

**LAST TEMPLATE UPDATE: May 1, 2012**

**Information Summary for the Public**

<b>Host Country(ies):</b>	México
<b>Name of Borrower(s):</b>	Andrew & Williamson Sales Company
<b>Project Description:</b>	The proceeds will be used to fund investments in produce packing sheds in three regions in Mexico, primarily for packing facilities and equipment, and also for employee facilities, and permanent operating advances.
<b>Proposed OPIC Loan:</b>	\$10,000,000, 5 year tenor
<b>Total Project Costs:</b>	\$12,500,000
<b>U.S. Sponsor:</b>	Andrew & Williamson Sales Company
<b>Foreign Sponsor:</b>	Andrew y Williamson
<b>Policy Review</b>	
<b>U.S. Economic Impact:</b>	The project is not expected to have a negative impact on the U.S. economy or employment. Proceeds from this project will not be used to expand A&W's vegetable production operations, but will be used to expand its packing and packaging business, which is currently being outsourced to one or more local companies. As such, the project is not expected to increase A&W's production of vegetables, but will lead to an increase in Mexico's export capacity. Although the United States produces and exports both tomatoes and cucumbers, the seasonal nature of production means that there are shortfalls in U.S. supply of these vegetables during the winter

	<p>months. Thus, the project has been approved on the condition that it not significantly increase its exports to the U.S. during the peak U.S. growing season to reduce the possibility that the project would directly compete with U.S. tomato and cucumber growers. The project is expected to have a positive impact on U.S. employment and a positive impact on the U.S. balance of payments over the first five years.</p>
<p><b>Developmental Effects:</b></p>	<p>This project will have a positive developmental impact on the host country, Mexico, based on the fact that it will allow the project company to create a new packaging business for its produce. This project will finance the modernization and upgrade of A&amp;W's existing produce packing system. Following this investment, the company will be able to offer state-of-the-art packing services both for its own agricultural output as well as to local farmers. As part of the project, A&amp;W will build housing units, day-care, health clinics, and on-site schools for its workers.</p>
<p><b>Environment:</b></p>	<p><b>Screening:</b> The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Projects involving expansion of packaging facilities and construction of worker</p>

housing are screened as Category B projects under OPIC's environmental and social policies. Environmental and social issues include the need for careful management of agricultural produce, quality controls to minimize potential worker and community exposure to agrichemicals, water use, and the need to reduce occupational risks associated with agricultural produce packaging facilities.

Applicable Standards: OPIC's review of environmental and social issues indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation's (IFC) Performance Standards (PS):

P.S. 1: Social and Environmental Assessment and Management Systems;  
P.S. 2: Labor and Working Conditions;  
P.S. 3: Pollution Prevention and Abatement;  
P.S. 4: Community Health, Safety and Security; and  
PS 6: Biodiversity Conservation and Sustainable Natural Resource Management.

Consistent with the requirements of PS 3, in addition to the Performance Standards listed above, the April 30, 2007 IFC Environmental, Health, and

Safety (EHS) General Guidelines are also applicable to this Project.

Based on information provided by the Borrower, the Project will not involve physical or economic displacement. The Borrower represents that the Project will not have any impacts on indigenous peoples or cultural heritage.

Therefore, PS 5, 7, and 8 are not triggered by this Project. Although the Project's Vizcaino packaging facility is located in the buffer zone of a Biosphere Reserve, it will not involve any impacts on biodiversity conservation and sustainable resource management and the Project's activities are consistent with the Management Plan for the Vizcaino Biosphere Reserve. An OPIC site monitoring visit has also confirmed the Project facility's compliance with these requirements. Other Project facilities (San Quintin and Culiacan) will also not involve any impacts on biodiversity conservation and sustainable resource management.

**Environmental and Social Risks:** Environmental and social issues associated with the Project are typical of agricultural produce packaging facilities. A key goal of the Project is to ensure compliance with the

Global Food Safety Initiative (GSFI) and Good Agricultural Practices (GAP). The Project will either be provided with public utility services, such as electricity, solid waste and wastewater removal, by municipal providers or the Project will use its utility services (such as own water supply and wastewater treatment facilities). Solid wastes associated with discarded products are managed in accordance with the local regulations.

**Risk Mitigation:** The Borrower will be required to implement an Environmental and Social Management System that is consistent with the IFC Performance Standards and appropriate to the scale of agricultural produce handled by the Project including: an overarching policy statement of environmental and social objectives and principles that will be used to guide the Project; a Project grievance mechanism; a safety plan to handle cleaning chemicals; and an occupational health and safety plan to reduce hazards associated with agricultural produce packaging. The Project will conform with and enforce local worker safety standards and operate in accordance with applicable environmental and

	occupational health and safety regulations of Mexico.
<b>Workers Rights:</b>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages and hazardous working 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.</p> <p>OPIC issued a human rights clearance for this Project on December 14, 2011.</p>