

## INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Botswana
Name of Borrower:	M. Suresh Botswana (Pty.) Ltd.
Project Description:	A revolving working capital loan for the expansion of a Botswana-based diamond cutting and polishing business.
Proposed OPIC Loan:	\$11.25 million
Total Project Costs:	\$15 million
U.S. Sponsor:	Botswana Finance LLC
Foreign Sponsor:	N/A
<b>Policy Review</b>	
U.S. Economic Impact:	<p>The Project is not expected to have a negative impact on the U.S. economy. The Project involves the domestic development of diamond cutting and polishing by a DeBeers' sightholder with operations in Botswana. This company cuts and polishes diamonds in India and Botswana, but does not conduct this work in the U.S. As such, there does not appear to be the potential for a significant negative impact on the U.S. economy. 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 net positive impact on the U.S. balance of payments.</p> <p>An Economic Clearance was issued on April 12, 2017.</p>
Developmental Effects:	<p>This Project is expected to have a positive development impact by supporting efforts in Botswana to build the domestic diamond cutting and polishing industry. In the past, uncut diamonds were shipped from Botswana to the U.K. to be sold at DeBeers sightholders sales in London. However, the government of Botswana and DeBeers reached an agreement to shift the location of these sales to Gaborone. With this shift, this Project will provide credit to a DeBeers sightholder to purchase diamonds in Botswana. The Project Company will cut and polish in Botswana a portion of these diamonds, and export the remainder as rough cut. However, all diamonds purchased at sightholder sales will eventually be exported. In addition to supporting the local development of the diamond polishing industry, this Project will create new job opportunities in Botswana. The Project will help Botswana achieve UN Sustainable Development Goals #8 (Decent Work and Economic Growth).</p> <p>An Economic Clearance was issued on April 12, 2017.</p>
Environment:	<p><b>SCREENING:</b></p> <p>The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Diamond cutting and polishing 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 worker health and safety and proper disposal of hazardous substances, effluents and solid waste.</p>

	<p><b>APPLICABLE STANDARDS:</b></p> <p>Under OPIC’s Environmental and Social Policies, the Project is required to comply with applicable local 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"> <li>• PS 1: Assessment and Management of Environmental and Social Risks and Impacts;</li> <li>• PS 2: Labor and Working Conditions;</li> <li>• PS 3: Resource Efficiency and Pollution Preventions; and</li> <li>• PS 4: Community Health, Safety and Security.</li> </ul> <p>The Project Company is an existing facility that is located on an industrial plot in Gaborone, Botswana. 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.</p> <p>The Project is also subject to the IFC General EHS Guidelines (2007).</p> <p>The Project is expected to have minimal greenhouse gas emissions.</p> <p><b>ENVIRONMENTAL AND SOCIAL RISKS AND MITIGATION:</b></p> <p>M. Suresh is compliant with the De Beers Best Practice Principles (BPP). De Beers’ oversight program aims to ensure best practices for human rights, labor and environmental sustainability throughout the diamond supply chain. M. Suresh is Kimberly Process certified.</p> <p>M. Suresh has developed a Best Principles Practice Manual that incorporates elements required by De Beers BPP such as an environmental, health and safety policies and procedures for environmental, health and safety aspects including first aid, firefighting, and emergency evacuation procedures. In addition, organizational responsibilities for HSE aspects are outlined in the Manual.</p> <p>M. Suresh uses household acetone and borax, which evaporate and therefore no spent chemicals are generated. The facility is connected to the municipal water and wastewater system and the Botswana Power Corporation. Solid wastes are collected by the municipality.</p> <p>An Environmental Clearance was issued on July 17, 2017.</p>
Social Assessment:	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.

OPIC's statutorily required language will be supplemented with provisions concerning nondiscrimination, 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.

This Project involves a revolving loan facility for M Suresh Botswana to purchase, cut, and polish diamonds in Botswana for export. The Project has developed and implemented policies and procedures that addresses social risk, including labor, commensurate with the risks associated with the Project's activities.

This review covers the commensurate human rights risks associated with diamond cutting and polishing in Botswana.

A Social Clearance was issued on June 30 2017.