

Information Summary for the Public

Host Country:	El Salvador
Name of Borrower:	Compañía Azucarera Salvadoreña, S.A. de C.V. ("CASSA")
U.S. Sponsor:	Citibank, N.A.
Approved/Committed Date:	November 20, 2012
Foreign Sponsor:	N/A
Project Description:	The proceeds of the loan will be used for the financing, installation, and maintenance of equipment and related installation works in connection with the renewable energy generation expansion project to be undertaken at the Chaparrastique sugar mill.
Total Project Cost:	\$40,000,000
Proposed OPIC Loan:	\$30,000,000
Developmental Effects:	This project will have a positive developmental impact on El Salvador. By increasing the supply of biomass-generated energy, the project will help to decrease the host country's fossil-fuel generated power and greenhouse gas emissions. The project fits into the government of El Salvador's initiative to increase the share of energy from hydro, geothermal and biomass to reduce cost volatility and carbon emissions. The project will have strong technology and knowledge transfer impacts by importing state of the art generation equipment from Germany and India. The project will also lower tariff prices for consumers and reduce electricity imports from abroad. Finally, the project will benefit the local agricultural sector since all biomass will be procured locally.
Environment:	The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. In accordance with OPIC's Environmental & Social Policies, thermal power projects with a capacity less than 200 MW that have greenhouse gas emissions of less than 100,000 short tons are screened as Category B as they have a limited

number of environmental and social impacts that can be readily mitigated to acceptable levels. Environmental issues associated with thermal power plants that burn renewable fuels include air emissions, water needs for cooling, wastewater discharges, ash disposal, noise, impacts to flora and fauna from land disturbance, and social and cultural issues associated with site development.

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

The Project involves the expansion of a facility on an already disturbed site and there are no internationally designated protected areas near the Project site nor are there impacts on internationally designated endangered or threatened species. Therefore, biodiversity impacts are not anticipated. The Project is being developed on an already existing site and does not involve the purchase of additional land nor will it involve any physical or economic displacement. The Project will have no impact on indigenous people. Therefore, PS's 5, 6, 7, and 8 are not triggered at this time.

Consistent with the requirements of PS 3 (Pollution Prevention and Abatement) the project is required to meet applicable provisions of the 2007 IFC General Environmental Health and Safety Guidelines and the 2008 IFC Environmental, Health and Safety Guidelines for Thermal Power Plants.

Environmental and Social Risks: The Project has an environmental policy and grievance mechanism in place. Occupational Health and Safety, Emergency and Life and Fire policies and procedures are also all in place. Air emissions studies show that ambient air quality in the vicinity of the project is not degraded and should not be impacted by the addition of the Project.

	<p>Stack emissions should not exceed IFC guideline levels for thermal power plants burning solid fuels. Solid wastes will be disposed of by the municipality. Water for the Project will come from an onsite well and be treated prior to use. All process effluents will be oxidized in an on-site pond and reused in the power plant.</p> <p>Risk Mitigation: The Project will be required to provide OPIC with an Environmental and Social Management Plan for the Project (SEMP) as well as the organizational structure that will assure proper implementation and ongoing compliance with the requirements of the SEMP. The Project will also provide OPIC with annual reports documenting compliance with IFC standards regarding air, noise and occupational health and safety.</p>
Workers Rights	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will 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.</p>
Human Rights	<p>OPIC issued a human rights clearance for the project on August 29, 2012.</p>