**Host Country:** Ukraine  
**Name of Borrowers:** Poltavske HPP and Kononivsky Elevator LLC  
**U.S. Sponsor:** Citibank, N.A.  
**Approved/Commited Date:** 3/28/2012  
**Project Description:** To construct grain and oil seed storage silos.  
**Total Project Cost:** $60,000,000  
**Proposed OPIC Support:** $12,500,000  

### Developmental Effects:
This Project will have a positive developmental impact in Ukraine. The Project facility will provide more efficient storage services for grains and oilseeds. The Project will also utilize sophisticated technology for grain-drying operations, which are uncommon to Ukraine. The new grain storage silos will benefit local farmers by allowing them to preserve more of their harvest over the winter season. The Project will have a positive human capacity impact and will provide training for most employees.

### Environment:
Screening: Operations associated with medium-scale grain and oil seed storage and distribution are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are limited and readily mitigated. The primary environmental and social concerns related to this Project are associated with worker safety while constructing and operating silos and quality maintenance of agricultural products.

Applicable Standards: OPIC’s environmental and social due diligence 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):
- PS1: Social and Environmental Assessment and Management Systems;
- PS2: Labor and Working Conditions;
- PS3: Pollution Prevention and Abatement; and
- PS4: Community Health, Safety and Security.

Since the Project is an expansion of existing grain and oil seed storage and distribution operations which will only lease land, PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered. The storage and distribution activities are located in industrial areas or other developed areas, therefore PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) is not triggered. There are no Indigenous Peoples or Cultural Heritage sites that are expected to be adversely impacted. Thus, PS 7 and PS 8 are also not triggered.

In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this Project and the U.S. Occupational Safety and Health Administration’s (OSHA) 29 Code of Federal Regulations (CFR) Part 1910.272 for grain handling facilities.

The Project’s greenhouse gas (carbon dioxide equivalent) emissions are estimated to be 6,000 tons per year.

Environmental and Social Risks: The Borrowers operate the storage and distribution facilities under both their Corporate policies and in compliance with the Ukrainian regulations. The Borrowers have adopted detailed procedures relating both to worker safety and quality maintenance of agricultural products. In addition, employees receive extensive orientation training as well as refresher training specific to their jobs.

Risk Mitigation: The Borrowers will be required to continue implementing their environmental and social management systems that will be used to guide the Project’s environmental and social performance. The Borrowers will also be required to continue implementing their grievance mechanisms. In addition, the Borrowers will be required to comply with applicable provisions of IFC’s EHS General Guidelines (2007) and the U.S. 29 CFR Part 1910.272 for grain handling facilities.

### 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 for employment, hours of work, the timely payment of wages 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 September 21, 2011.