

Information Summary for the Public

Host Country:	Honduras
Name of Borrower:	Group Jaremar
U.S. Sponsor:	Citibank, N.A.
Foreign Sponsor:	NA
Project Description:	Diversified palm oil and agricultural company
Total Project Cost:	\$20,000,000
Proposed OPIC Loan:	\$15,000,000
Developmental Effects:	This project will have a positive developmental impact on the host country. This investment will support the creation of local jobs with training and benefits, and the use of renewable fuels through the project company's production of biogas and biodiesel. The project will also generate foreign exchange earnings through exports to countries around Central and North America.
Environment:	Palm oil plantations and the other activities associated with this project (use of wastes as boiler fuel, capturing methane from oxidation ponds, small scale biodiesel manufacturing) and food processing plants and packaging facilities in previously developed areas are screened as Category B projects under OPIC's environmental guidelines because impacts are site-specific and readily mitigated. Environmental issues associated with palm oil production and processing include stress on water resources, pesticide use, biodiversity impacts, solid waste management practices and management of wastewater. Environmental issues associated with vegetable processing include water use,

sanitation, wastewater treatment, quality control of product purity and appropriate health and safety measures.

Applicable Standards. All facilities will be subject to applicable provisions of the IFC's April 30, 2007 Environmental, Health and Safety (EHS) General Guidelines. Additionally, the palm oil plantations will be required to adhere to the International Finance Corporation's (IFC) April 30, 2007 Environmental, Health, and Safety Guidelines for Plantation Crop Production; The palm oil mill will also be required to meet the IFC April 30, 2007 Environmental, Health, and Safety Guidelines for Vegetable Oil Processing; The biodiesel, vegetable oil, soap, and disinfectant manufacturing facilities will be subject to the IFC April 30, 2007 Environmental, Health and Safety Guidelines for Oleochemicals Manufacturing; and the bean and pasta production facility will be subject to the IFC's April 30, 2007 Environmental, Health, and Safety Guidelines for Food and Beverage Processing.

This project will also be subject to the IFC Performance Standard 5, Land Acquisition and Involuntary Resettlement, but not 7 and 8. Performance Standard 5 is applicable because there will be purchase of land as the Foreign Enterprise begins its agricultural expansion process. Since this land will not be purchased in areas that are in close proximity to any indigenous communities, in internationally protected area, or in culturally significant spots, Performance Standards 7 and 8 are not applicable.

Impacts and Mitigation Measures. Grupo Jaremar plans to increase its planting area by 1000 new hectares of land per year. The land which is located mainly on the North

coast of Honduras will be livestock grazing land or grasslands and its development will have little environmental impact. Land will be purchased on a willing buyer seller basis and will not be located in any culturally or environmentally sensitive areas.

Nitrogen, phosphorus, and potassium are the most commonly used fertilizers on the plantations. Some paraquat containing pesticides are currently used but will be phased out. Runoff from the plantations into nearby streams may cause some exceedance of international discharge standards and will be corrected as part of this project. Much of the solid waste produced on the plantation is recycled or used as a fuel source in other facility boilers and displaces the use of oil.

The capture of methane gas from the anaerobic lagoons that hold treated palm oil mill effluent (POME) is used on site to replace bunker fuel in boilers at the refinery and to generate electricity. This creates an overall reduction in air emissions from the processing facility including the production of greenhouse gas emissions. Additionally, waste wood from the branch pressing station will be used as fuel in some of the Company's manufacturing boilers. This also creates an overall reduction in the facility's greenhouse gas emissions.

The bean processing facility will be constructed on an existing site and will not require the clearing of any land. No internationally protected areas are located near by. Water needed for processing of the beans will come from on-site wells with adequate supply and should not have an impact on any surrounding users. A wastewater treatment facility was built on site to handle sanitary wastes; however no records of discharges parameters are

available. Solid waste is transported to a municipal landfill. Electrical power is supplied from the existing grid.

The evaluation of the project did reveal potential non compliance with some IFC guidelines in the areas of wastewater discharge, pesticide handling, and hazardous materials handling and storage. The Company is already working actively to upgrade its environmental protection capabilities and will be required to ensure that operations meet international standards.

In addition, the project is restricted from buying additional land for palm oil plantations in internationally recognized protected areas or critical forest habitats, contaminated sites, areas involving involuntary resettlement or significant economic displacement, and areas involving the destruction or significant degradation of habitat of a critically endangered or endangered species. The project is also required to hire a corporate wide environmental health and safety officer to centralize all environmental, health and safety activities and monitoring, obtain certification from the Roundtable on Sustainable Palm Oil when guidance is available for Honduras, suspend the use of all paraquat-containing pesticides, and suspend the use of R-22 refrigerant.

The project will also be required to provide OPIC with a corporate wide water management plan, an integrated pest management plan, a corporate wide waste management and monitoring plan, inventory of all boilers and generators, oil spill procedure, emergency response plan, fire safety plan, Occupational Health and Safety plan, transportation safety plan, a land acquisition and compensation plan, and a yearly annual report.

Workers Rights	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, hours of work, the timely payment of wages, minimum wage and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project.
Human Rights	In consultation with the Department of State, the project received a Human Rights Clearance on November 20, 2008.

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