

### Public Information Summary

Host Country:	Mongolia
Name of Borrower(s):	Goyol Cashmere, LLC
Project Description:	Expansion of a woman-owned knit-wear clothing producer.
Proposed OPIC Loan:	\$3,250,000
Total Project Costs:	\$4,385,000
U.S. Sponsor:	Vivek Ranjan, a U.S. Citizen
Foreign Sponsor:	Ariunaa Byambakhu and Delgerbaat Garmaa
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy or employment, as the Project will not export to the U.S. or to any significant U.S. export market. 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.
Developmental Effects:	This Project is expected to have a highly developmental impact on Mongolia's agricultural value chain by increasing the country's capacity to produce finished cashmere knitwear for sale domestically and for export. Mongolia's economy and economic growth are highly dependent on its mining sector, which accounts for 21 percent of GDP, and 85 percent of exports. This Project, in alignment with Mongolia's national development plan, will help diversify the economy's export base and improve Mongolia's capacity to add value to agricultural goods produced in the country. The Project Company procures raw cashmere directly from herders living in rural areas of Mongolia, and works with local businesses to process, dye and spin it before producing finished cashmere products for sale. The Project Company provides technical assistance to herders from which it procures raw cashmere to improve the quality of the cashmere. The Project Company is women-owned, women-run and primarily employs women. The Project will help Mongolia achieve UN Sustainable Development Goal number 5, Gender Equality, and number 8, Decent Work and Economic Growth
Environment:	SCREENING: The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Construction and operation of a factory and apartment building consisting of less than 2,500 units is screened

as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental concerns related to this project are impacts from construction, the need for appropriate management of wastewater and wastes, need for robust occupational health and safety measures during construction and operation, and the need for appropriate emergency response procedures and life and fire safety measures. The Project is subject to a Climate Change Resiliency Assessment per Executive Order 13677.

APPLICABLE STANDARDS : OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:

P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;

P.S. 2: Labor and Working Conditions;

P.S. 3: Resource Efficiency and Pollution Prevention; and

P.S. 4: Community Health, Safety and Security.

In addition to the Performance Standards listed above the following International Finance Corporation (IFC) Environmental, Health and Safety (EHS) Guidelines are applicable to this project:

(i) The IFC EHS Guidelines for Textile Manufacturing (April 30, 2007); and

(ii) The IFC General EHS Guidelines (April 30, 2007).

The Project is located in an urban area of Ulaanbaatar. The Project is not located in or near a protected area or sensitive ecosystem. Therefore, P.S. 6 (Biodiversity Conservation and Sustainable Management of Natural Resources) is not triggered at this time.

Environmental and Social Risks and Mitigation: The Project involves construction of a new facility for finished cashmere

	<p>clothing (“factory building”) and housing for employees (“apartment building”) (the “Project”), and also involves purchase of new knitting machines to increase production capacity. The Project does not involve any primary processing. The Project will have a 10 kVA back-up diesel generator in case of electricity outages. Estimated greenhouse gas emissions are estimated to be less than 50 tons CO<sub>2</sub>e per year.</p> <p>A general environmental and social assessment was conducted by the Capital City Environmental Office. The general assessment is a high level checklist covering various environmental and social aspects such as air quality, water, vegetation and plant cover, animal life and habitat, local residents, historical and cultural heritage, and human health. The assessment concludes with a list of environmental and social conditions, which are legally binding. The Borrower and the construction company will each have a dedicated Occupational Health and Safety Officer to monitor environmental, health and safety conditions.</p> <p>The Project will be required to develop formalized procedures for Occupational Health and Safety both for the construction and operations phase. The Project will also be required to submit to OPIC certification from a suitably qualified professional that the construction of the Project residences was carried out in accordance with the accepted design and a Life and Fire Safety Master Plan (LFSMP) prepared by a suitably qualified professional.</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>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</p>

	<p>language will be applied to all workers of the Project, including any contracted workers.</p> <p>The Project will be required to develop supply chain oversight and an external grievance mechanism, as well as a construction-phase labor management plan.</p> <p>This review covers the commensurate human rights risks associated with textile manufacturing in Mongolia.</p>
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