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| Host Country: | Republic of Peru. |
| Name of Borrower(s): | Moquegua FV S.A.C., a corporation established under the laws of Peru to serve as borrower under the OPIC loan. |
| Project Description: | Development, construction, and operation of a 19 MW solar power project. |
| Proposed OPIC Loan: | \$41,500,000 with a term up to 18.5 years, comprising a grace period of up to one year and a 17.5-year repayment period. |
| Total Project Costs: | \$57,111,087 |
| U.S. Sponsor: | Antonio Galindez. |
| Foreign Sponsors: | Solarpack Corporación Tecnológica S.L., a company organized and existing under the laws of Spain. |
| Policy Review | |
| U.S. Economic Impact: | This Project is not expected to have a negative impact on the United States economy. The Project involves no U.S. procurement, thus it is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year balance of payments impact. |
| Developmental Effects: | This Project will have a positive developmental impact on Peru through the construction of a new 19 MW solar power generation plant, thus increasing the capacity of Peru's national grid and diversifying the country's energy production. Renewable energy as a group composes only 0.6 percent of Peru's energy mix. The Project will supply power to the national grid and will serve approximately 360,000 people. The Project will create 300 to 400 local construction jobs and will provide charitable donations to a local Jesuit organization. |
| Environment: | Screening: This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Solar power generation facilities are screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The primary environmental and social issues associated with the Project include the need for appropriate health and safety measures and a robust environmental and social management system for day-to-day aspects of construction and operation including solid waste disposal, hazardous materials management and treatment and disposal of wastewater. |

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:

PS 1: Social and Environmental Assessment and Management Systems;

PS 2: Labor and Working Conditions;

PS 3: Pollution Prevention and Abatement;

PS 4: Community Health, Safety and Security; PS 6: Biodiversity Conservation and Sustainable Natural Resource Management : and

PS 8: Cultural Heritage.

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 and the Project will not result in physical or economic displacement nor will it impact any indigenous peoples. Therefore, adverse impacts with respect to land acquisition, resettlement and Indigenous Peoples (PS 5 and 7) are not anticipated at this time.

Environmental and Social Risks and Mitigation:

Preliminary environmental assessment of the Project was completed in August 2012 by a third-party consulting company. The preliminary environmental assessment was submitted as a Declaration of Environmental Impact (DIA) and were approved by the Ministry of Energy and Mines in December 2012 giving the Project the required environmental permits (Certificacion Ambiental).

Environmental management plans have been developed and were reviewed by OPIC. There will be a designated Environmental and Community Relations officer as well as a dedicated health and safety officer on-site; a third party company has been hired to oversee the archeological monitoring 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 one small diesel generator during construction. CO_{2eq} emissions are anticipated to be less than 500 tons/year. Water is only needed for washing of the panels and during operations only three to four people will be located on site. Sanitary

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| | <p>wastes will be handled with portable toilets and a bio-digester.</p> <p>A few threatened, vulnerable, and endangered species have been identified as being in the Project area. It is anticipated however, that the impact on these species from the Project will be minimal as the range of the species is quite large and the footprint of the Project small.</p> <p>A baseline archeological study has been conducted for the project site revealing no evidence of archeological remains. As such, the Project has been provided with a Certificate of Non-Existence of Archeological Remains from the Ministry of Culture. The Project has developed an archeological monitoring plan which it will implement during construction and has hired a third-party consulting company to carry out the archeological monitoring during construction.</p> <p>The Borrower will be required to develop, submit to OPIC for review more detail regarding management of contractors and subcontractors with respect to environmental, social, health and safety aspects, a project-specific Occupational Health and Safety Plan and an end-of-life panel disposal plan.</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 engaged by the Project.</p> |
| Human Rights: | <p>OPIC issued a human rights clearance for this Project on April 16, 2014.</p> |