

## REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

### SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Countries:	India and Southeast Asia
Name of Borrower:	Aloe Environment Fund III (the “Fund”), a Mauritius-based private equity fund
Sponsors:	Aloe Private Equity SAS (“Aloe”), a French company and Green Investment Group Limited, a Mauritius entity
Fund Description:	The Fund will be dedicated to growing environmental and socially sustainable companies by (i) funding companies in Asia with limited technology risk who have developed real solutions to the environmental and social challenges currently facing this market, and (ii) transferring technologies to improve the environmental and social landscape of the high growth markets of Asia.
Total Fund Capitalization:	\$420.0 million
Proposed OPIC Loan:	OPIC loan guarantee of up to \$136 million in principal plus accrued and accreted interest thereon
Term of Fund:	Eight years, with the possibility of two one-year extensions subject to the consent of investors holding 65% of total commitments
Selection Process:	<p>During the December 2010 United Nations Climate Change Conference held in Cancun, Mexico, OPIC President &amp; CEO Elizabeth Littlefield announced that OPIC would provide at least \$300 million in financing for new private equity investment funds that could ultimately invest more than \$1 billion in renewable resources projects in emerging markets. To deliver on this commitment, OPIC announced a Global Renewable Resources Funds call for proposals to help catalyze and facilitate private sector investments promoting renewable resources globally (the “Call”). The OPIC Evaluation Committee selected the Fund from among 56 respondents to the Call with the assistance of Cambridge Associates, as gatekeeper.</p> <p>This fund advances the objectives of the Call by providing additional capital to invest in climate solutions centered around renewable energy generation, recycling, and energy efficiency, specifically in India and Southeast Asia, areas of strategic interest and where OPIC's portfolio benefits from additional diversification.</p>
<b>Policy Review</b>	
Developmental Effects:	The Fund will have a significant development impact in India and throughout Southeast Asia as it will provide capital to companies which provide proven technologies, solutions, and

	<p>products to tackle the environmental challenges faced by the region’s high growth economies. The Fund will execute its strategy by primarily targeting small and medium-sized enterprises operating in the clean energy, renewable resources, and eco-processes sectors. Investments in these industries will diversify the region’s energy portfolio as well as mitigate the on-going negative environmental impacts associated with rapid economic growth.</p>
Environment:	<p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Although no further assessment is warranted at this stage in the transaction, each and every downstream investment by the Fund will be screened at and subject to the full scope of OPIC’s environmental and social assessment process, including public disclosure within the host country of Environmental Impact Assessments for Category A projects, conditionality and monitoring, as is warranted by the nature and scope of the downstream investments.</p> <p>Under OPIC’s environmental and social policies, the Fund will be required to establish an Environmental Management System that will assess the environmental and social impact of their own operations as well as operations of their downstream investments, and include the environmental and social objectives and principles that will be used to guide the Fund and downstream investments to implement measures that will eliminate risks, ameliorate damage, and enhance positive effects.</p>
U.S. Economic Impact:	<p>Since this clearance pertains to the capitalization of the Fund, there is no potential for an adverse impact on the U.S. economy at this time and an industry analysis is not necessary. However, the Fund’s portfolio company investments will be analyzed individually for their impact on the U.S. economy and U.S. employment in accordance with OPIC guidelines.</p>
Workers Rights:	<p>Each of the Fund’s subprojects will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language for each subproject will be included in the subproject’s Consent Notice.</p>
Human Rights:	<p>In consultation with the Department of State, the Fund received a Human Rights Clearance on May 12, 2011.</p>