the ocean’s ability to provide these benefits is declining, as an estimated one-fifth of all the coral in the world has been killed in the past three years, and 80% of the world’s fisheries have been fully or over-fished. Protecting marine areas boosts the resiliency of economies that rely on tourism and fishing and improves the safety of people living in coastal areas facing storms and sea-level rise. The subprojects provide an innovative structure to mobilize capital and partner with the government to free up capital to support conservation programs. TNC will also provide technical assistance by developing a scientifically-sound marine protection plan, and will work with local stakeholders, such as fishing associations and tourism

	boards, to make sure their needs are addressed. The subprojects in aggregate are estimated to protect 4 million square kilometers of ocean, save 13% of the world’s coral reefs and benefit an estimated 43 million people.
Environment:	<p>Screening: The overall project plan under the MIC has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. The overall project plan has been screened as Category D. All subprojects covered under the MIC are screened as Category C and are therefore pre-cleared because these investments are financial transactions.</p> <p>APPLICABLE STANDARDS¹: Under OPIC’s Environmental and Social Policies, the subprojects are 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 subprojects will have impacts which must be managed in a manner consistent with the following the International Finance Corporation’s (IFC 2012) Performance Standards (P.S.):</p> <ul style="list-style-type: none"> • P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts; and • P.S. 2: Labor and Working Conditions. <p>A desk-review due diligence assessment indicates that the subprojects are located in marine coastal ecosystems and implement protective measures to avoid harmful environmental effects. The subprojects are expected to benefit protected areas or sensitive ecosystems. Therefore, adverse impacts on biodiversity are not anticipated and P.S. 6 is not triggered at this time.</p> <p>In addition, the subprojects are required to comply with the IFC Environmental Health and Safety (EHS) General Guidelines (2007).</p> <p>Environmental and Social Risks and Mitigation: The subprojects will assess and manage the environmental and social impacts of its marine conservation and climate adaptation activities by following an established framework developed for each country where it operates. The environmental and social safeguard framework is adequate for the environmental risks associated with the subprojects’ activities including requirements for safe working conditions, adequate training for hazards, and emergency preparedness. The subprojects will report on annual monitoring and evaluation of its activities including environmental and social performance.</p>
Social Assessment:	The subprojects will have impacts that must be mitigated in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement, and

¹ Issues related to P.S. 5, 7 and 8 are addressed in OPIC’s Social Impact Assessment.

	<p>applicable local laws. 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 subprojects including any contracted workers.</p> <p>While the Insured Investor requires its downstream projects to manage environmental and social risks in alignment with overarching policies, OPIC will require the Insured to incorporate guidelines for country-level frameworks that ensure social policies and principles are applied consistently. In addition, the Insured will be required to provide its external grievance procedure in alignment with IFC Performance Standards.</p> <p>This review covers the commensurate human rights risks associated with ocean conservation activities.</p>
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