

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Ghana
Insured Parties:	Eligible U.S. Lenders
Investment Amount and Type:	Up to \$180,000,000 bond offering/commercial loan
Project Description:	Supply of equipment and services to rehabilitate existing drinking water treatment systems.
Total Project Costs:	\$180,000,000
Proposed Insurance:	<p>Up to \$180,000,000 in limited expropriation and inconvertibility coverage (transfer only):</p> <ul style="list-style-type: none">• Nonpayment of an arbitral award (“AAD”), and denial of justice (“DOJ”) - \$180,000,000; tenor – up to 22 years• Inconvertibility - \$180,000,000; tenor – up to 22 years
Private Insurer Participation:	Private market political risk insurance is not available for this project on terms sufficient for the project’s viability.
Developmental Effects:	The project will have a positive developmental impact on the host country by improving and expanding the delivery of potable water throughout Ghana. This project is part of the implementation of the Ghanaian Ministry of Water’s National Water Policy, which aims to increase water coverage from approximately 61% to 85% by 2015 and to increase the efficiency of the country’s water treatment plant from 77% utilization to 100%.
Environment:	Screening: The project has been reviewed against OPIC’s environmental and social policies and has been determined to be categorically eligible. The project is screened as Category B because there are a limited number of impacts that may arise during rehabilitation of water treatment plants. These impacts can be readily avoided or minimized

by adhering to generally recognized standards, operational guidelines, and design and control criteria.

The key environmental and social issue related to this project is the need to establish strong corporate governance and management controls to limit environmental and social risks. Social issues include occupational health and safety and protection of community health, safety and security. Conservation of resources, including water and energy, hazardous materials management and adequate solid waste management are among the principal environmental issues.

Applicable Standards: OPIC's environmental and social due diligence indicates that the rehabilitation of existing water treatment plants has potential impacts that must be managed in accordance with the following Performance Standards:

PS 1: Social and Environmental Assessment and Management Systems;

PS 2: Labor and Working Conditions;

PS 3: Pollution Prevention and Abatement; and

PS 4: Community Health, Safety and Security.

Because project activities will take place entirely within existing water treatment plants (and in some cases at existing boreholes), the project will not involve land acquisition or impacts on natural resources, indigenous peoples or cultural property. Therefore, Performance Standards 5, 6, 7 and 8 are not triggered.

Consistent with the requirements of PS 3 (Pollution Prevention and Abatement) the project is required to meet applicable provisions of the IFC General Environmental, Health and Safety Guidelines and IFC's Environmental, Health and Safety Guidelines for Water and Sanitation. The project will also be required to produce potable water that meets the Ghana Drinking Water Standard.

Environmental and Social Risks and Mitigation: The project has robust environmental, quality control and occupational health and safety management systems in place to address the full range of risks and issues that may arise during the rehabilitation of water treatment plants. The project should modify its existing grievance mechanisms to insure that any complaints received from communities potentially affected by project activities are effectively addressed.

Community impacts associated with the project's construction activities include noise, dust, traffic, lighting, temporary disruption of services and access, safety, and health issues related to potable water service provision. With the exception of health-related impacts, most impacts will be short term in duration. Community safety issues can be effectively managed by fencing off any excavations, and controlling traffic and pedestrian access. The project is not expected to involve construction of open trenches or pipe laying operations.

Worker Rights:

OPIC's statutorily required standard worker rights language will be supplemented with a provision concerning the right of association, organization and collective bargaining, the timely payment of wages, hours of work, minimum age for employment, and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the project. 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.

Human Rights:

OPIC issued a human rights clearance for the project on January 18, 2012.