

**INFORMATION SUMMARY FOR THE PUBLIC**  
**Jamaica Public Service Company Infrastructure Upgrades**

Host Country:	Jamaica
Name of Borrower:	Jamaica Public Service Company Limited (the “Borrower”)
Project Description:	The Borrower is a vertically integrated electric utility in Jamaica. The Borrower will use the proceeds of the \$100 million OPIC loan to (1) implement a smart streetlight program, (2) connect new customers, (3) support the reduction of electricity theft through a community renewal initiative, (4) rehabilitate and upgrade its transmission and distribution network and (5) refinance an existing debt facility with Citibank, N.A. that is partially guaranteed by OPIC (the “Project”).
Proposed OPIC Loan:	\$100,000,000 loan with a fixed tenor of 10 years
Total Project Costs:	\$133,333,333
U.S. Sponsor:	Citibank, N.A.
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project expects to result in the procurement of goods and services from the U.S., however at the time of clearance, the Project Company was unable to provide specific details regarding such purchases. Therefore, the potential for positive impact on U.S. employment is not known at this time. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project is expected to have a highly developmental impact in Jamaica through the expansion and implementation of electricity grid improvements. According to the World Economic Forum’s Global Competitiveness Report, Jamaica ranks 79 <sup>th</sup> out of 140 countries in terms of the quality of its electricity supply. While approximately 93 percent of Jamaica has access to electricity, the power generation and electricity sector is characterized by reliance on imported fossil fuels, structural shortcomings, and high transmission and distribution losses. The Project, through its various programs, plans to strengthen existing connections and legitimize and safeguard illegal connections. In 2015, grid losses amounted to an estimated 27 percent with approximately 18 percent a result of theft or illegal connections. The Project expects to convert

	<p>approximately 31,000 illicit connections to legitimate paying customers, which will be done through a community engagement program. The Project also expects to connect approximately 3,800 new households. The Project will also include a Smart LED streetlight replacement program that will result in the reduction of streetlight energy use by an estimated 65 percent. The Project will utilize the latest in grid technology to cut transmission losses, both from theft and inefficiencies, and to increase legitimate consumer access to the grid.</p>
<p>Environment:</p>	<p><b>Screening:</b> Projects involving modernization of electricity transmission and distribution (T &amp; D) grids to reduce system losses are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental and social concerns related to this Project are associated with the occupational health and safety of employees.</p> <p><b>Applicable Standards:</b> 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 Corporation’s (IFC) 2012 Performance Standards (PS):</p> <p>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; and  PS 4: Community Health, Safety, and Security.</p> <p>Upgrades to electricity transmission and distribution grids within existing facilities do not involve physical or economic displacement and therefore, Performance Standard 5: Land Acquisition and Involuntary Resettlement is not triggered. The existing Project facilities are located on developed land where issues associated with PS 6: Biodiversity Conservation and Sustainable Natural Resource Management are not triggered. There are no Indigenous Peoples at these Project facilities and there are no Cultural Heritage issues recorded to date. Thus, PS 7 and PS 8 are also not triggered.</p> <p>In accordance with PS 3, IFC’s Environmental, Health, and Safety (EHS) General Guidelines (2007) and EHS Guidelines for Electric Power Transmission and Distribution (2007) are also applicable to this Project.</p>

	<p>Since the Project will not include combustion facilities, its greenhouse gas (carbon dioxide equivalent) emissions will be minimal.</p> <p><b>Environmental and Social Risks and Mitigation:</b> The Borrower operates its T &amp; D grids under its corporate policies, IFC's Performance Standards and Guidelines, and in compliance with local regulations. Employees receive extensive orientation training as well as annual refresher training specific to their jobs. The Borrower will handle, store and dispose of all solid and hazardous wastes in accordance with an approved Waste Management Plan. Small quantities of wastewater are discharged to the municipal sewerage network or collected in septic tanks which are emptied out by approved contractors.</p> <p>The Borrower will be required to continue implementing its overarching policy statement to ensure Project's acceptable environmental and social performance. The Borrower will also be required to continue implementing its grievance mechanism. In addition, the Project will be required to comply with IFC's EHS General Guidelines (2007) and EHS Guidelines for Electric Power Transmission and Distribution (2007).</p>
<p>Worker Rights:</p>	<p>The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions, OPIC's Environmental and Social Policy Statement and applicable local labor laws. OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages, and hazardous work situations. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>The Project's human resource policies and procedures have been evaluated against the IFC Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local labor law. Terms and conditions of work are communicated to employees through written policies and procedures and written contracts. OPIC has reviewed the project-level grievance mechanism which is compliant with Performance Standard 2.</p> <p>The project will be required to strengthen its system for screening and monitoring contractors for compliance, submit</p>

	evidence of a formalized Retrenchment Plan in alignment with Performance Standard 2.
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