

## INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Botswana
Name of Borrower:	Eurostar Botswana Ltd.
Project Description:	A revolving working capital loan for the expansion of a Botswana-based diamond cutting and polishing business.
Proposed OPIC Loan:	\$22.5 million
Total Project Costs:	\$30 million
U.S. Sponsor:	Botswana Finance LLC
Foreign Sponsor:	N/A
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project involves the domestic development of diamond cutting and polishing by a DeBeers' sightholder with operations in Botswana. This company cuts and polishes diamonds, entirely in Botswana and China, but does not conduct this work in the U.S. As such, there does not appear to be the potential for a significant negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a net positive impact on the U.S. balance of payments.
Developmental Effects:	This Project is expected to have a positive development impact by supporting efforts in Botswana to build the domestic diamond cutting and polishing industry. In the past, uncut diamonds were shipped from Botswana to the U.K. to be sold at DeBeers sightholders sales in London. However, the government of Botswana and DeBeers reached an agreement to shift the location of these sales to Gaborone. With this shift, this Project will provide credit to a DeBeers sightholder to purchase diamonds in Botswana, and cut and polish them at their local subsidiary. All resulting diamonds will be exported, most likely to India. In addition to supporting the local development of the diamond polishing industry, this Project will create new job opportunities in Botswana. The Project will help Botswana achieve UN Sustainable Development Goals #8 (Decent Work and Economic Growth). A Developmental Clearance was issued March 22, 2017.
Environment:	The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Diamond cutting and polishing projects are screened as Category B Projects under OPIC's environmental and social policies. The major environmental and social issues associated with such Projects include worker health and safety and proper disposal of hazardous substances, effluents and solid waste. Under OPIC's Environmental and Social Policies, the Project is required to comply with applicable local laws and regulations related to environmental and social performance. 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 (IFC) Performance Standards (PS): • PS 1: Assessment and Management of Environmental and Social Risks and Impacts;

	<ul style="list-style-type: none"> <li>• PS 2: Labor and Working Conditions;</li> <li>• PS 3: Resource Efficiency and Pollution Preventions; and</li> <li>• PS 4: Community Health, Safety and Security.</li> </ul> <p>The Foreign Enterprise is an existing facility that is located on an industrial plot in Gaborone, Botswana. No new land will be cleared for the Project and the Project’s facilities are not located in or near protected areas or sensitive ecosystems. Therefore, PS 6 is not triggered at this time. The Project is also subject to the IFC General EHS Guidelines (2007). The Project is expected to have minimal greenhouse gas emissions. Eurostar is certified by the Responsible Jewelry Council (RJC) and compliant with the De Beers Best Practice Principles (BPP). The RJC’s audit certification program mandates responsible business practices throughout the jewelry supply chain. De Beers’ oversight program aims to ensure best practices for human rights, labor and environmental sustainability throughout the diamond supply chain. Eurostar is Kimberly Process certified.</p> <p>Eurostar has developed an HSE Manual that incorporates elements required by RJC and De Beers BPP such as an environmental, health and safety policy, risk and hazard assessment framework, and systems and procedures for environmental, health and safety aspects including PPE, first aid, firefighting, evacuation, accident and incident reporting, workplace hygiene and emergency preparedness. In addition, organizational responsibilities for HSE aspects are outlined.</p> <p>Eurostar does not use any solvents, oils or acids. For boiling, Eurostar uses ultrasonic cleaning with vinegar only and instead of using solvents for the marking and fixing processes, Eurostar uses new technologies which do not require solvents. An Environmental Clearance was issued March 1, 2017.</p>
Social Assessment:	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>This Project involves a revolving loan facility for Eurostar Botswana to purchase, cut, and polish diamonds in Botswana for export. The Project has developed and implemented an ESMS that addresses social risk, including labor, commensurate with the risks associated with the Project’s activities. The project will be required to develop and implement an anonymous grievance procedures for employees. The Project is subject to independent audits of compliance with supply chain and labor requirements established by De Beers.</p> <p>This review covers the commensurate human rights risks associated with diamond cutting and polishing in Botswana. A Social Clearance was issued on April 3, 2017.</p>