

**REPORT FROM OPIC PROJECT TEAM TO  
INVESTMENT COMMITTEE**

**SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION**

<b>Host Country:</b>	Afghanistan
<b>Name of Borrower:</b>	Equity Capital Mining (“ECM”)
<b>U.S. Sponsor:</b>	Mr. Adam Doost
<b>Foreign Sponsor:</b>	Mr. Nasim Doost
<b>Project Description:</b>	Expansion of ECMs’ marble quarrying investment in the Chesth-i-Sharif quarry, located 150 km east of Heart City.
<b>Total Project Cost:</b>	\$31,470,000
<b>Proposed OPIC Loan:</b>	\$15,800,000 (with a term of seven years)
<b>Developmental Effects:</b>	The project will have a positive developmental impact in the host country. The Afghanistan quarrying industry often uses blasting rather than more modern excavation techniques, but the project will introduce these advanced methods to the host country. This investment will also support the creation of jobs with benefits and will generate foreign exchange earnings through the export of white dove marble.
<b>Environment:</b>	<p>Small quarrying projects are screened as Category B projects under OPIC’s environmental guidelines because impacts are site-specific and readily mitigated. Environmental issues associated with quarry operations include project siting, water supply, soil erosion and sedimentation, wastewater treatment and disposal, solid waste disposal, spill prevention and containment, and occupational health and safety.</p> <p>Applicable Standards. The project and its contractors will be required to construct and operate the facility in accordance with (i) The International Finance Corporation’s (IFC) Environmental, Health, and Safety Guidelines for Construction Materials Extraction; (ii) applicable provisions of the International Finance Corporation’s (IFC) April 30, 2007 Environmental, Health, and Safety General Guidelines; and (iii) all applicable environmental, health, and safety requirements of Afghanistan.</p>

	<p>Impacts and Mitigation Measures. The development project is located in the Province of Herat approximately 150 kilometers east of the City of Herat, near the town of Chesth-i-Sharif. The site is not located in a floodplain or near areas of cultural or ecological significance. The project will not result in adverse impacts on protected areas or critical habitats. The project will not result in physical or economic displacement, impacts on indigenous people or impacts on cultural heritage.</p> <p>The development will operate four generators to provide power for the quarry operations, worker housing, and kitchen. The project will reuse runoff water as well as process wastewater to reduce the amount withdrawn from surface water bodies. Potable water will be provided from a spring, and sanitary wastewater will be routed to septic tanks on the project site.</p> <p>Process wastewater and runoff water will be diverted into a sediment basin to allow suspended solids to settle and to provide for the water's reuse as stated above. No discharge to surface water will occur. Waste rock will be used to provide erosion protection on exposed surfaces. Solid waste products will be sold for reuse. Spill prevention and containment measures are provided on the project site to prevent contamination of any surface water bodies.</p> <p>The project will be required to comply with international standards for environmental protection and occupational health and safety as stated in the IFC Guidelines, to develop and implement a reclamation and closure plan for the project site that meets the requirements of the IFC Guidelines, and to provide secondary containment for stored fuel that complies with IFC Guidelines. The project will be required to demonstrate that worker housing is adequate prior to occupancy and to provide sufficient controls on the project site to ensure community safety.</p>
<b>Workers Rights</b>	<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 requirements, minimum wages, timely payment of wages, hours of work, and hazardous working situations. Standard and supplemental contract language will be applied to all workers of the project.</p>
<b>Human Rights</b>	<p>In consultation with the Department of State, the project received a Human Rights Clearance on July 13, 2009.</p>