

Host Country:	Iraq
Name of Insured:	Lindsay International Sales & Service LLC
Government Buyer:	Ministry of Agriculture/State Company for Agricultural Supplies
Contract Amount:	\$39.1 million
Project Description	Supply of irrigation systems
Total Project Cost:	\$39.1 million
OPIC Insurance Amount:	Up to \$32.7 million
Private Insurer Participation:	Political risk insurance from the private market is not available on terms acceptable to Lindsay. However, private insurers will provide “all risk” coverage, including inland marine coverage, with exclusions for political violence.
Developmental Effects:	The project will have a positive developmental impact on Iraq by delivering irrigation systems in Iraq. This project is part of Iraq’s Agricultural Initiative via Iraq’s Ministry of Water Resources (“MoWR”) and Ministry of Agriculture, and it represents the first step in reducing over 20 years of underinvestment in Iraq’s agricultural sector. Iraq has the potential to increase its agricultural output 10-20 times given its natural resources, and this project provides a significant step in Iraq’s agricultural reform and food security.
Environment:	<p><b>Screening:</b> Operations associated with the supply and installation of irrigation equipment are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental and social concern related to this project is worker safety.</p> <p><b>Applicable Standards:</b> OPIC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation’s (IFC) Performance Standards (PS, 2012):</p> <ul style="list-style-type: none"> <li>-PS 1: Assessment and Management of Environmental and Social Risks and Impacts;</li> <li>-PS 2: Labor and Working Conditions;</li> <li>-PS 3: Resource Efficiency and Pollution Prevention; and</li> <li>-PS 4: Community Health, Safety, and Security.</li> </ul> <p>The project will install irrigation and other related equipment in the farming communities for their use. Since the project will not acquire land, Performance Standard 5 - Land Acquisition and Involuntary Resettlement - is not triggered. The project will only install irrigation equipment at existing farms in developed rural areas where issues associated with PS 6 - Biodiversity Conservation and Sustainable Natural Resource Management - are not triggered. There are no Indigenous Peoples in these communities that will be adversely impacted and there are no Cultural Heritage issues recorded to date. Thus, PS 7 and PS 8 are also not triggered.</p>

	<p>In accordance with PS 3, the IFC’s Environmental, Health, and Safety (EHS) General Guidelines are applicable to this project.</p> <p>The project’s greenhouse gas (carbon dioxide equivalent) emissions are estimated to be negligible (less than 1,000 tons per year) as only a few liters of fuel is consumed during the installation of irrigation equipment.</p> <p><b>Environmental and Social Risks:</b> The project will operate under the insured’s corporate policies that incorporate good business practices including promoting sustainable environmental management. Thus, the project has adopted detailed procedures relating to worker safety. Small quantities of wastewaters and solid wastes that are generated during equipment installation will be properly disposed. There are no significant air emissions. In addition, employees and contractors will be properly trained on equipment installation.</p> <p><b>Risk Mitigation:</b> The project will be required to implement its Code of Business Conduct and Ethics which lists the Corporation’s environmental and social objectives and principles that will be used to guide the project’s environmental and social performance. The project will also implement its grievance mechanism. In addition, the project will be required to implement the Environmental and Social Action Plan which includes compliance with the IFC’s General EHS Guidelines.</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 and the timely payment of wages. Standard and supplemental contract language will be applied to all workers engaged in the project. The project will also be required to operate in a manner consistent with the requirements of the IFC’s Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the project.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on August 3, 2012.</p>
U.S. Effects:	<p>This project is not expected to have a negative impact on the U.S. economy as it provides irrigation systems entirely within Iraq. It will have a significant amount of U.S. procurement, which will have a positive impact on U.S. employment. A net positive impact on the U.S. balance of payments is expected over the project’s first five years.</p>