

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Tajikistan
Name of Borrower:	University of Central Asia (Kazakhstan, Kyrgyz Republic, Tajikistan)
Project Description:	<p>Once the overland route of the historic Silk Road trade network, Central Asia emerged from the Soviet period among the most isolated and least economically integrated areas in the world. In particular, populations residing in the remote, mountainous regions of Central Asia—including Tajikistan—endure exacerbated and unique development challenges resulting in persistent high poverty rates. These challenges stem in part from a shortage of human capital intensified by the region’s weak economy and deteriorating educational institutions. The region lacks the quality, merit-based universities that it needs to create a competitive workforce and to develop professionals and research to improve economic and social policy.</p> <p>The University of Central Asia (“UCA”) was established through an international treaty signed between the Republic of Tajikistan, the Kyrgyz Republic, the Republic of Kazakhstan (collectively the “Founding States”) and the Ismaili Imamat represented by His Highness the Aga Khan. The treaty has been ratified by the respective Parliaments of the Founding States and is registered with the United Nations. UCA, the first internationally chartered university in the world will address these deficits by providing affordable, merit-based, high-quality undergraduate and graduate education at its residential campuses in Naryn (Kyrgyz Republic), Khorog (Tajikistan), and Tekeli (Kazakhstan).</p> <p>The first phase of construction of UCA’s residential campus in Khorog (the “Project”) is being financed by OPIC and the Aga Khan Development Network. Operation of the Project will create employment opportunities, catalyze investments in infrastructure, services, and tangential sectors, and connect underserved communities to the regional economic growth center of Khorog, a secondary city located in the Pamir mountains of Tajikistan. Ultimately, the Project will contribute to human resource capacity, socio-economic development, integration, and stability in Central Asia.</p>
Proposed OPIC Loan:	\$30 million (27 years)
Total Project Costs:	\$94.4 million
U.S. Sponsor:	Aga Khan Foundation USA (D.C.)
Policy Review	
U.S. Economic Impact:	As the Project involves a university with services offered exclusively in Tajikistan, there is no potential for an adverse effect on the U.S. economy. The Project is expected to have a net negative effect on the U.S. balance of payments over the first five years.
Developmental Effects:	The Project will have a positive developmental impact on the host country, Tajikistan, by strengthening the country’s education infrastructure. Tajikistan struggles with tertiary enrollment of

	<p>women and rural students, and UCA plans to target these populations. UCA also projects that the campus will create jobs and procure local goods and services during operations, helping strengthen the local economy. UCA plans to work regionally to prepare junior- and high-school students for university, as well as strengthen local schools and develop teachers. Upon completion, UCA plans to provide the local community access to the university's recreational and library facilities.</p>
<p>Environment:</p>	<p>Screening: This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Medium-scale construction projects, including university campuses, are generally screened as Category B under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated.</p> <p>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 of the International Finance Corporation's ("IFC") 2012 Performance Standards ("PS"):</p> <ul style="list-style-type: none"> PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; PS 4: Community Health, Safety and Security; and PS 5: Land Acquisition and Involuntary Resettlement. <p>The Project is not located in or near protected areas or sensitive ecosystems and significant biodiversity impacts are not anticipated. Additionally, the Project is not expected to have adverse impacts on indigenous peoples or cultural heritage. The Project will have a Chance Finds Procedure in place if cultural heritage sites or artifacts are found during excavation activities. Therefore, PS 6 through PS 8 are not triggered by the Project at this time.</p> <p>In addition to the above standards, the Project will also be required to meet applicable provisions of the IFC's April 30, 2007 General Environmental, Health, and Safety Guidelines.</p> <p>Environmental and Social Risks and Mitigation: The major environmental and social issues relating to this Project are potential soil and groundwater contamination, removal and disposal of solid waste, handling of wastewater, supply of potable water for workers and students, implementation of a formal grievance mechanism for the students and local community, implementation of adequate life and fire safety protection measures, and implementation of procedures to assure safe conditions for workers during construction and for students during operations.</p> <p>Based on previous land use, the Khorog campus site could have soil and/or groundwater contamination. Prior to beginning construction, the Borrower will conduct a soil and groundwater contamination study of the Project (i.e., Phase I) site, submit the results to OPIC, and remediate any identified contamination to internationally accepted standards. Prior to the earlier of the last OPIC loan disbursement or December 31, 2018, the Borrower will</p>

conduct a soil and groundwater contamination study of the entire Khorog campus site, submit the results to OPIC, and remediate any identified contamination to internationally accepted standards.

During both construction and operations, solid waste will be disposed via a municipal collection service. The Borrower intends to develop an Integrated Solid Waste Management Plan for the Khorog campus, which will include provisions for source reduction and separation; investigate opportunities to reduce, reuse, and recycle waste; and define options for residual waste recovery, treatment, and disposal. The Borrower will also develop a Hazardous Materials Management Plan for the campus's laboratories.

A containerized wastewater treatment plant ("WWTP") will be installed as part of the advanced works, and will serve the treatment requirements for both construction and Phase I operations. The WWTP will meet the effluent limits in the Applicable Standards.

During construction, potable water will be sourced from UCA wells adjacent to the site, and a small chlorination unit or a suitable alternate solution will be provided to ensure disinfection to meet the Applicable Standards. During operations, the Project will have two potential sources of potable water (1) water from UCA wells adjacent to the site; and (2) water from a Swiss-funded water supply project, once completed. A potable water treatment plant will treat the water from these sources to meet the Applicable Standards.

During construction, a notice board will be posted at the Project site (in a visible area known to the public) with the telephone, facsimile, mail, and e-mail contact details through which grievances can be submitted. The Borrower's website has a "Contact Us" page (<http://www.ucentralasia.org/emailcontact.asp>) through which members of the public and students can submit grievances about the Project's environmental and social performance during both construction and operations. The Borrower has standard procedures for registering, tracking, and processing grievances received.

The Borrower will hire a qualified Life & Fire Safety Consultant to produce an acceptable Life and Fire Safety Master Plan for the Project prior to occupancy or use of any of the Project buildings.

The Borrower will prepare construction-phase and operational-phase Management Plans that will include measures to ensure safe conditions for workers during construction and for students/faculty during operations.

The Khorog campus site was previously occupied by several residential, commercial, and agricultural properties. Between 2003 and 2008, the Borrower purchased the plots that make up the site. All Project land was acquired at market rates (calculated by the Government of Tajikistan) from willing sellers, and there was no threat of expropriation if the owners were unwilling to sell.

The Borrower has held several consultations with local stakeholders since the Project's conceptualization, with the earliest

	<p>formal consultations occurring in 2002, followed by focus groups (which included 228 residents of Khorog and the surrounding area) in March 2005 to discuss the development of the Project. Since then, regular meetings and consultations have continued to be held in Khorog between the Borrower and members of the public (in particular the residents of Dasht and Barkhorog, small villages on the outskirts of Khorog that are adjacent to the Project site). Project-related direct greenhouse gas emissions during construction will be the result from fuel use by construction equipment, and are expected to be minimal. The Project will obtain electricity for operations and heat generation from the local grid. Back-up diesel generators will be the Project's main source of greenhouse gas emissions. Based on a worst case scenario, the maximum potential GHG emissions are expected to be 35,000 tons of CO₂ equivalent per year, and in reality will likely be significantly less.</p>
Workers' Rights:	<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, 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 engaged by the Project.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this project on March 2, 2015.</p>