

Initial Project Summary

Project Location: Vinnytsia Oblast, Ukraine

Name of Applicant: Citibank, N.A.

Name of Project: Myronivsky Hliboproduct (MHP)

Project Description: The Project involves expansion of MHP's Vinnytsia Poultry Farm. MHP Group is a vertically integrated agribusiness and food company undertaking a wide range of activities from grain production, to animal rearing and to meat production. Proceeds from the OPIC guaranteed loan will be used to construct nine new rearing complexes, a new waste water treatment plant, a 17 km by-pass road, and completion of construction and purchase of equipment for the existing hatchery, fodder plant, slaughter house and rendering facilities. The Vinnytsia Poultry Farm is located between the town of Ladyzhyn and surrounding villages of Mykhailivka, Fed'kivka and Hordivka. The area is characterized by open spaces and agricultural fields bordered by small access roads and is estimated to be 27,000 hectares.

The Project will include land acquisition for the nine new rearing complexes. MHP will lease land from private landowners. The land acquisition may result in economic displacement, the extent of which is not yet known.

Environmental and Social Categorization and Rationale: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because the Project involves the construction of an installation for the intensive rearing of poultry. The primary environmental and social issues associated with the Project include waste management (disposal of carcasses, manure and waste water), potential for transmission of communicable disease, odor and pest control, potential contamination of surface and ground water, hazardous material (pesticide) use and management, occupational health and safety, and potential conversion of natural habitats.

Environmental and Social 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 (IFC) Performance Standards:

- P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention;
- P.S. 4: Community Health, Safety and Security;
- P.S. 5: Land Acquisition and Involuntary Resettlement; and
- P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The Project does not involve impacts on Indigenous Peoples or cultural heritage, as defined by IFC. In addition to the Performance Standards listed above the following guidelines are applicable to this project: International Finance Corporation (IFC) General Environmental, Health, and Safety (EHS) Guidelines (April 30, 2007); IFC EHS Guidelines for Annual Crop Production (April 30, 2007); IFC EHS Guidelines for Poultry Production (April 30, 2007); IFC EHS Guidelines for Poultry Processing (April 30,

2007); and the IFC Good Practice Note Improving Animal Welfare in Livestock Operations (December 2014).

Location of Local Access to Project Information: A copy of the Environmental and Social Impact Assessment (ESIA) package may be found at the following locations:

Vinnitsky Broiler
Kravchyka 9 Street
Ladyzhyn
Vinnyts'ka oblast
Ukraine

Vinnitsky Processing Poultryfarm
Khlebozavodska 14 Street
Ladyzhyn
Vinnyts'ka oblast
Ukraine