



Public Project Profile

Host Country:	Turkey
Name of Borrower:	Isik Tarim
Project Description:	Manufacturer, packer and exporter of organic dried fruits and nuts.
Proposed OPIC Loan:	\$3,500,000
Total Project Cost:	\$5,000,000
U.S. Sponsor:	Citibank, N.A.
Foreign Sponsor:	NA
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy, given the small size of Project sales to the U.S. and to major U.S. export markets. 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.
Developmental Effects:	This Project is expected to have a positive developmental impact by increasing credit to a private food production company in Turkey, a country experiencing prime lending rates approaching 14% per year. The Project will support the expansion of a private food producer that will create new formal sector jobs in a country in which only half of the population participates in the formal labor market. The Project Company is certified as an organic producer by two German organic certification companies. Through its Happy Village program with over 80 rural villages, the Project Company provides technical assistance to local small famers in the areas of efficient and organic farming techniques. Modernization of the agricultural sector and raising food quality to international standards have been identified as key development priorities by the Government of Turkey.
Environment	<p>SCREENING: The Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Agribusiness and food production projects are screened as Category B Projects under OPIC’s environmental and social policies. The major environmental and social issues associated with such Projects include hygiene, usage of cleaning chemicals, water use, wastewater discharges, and worker safety, including in the supply chain. Community health and safety concerns are primarily related to potential exposure to residual pesticides on food products.</p> <p>APPLICABLE STANDARDS: Under OPIC’s Environmental and Social Policies, the Project is required to comply with applicable Turkish laws and regulations related to environmental and social performance. OPIC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation (IFC) Performance Standards (PS):</p> <ul style="list-style-type: none"> • PS 1: Assessment and Management of Environmental and Social Risks and Impacts; • PS 2: Labor and Working Conditions;



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	<ul style="list-style-type: none">• PS 3: Resource Efficiency and Pollution Preventions; and• PS 4: Community Health, Safety and Security. <p>The Project involves providing working capital to an existing agribusiness company to continue its current operations of purchasing organic raw agricultural inputs from smallholder farmers and producing and packaging a wide range of dried fruits, nuts and other food products. No new land will be cleared for the Project and the Project's facilities are not located in or near protected areas or sensitive ecosystems. Therefore, PS 6 is not triggered at this time. PS 5, 7 and 8 are addressed in OPIC's Social Impact Clearance.</p> <p>The Project is also subject to IFC Environmental Health and Safety (EHS) Guidelines for Food and Beverage Processing and the IFC EHS General Guidelines.</p> <p>Environmental and Social Risks and Mitigation: Environmental and social issues associated with the Project are typical of agribusiness projects. A key goal of the Project is to ensure compliance with internationally recognized Good Agricultural Practices and Good Manufacturing Practices. To this end, the Borrower has a program in place to manage the Project's environmental and social risks through various organic certification processes including DEMETER (Biodynamic), BIOSUISSE (Switzerland), JAS (Japan), NOP (USA) and BRC Quality Management System (EU). In addition, the Project is audited and certified for social and fair trade aspects by Sedex (Smeta), Disney, Bio Equitable (ESR), Fair TSA, Naturland Fair, Happy Hazelnut and Utz.</p> <p>The Project implements and enforces Turkish and OSHA safety standards. Employees receive training prior to assuming duties at the factory including orientation, occupational health and safety, hygiene, etc. All workers are required to wear personal protective equipment such as ear protection, safety belt, face mask and helmets.</p> <p>The Borrower is organic certified and operates in accordance with EU regulations and standards for organic farming; therefore, chemicals of high toxicity as defined by the World Health Organization are not used. The Borrower has a manuring plan for organic orchards, an integrated crop management system, occupational health and safety system and a waste management system all in accordance with EU standards.</p>
Labor/Human Rights	<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>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>The Project has implemented an Environmental and Social Management system, which includes of its ethical trading policy, supply chain monitoring procedures,</p>



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external grievance mechanism, and is both certified and audited for social and fair trade aspects by several entities. Basic terms and conditions of employment are communicated to workers through employment contracts; however, the Project does not have written human resources policies or procedures, and will be required to develop, implement, and communicate these policies to its workers.

This review covers the commensurate human rights risks associated with agriculture in Turkey.