

PROJECT INFORMATION

Host Country:	Republic of Colombia
Name of Borrower:	ISAGEN S.A. E.S.P. (“ISAGEN”)
U.S. Investor:	Power Finance Trust, Limited (“Power Finance”)
Project Description:	<p>The restructuring of an OPIC Non-Honoring Sovereign Guaranty insurance policy in respect of a Colombian government guaranty of a loan made by Power Finance to the government-owned power generation company, ISAGEN, the proceeds of which were used to modernize five of its existing hydroelectric and thermoelectric assets. The Colombian government seeks to sell its interest in ISAGEN. As part of the privatization of ISAGEN, the Colombian government will be required by law to terminate its sovereign guaranty. Therefore, the OPIC Non-Honoring Sovereign Guaranty insurance policy will be converted into an OPIC guaranty of the Power Finance loan to ISAGEN, with a maximum exposure totaling \$290 million, comprised of a maximum of \$212 million of principal exposure plus interest thereon, up to \$17 million of foreign currency appreciation cover and up to \$61 million in interest rate breakage costs for a swap associated with the loan to which Power Finance is a party.</p>
Proposed OPIC Guaranty:	<p>\$290 million, comprised of \$212 million of principal cover plus interest thereon, \$17 million of foreign currency appreciation cover and up to \$61 million in interest rate breakage costs for the swap associated with the loan. The guaranty will have a remaining term of 17 years.</p>
Developmental Effects	<p>The project has had a significant developmental impact on the host country, Colombia. By repairing a damaged generator and renovating older generators, the project has allowed ISAGEN to maintain its electricity generation capacity and thus continue to provide electricity generation services to consumers and businesses. The project is helping to meet electricity demand in a country with a lack of adequate supply. Downstream effects include more competitive electricity prices for large companies. ISAGEN is active in its community and is engaged in numerous corporate social responsibility activities. The project has had some technology transfer impacts as foreign engineering firms have been contracted to provide their technical expertise to upgrade</p>

	the hydro power assets.
Environment:	<p>Large hydroelectric projects are screened as Category A under OPIC’s environmental guidelines because these projects have the potential to cause significant, adverse, and irreversible environmental impacts. The main environmental concerns related to hydroelectric projects include land disturbance via construction activity, hydrological impacts such as reduction in stream flow, changes in water quality, alteration of sediment deposition patterns, and impacts to aquatic and terrestrial species. Dams may also represent a safety hazard to downstream communities due to the potential for catastrophic collapse during seismic or flood events.</p> <p>Applicable standards. As an existing OPIC project, ISAGEN has been required to operate applicable facilities in accordance with (i) the 1998 World Bank General Environmental Guidelines; (ii) 1998 World Bank Environmental Health and Safety Guidelines for Thermal Power; and (iii) all applicable environmental, health and safety requirements of Colombia.</p> <p><u>Impacts and Mitigation Measures.</u> The project consists of the modernization and maintenance of three existing hydroelectric and one thermal power station, and the construction of one Greenfield hydroelectric power station. The project was required to submit annual environmental reports, provide periodic monitoring reports on baseline ecological conditions of the Amoya River, and add chromium and chlorine to the list of analytes for outflow from the Termocentro facility. The project was required to commission and fund a third-party independent environmental audit, which was completed in 2008. ISAGEN provided OPIC with certification that all of OPIC’s contract conditions had been met on December 18, 2008. The project has also provided OPIC with a third-party party assessment of safety considerations for the facilities, including adequate emergency response procedures and a technical engineering evaluation of the stability of all dam infrastructure. The project was recently monitored by OPIC in February of 2009 and found to be in compliance with applicable covenants of the existing Foreign Enterprise Support Agreement.</p> <p>Emissions estimates of 203,010 short tons of CO₂ were included in OPIC’s baseline audit.</p>

Workers Rights:	OPIC's statutorily required standard worker rights language has been supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age requirements, hours of work, and hazardous working 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 Human Rights Clearance on September 15, 2009.