

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Republic of Peru.
Name of Borrower(s):	Tacna Solar S.A.C. and Panamericana Solar S.A.C., corporations established under the laws of Peru to serve as joint and several borrowers under the OPIC loan.
Project Description:	Development, construction, and operation of two 20 MW solar power projects.
Proposed OPIC Loan:	Approximately \$185 million with a term up to 18.5 years, including a grace period of up to one year and a 17.5-year repayment period.
Total Project Costs:	Approximately \$251 million.
U.S. Sponsor:	Conduit Capital Partners, a limited liability company incorporated in Delaware.
Foreign Sponsors:	Solarpack Corporación Tecnológica S.L. and Gestamp Asetym Solar S.L., companies organized and existing under the laws of Spain.
<b>Policy Review</b>	
U.S. Economic Impact:	This project involves the construction of two solar electricity generation plants in Peru. The project is not associated with any exports, does not involve any U.S. procurement, and is therefore expected to have a neutral impact on U.S. employment. The project is expected to have a net negative impact on the U.S. balance of payments over the first five years.
Developmental Effects:	This project will have a positive developmental impact in Peru. All electricity generated will be sold to Peru's national grid, and the project supports Peru's initiative to diversify its sources of power generation. The project sites are in a poor, desert rural area of Peru. New staff will be hired at each site, and a portion of the staff will receive training in Spain.
Environment:	<b>Screening:</b> This project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Small-to-medium scale renewable power generation facilities are screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major environmental and social issues associated with photovoltaic projects are land use issues, potential disturbance of sensitive ecological species through habitat alteration, visual impacts and the disposal of

panels at the end of their useful life.

**Applicable 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 Performance Standards:

PS1: Social and Environmental Assessment and Management Systems;

PS2: Labor and Working Conditions;

PS3: Pollution Prevention and Abatement;

PS4: Community Health, Safety and Security

PS6: Biodiversity Conservation and Sustainable Natural Resource Management

In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this project.

No land will be purchased for the project; for both sites, land will be under a usufruct contract for 30 years. The project will not result in physical or economic displacement nor will it impact any indigenous peoples or cultural heritage. Therefore, adverse impacts with respect to land acquisition, resettlement, Indigenous Peoples and cultural heritage (PS 5, 7 and 8) are not anticipated at this time.

**Environmental and Social Risks:** Independent environmental assessments of the project were completed in November 2010 and in September 2011 due diligence studies were conducted for the project. The due diligence studies assessed the project, identified gaps and provided recommendations to fill those gaps in accordance with the IFC Performance Standards and Equator Principles. OPIC is waiting for additional information regarding environmental and social management for the project including the organizational structure with respect to environmental and social commitments, community grievance mechanism, environmental and social policy and environmental and social management plan for the project.

The project sites are located in temperate warm desert areas with low ecological sensitivity. The sites themselves have little to no vegetation and there are no residences located nearby. Air emissions are restricted to dust during construction and the temporary operation of two small diesel generators during construction. CO<sub>2</sub>eq emissions are anticipated to be less than

	<p>5,000 tons/year. Water is only needed for washing of the panels and during operations only 5 people will be working on site. Sanitary wastes will be handled with portable toilets during construction and a septic system once the plant is operational.</p> <p><b>Risk Mitigation:</b> The project will be required to construct and operate the project in accordance with a Social and Environmental Management Plan (SEMP). The SEMP will include monitoring and control, emergency response and preparedness, community relations, organizational structure for overseeing environmental and social matters, training for workers (contractors and subcontractors) and a community grievance mechanism.</p>
Workers Rights:	<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, hours of work, the timely payment of wages, and hazardous work situations. The project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the project.</p>
Human Rights:	<p>This project received a Human Rights Clearance on April 12, 2012.</p>