

REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Jordan
Name of Borrower:	Ard Al Qamar Real Estate Development Company, a company organized under the laws of the Hashemite Kingdom of Jordan
U.S. Sponsor:	Mr. Basel Saeed
Foreign Sponsor:	None
Project Description:	The Madina Commercial Complex is a greenfield, multipurpose facility that will include 90 retail stores, a food court, cinemas and a health clinic that will provide basic medical services to an underserved local community located in the city of Zarqa, Jordan's second largest city (the "Project").
Total Project Costs:	\$117,751,000
Proposed OPIC Loan:	\$70,650,000 ; 20 years
Developmental Effects:	The Project will have a positive developmental impact on the Jordanian economy. The Project will create numerous permanent full-time jobs, with nearly all employees receiving training. The Project includes a public-private partnership with the Jordanian National Resources Investment and Development Corporation (MARAWED). In addition, the Project will provide ancillary impacts through job creation and provision of new goods and services through the retail shops located in the Complex. Lastly, the Project will comply with Jordan EEO policies, provide maternity leave benefits to female employees, and provide employee benefits – including health coverage, housing and education assistance, and performance bonuses—and establish local community outreach programs by supporting recreational activities and a medical facility.
Environment:	<u>Screening</u> . The Project has been screened as Category B because environmental and social impacts associated with retail complexes are limited, site specific, and readily mitigated through sound management. Environmental issues associated with retail complexes include management and disposal of effluent and solid

waste both during construction and operation and the need for adequate life and fire safety systems. In addition, siting issues such as construction on contaminated land and location relative to ecologically sensitive areas are also of concern. Potential social impacts include noise, increased traffic and additional demands on municipal services include police and fire departments.

Documentation. An Environmental Impact Assessment for the larger King Abdullah Bin Abdel Aziz City (Aziz City) real estate development project, of which the Project is a part, was provided to OPIC for review.

Applicable Standards. The Project was evaluated against the International Finance Corporation's (IFC) 2007 General Environmental, Health, and Safety Guidelines. Because many locations in Jordan potentially contain archaeological artifacts, IFC's Performance Standard 8 (Cultural Heritage) is also applicable to the project. Because the Project will be located on what was a large military installation built in the mid-twentieth century, the project does not involve involuntary resettlement or impacts on indigenous people and therefore IFC's Performance Standards 5 and 7 are not applicable to the Project.

Environmental Risks and Mitigation. The Project is part of the larger Aziz City (formerly Madinat Al Sharq military base). Because the Project location was a former military camp, the land is unoccupied but perturbed desert habitat. The Project is not located in or near protected or ecologically sensitive areas.

Solid wastes from construction and operation will be disposed of at a certified municipal waste disposal facility. During the construction phase of the Project, effluents will be diverted via a temporary connection to the municipal sewage system. During the operation phase of the Project, effluents will be collected in a septic tank on site and wastes will be periodically removed for disposal at a certified municipal waste disposal facility by a licensed contractor.

Because there are no residential or commercial sites adjacent to the Project site, noise and other construction

	<p>nuisances are unlikely to pose a problem. Traffic management and municipal service delivery are being addressed under the larger Aziz City development planning.</p> <p>The Project will be required to develop and implement a Life and Fire Safety Plan and to incorporate adequate emergency response provisions in the detailed design. The Borrower has represented that occupational health and safety standards will be enforced to ensure worker safety.</p> <p>The Borrower has represented that each retail establishment in the Project will be responsible for providing their own potable water. The Project will only provide non-potable water for sanitation. The Borrower has indicated that low-flow faucets and dual-flush tanks will be incorporated in the design.</p> <p>Preliminary surveys have not identified any cultural heritage that requires protection at the Project site. However, the Project will be required to develop and implement chance find procedures in accordance with the requirements of IFC Performance Standard 8.</p>
<p>U.S. Economic Impact:</p>	<p>The Project involves construction of a shopping mall in Jordan and does not appear to have the potential for a significant negative effect on the U.S. economy or employment. There will be some U.S. procurement associated with the Project which will have a small, but positive, impact on U.S. employment. The Project will have a negative impact on the net U.S. balance of payments over the first five years, though over the project's lifetime the U.S. balance of payments impact is expected to turn positive.</p>
<p>Workers Rights:</p>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, forced labor, hours of work, minimum wage, the timely payment of wages, minimum age, and hazardous work situations. Standard and supplemental contract language will be applied to all workers, including contractors and subcontractors, of the Project.</p>
<p>Human Rights:</p>	<p>In consultation with the Department of State, the Project received a Human Rights Clearance on January 29, 2010.</p>