

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Countries:	Iraq
Name of Borrower:	Claremont Erbil, LLC (“Claremont”)
Project Description:	A loan to construct 900 affordable apartment units in Erbil, Kurdistan, Iraq, and to provide ten year lease purchase financing for the buyers (the “Project”). The units will be priced at \$69,000 and are being developed under a license agreement with the Kurdish Regional Government, with land contributed by the Ministry of the Municipality of Erbil.
Proposed OPIC Loan:	\$26,808,000 for twelve years, including a two-year Grace Period.
Total Project Costs:	\$51,115,000 which represents the cost to build the units including site improvements.
U.S. Sponsors:	Akbar Alexander Lari (31%), Stephen P. Lari (31%), John D. Lari (31%), and Christina Lari (7%) each a U.S. citizen.
Policy Review	
U.S. Economic Impact:	The Project will construct housing in Iraq and therefore is not expected to have a negative impact on the U.S. economy or employment. Initial U.S. procurement related to service support for construction of the new homes is expected to have a positive impact on U.S. employment. The Project is expected to have a negative impact on the U.S. balance of payments over the first five years.
Developmental Effects:	The Project will have a positive development impact on the host country through the construction of housing. With an estimated need of over one million units, Iraq’s housing deficit dates back several decades. Efforts by both Saddam Hussein and subsequent democratic governments enjoyed only limited success in improving the situation. This Project will address this shortage and is expected to have a positive impact on the nascent mortgage industry in Iraq.
Environment:	Housing projects that enable new construction of under 2500 units are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and social issues associated with housing projects include project siting, the need for access to potable water, appropriate waste disposal, and nuisance factors such as traffic and noise.

	<p><u>Applicable Standards.</u> The Project and its subcontractors will be required to implement (i) applicable sections of the 2007 International Finance Corporation’s Environmental, Health, and Safety General Guidelines, and (ii) all applicable environmental, health, and safety requirements of Iraq. The Project will not result in any physical or economic displacement or impacts on indigenous people or cultural sites. Therefore, the Project is not subject to IFC Performance Standards 5, 7 and 8.</p> <p><u>Impacts and Mitigation Measures.</u> The 85 acre project site is located on open/vacant land that has been previously disturbed and approved by the Iraq Government for development. The site is located adjacent to a modern road artery so no major road construction is required to provide access to the Project. There is little development currently located near the project site, and disturbance to other residents is expected to be minimal during construction. The only greenhouse gas emissions associated with the Project are those emitted by construction vehicles. While not finalized, a number of energy and water conservation measures are under consideration for inclusion in the units including low flush toilets, energy efficient windows, insulation, and possibly the retention of roof water for site irrigation. The Project will have a dedicated Health and Safety officer on site to make sure that appropriate measures are instituted for workers’ protection.</p> <p>The Project will be required to submit a wastewater treatment plan and A Life and Fire Safety Master Plan.</p>
Workers Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages, minimum wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project.</p>
Human Rights:	<p>Clearance in Process.</p>