

**Buchanan Renewables Fuel, Inc.  
Information Summary for the Public**

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| Host Country:          | Liberia  |
| Name of Borrower:      | Buchanan Renewables Fuel, Inc.   |
| U.S. Sponsors:         | James Steele and Chris Jorgensen   |
| Foreign Sponsors:      | Pamoja Capital (Lux1) S.à.r.l.<br>Vattenfall A.B.<br>Swedfund International A.B.   |
| Project Description:   | Expansion of sustainable biomass production, including contracting with additional plantation and farm owners to remove end-of-life rubber trees; purchasing additional equipment; processing such trees into wood chips primarily for use as fuel for biomass power plants; planting new seedlings to rejuvenate the rubber production of the plantations and farms from which such trees are obtained; and building a materials handling facility at the Port of Buchanan  |
| Total Project Costs:   | \$143,633,000  |
| Proposed OPIC Loan:    | \$90,000,000   |
| Developmental Effects: | The project is expected to have a strong developmental impact in Liberia by providing a sustainable and renewable source of fuel for domestic power generation, which will help address a serious shortage of electricity in Liberia in an environmentally clean way. Furthermore, the project will stimulate economic opportunities in rural areas by helping to rehabilitate rubber-tree plantations. The project is implementing a program that connects farmers to available technical assistance programs offered through NGOs and other development institutions. Buchanan Renewables Fuel Inc. will benefit the community in several ways, such as financing infrastructure improvements, and providing aid to local schools, orphanages, and medical clinics. The project will create permanent jobs and will provide training for all workers.  |
| Environment:           | <p><b>Screening:</b> The project has been reviewed against OPIC's policies and determined to be categorically eligible. The project has been screened as Category A because the area of influence of the project encompasses a broad geographic area, including seven or more counties within the country. The major environmental and social concerns associated with timber harvesting and replanting include the potential for adverse impacts on surface and groundwater quality, soil erosion, loss of soil productivity, occupational health and safety issues associated with timber harvesting, and community health and safety.</p> <p><b>Applicable Standards:</b> In addition to applicable Liberian requirements, OPIC's due diligence indicates that the investment will have impacts that must be managed in accordance with the following International Finance Corporation</p> |

(IFC) Performance Standards: PS1 (Social and Environmental Assessment and Management Systems); PS2 (Labor and Working Conditions); PS3 (Pollution Prevention and Abatement); PS4 (Community Health, Safety and Security); PS6 (Biodiversity Conservation and Sustainable Natural Resources); and PS8 (Cultural Heritage). Consistent with the requirements of PS3 the project is required to meet applicable provisions of IFC's General Environmental, Health and Safety Guidelines, Environmental, Health and Safety Guidelines for Forest Harvesting Operations, and the Environmental, Health and Safety Guidelines for Ports, Harbors and Terminals. PS5 (Land Acquisition and Resettlement) is not applicable because the project's office and new material handling facility will not result in physical or economic displacement or land acquisition. All project activities will take place on privately owned rubber plantations or government property (public roads or the Port of Buchanan). Based on the findings during due diligence, it appears unlikely that there are communities that can be considered indigenous under PS 7 (Indigenous People) living in areas in which the project will operate.

**Key Issues and Mitigation:** The project prepared and submitted an ESIA on the expansion project to OPIC in October 2010. Based on the findings in the ESIA, the main environmental and social impacts of the project are: (1) potential impacts on surface water resources following harvesting as a result of soil erosion; (2) potential deterioration of soil quality following harvesting due to erosion, soil compaction, excessive use of agrochemicals or overly dense replanting; (3) impacts on landscapes; (4) unique occupational health and safety risks associated with timber harvesting; (5) increased risk of fires; and (6) increased traffic. Based on the findings in the ESIA, no significant adverse impacts are anticipated with respect to biodiversity, demographics, land use, cultural heritage or cumulative impacts related to spatial crowding, temporal crowding, incremental loss or indirect effects. Preliminary estimates of the greenhouse gas emissions associated with biomass harvesting and woodchip production indicate that the project is expected to emit less than 50,000 tons of CO<sub>2eq</sub>/year.

Because the greatest potential for adverse impact is associated with harvesting activities and because site-specific information is not available at this time, Buchanan Renewables Fuel has committed to developing site-specific harvest management plans. These harvest management plans address (1) locations to be harvested; (2) activities associated with planting or farm maintenance; and (3) the schedule for activities. In addition, one to two weeks prior to commencing harvesting activities at a new location, Buchanan Renewables Fuel conducts a site-specific assessment to finalize the site specific harvesting strategy and community consultation requirements.

The project prepared an Environmental Management Plan that was approved by the Liberian Environmental Protection Agency in 2008. The project has also prepared a revised draft environmental and social management and monitoring plan to address management of impacts associated with the expansion project. Although reasonably comprehensive in identifying key mitigation measures required to address major anticipated project impacts, OPIC will require that the plan be strengthened in several key areas, including: (1) identification of

responsible parties, timelines and overall budget allocations for mitigation actions; (2) demonstration that the detailed design of the materials handling facility includes storm water management provisions effective in protecting the marine environment; (3) plans for formalizing and documenting environmental policies and procedures, including formal training programs in occupational health and safety, spill prevention and emergency response; and (4) formal, periodic reporting on environment and social performance.

Based on OPIC's findings, it is anticipated that the project can be implemented in accordance with the Applicable Standards. The project will be monitored during the initial phases of the expansion project to assure compliance with its environmental, health, safety, and social requirements. In addition, an independent audit will be required within three years of first disbursement to demonstrate compliance with environmental and social conditions set forth in the loan agreement. Host Country Notification is required prior to financial close.

**OPIC Site Visits:** OPIC did not undertake an environmental and social due diligence site visit as part of this review. OPIC's review benefitted in part from numerous discussions with the Multilateral Investment Guarantee Agency's environmental and social specialists, who visited the project in September 2010.

**Public Disclosure and Community Engagement:** The project held several stakeholder meetings in September 2010 in Monrovia and Buchanan to present the project, present the findings of the ESIA, and discuss proposed mitigation and monitoring. Participating stakeholders included rubber farmer associations, government officials (Environmental Protection Agency, Forestry Development Authority, Ministry of Internal Affairs, National Port Authority and the Rural and Renewable Energy Agency), and NGOs. Consultations with communities and worker associations in Buchanan were also conducted in September 2010. The project has established a community liaison team, which is led by a community relations officer and staffed by community relations assistants from local communities. The purpose of the team is to build positive relationships with communities within the project's area of influence, receive and manage grievances and complaints, and to inform area communities of project activities.

The project's ESIA was posted on OPIC's web site for a period of 60 days which ended on January 21, 2011. OPIC received no comments.

Human Rights:

In consultation with the Department of State, the project received a Human Rights Clearance on January 18, 2011.

Worker Rights:

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

U.S. Effects:

The project is not expected to have a negative impact on the U.S. economy. The project will have a significant amount of U.S. procurement which will have a positive impact on U.S. employment. The project will have a net positive impact on the U.S. balance of payments over the first five years.