

Public Information Summary

Host Country:	Kenya
Name of Borrower:	Cloverfield Energy Services, Ltd., a company incorporated under the laws of Kenya (“the Borrower”)
Project Description:	To construct solar-powered microgrids in approximately 100 off-grid villages (20,000+ households/commercial users) in the Kisii and Nyamira regions of Kenya (the “Project”)
Proposed OPIC Loan:	A Direct Loan not to exceed \$6.8 million
Total Project Costs:	\$11.6 million
U.S. Sponsors:	<p>Powerhive is an S-Corporation registered in California and based in Berkeley. The company was founded in 2011 by Christopher Hornor and Rik Wuts, seasoned entrepreneurs with experience in solar energy, service models and emerging markets. The company’s objective is to provide access to clean, affordable, and productive microgrid electricity service to the hundreds of millions of households and small businesses across the world on a commercial basis.</p> <p>First Solar based in Arizona and traded on NASDAQ, is one of the largest manufacturers of thin film photovoltaic modules in the world. The company also builds and operates solar power plants in the U.S. and other countries with 10 GW installed.</p>
Foreign Sponsor:	None
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy, as it involves the generation of electricity for domestic consumption. U.S. procurement associated with the Project is expected to have a positive impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project will have a strong developmental impact on Kenya. The Project will provide rural communities with an affordable and clean source of electricity in a country where only 5% of the rural population has access to electricity. The Project will provide an alternative to high carbon-emitting fossil fuels, such as kerosene, diesel and heavy fuel oil, which are currently used for residential lighting and power generation by some local businesses. The project will introduce smart-grid solar power technology that is relatively uncommon in the host country. Electricity payments will be made through existing mobile payment networks, and billing, delivery and support will be managed using the sponsor’s proprietary technology

	<p>platform. Finally, the project fits into the Kenyan government’s national development strategy to expand access to electricity and ensure reliable power supply.</p>
<p>Environment:</p>	<p>Screening: This Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Small-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 the Project include the need to manage construction ongoing at multiple sites simultaneously, the need for land acquisition procedures to be implemented in accordance with PS 5, potential loss of biodiversity from land clearing and the disposal of panels at the end of their useful life.</p> <p>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:</p> <p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; PS 4: Community Health, Safety and Security; PS 5: Land Acquisition and Involuntary Resettlement; PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS 7: Indigenous Peoples; PS 8: Cultural Heritage.</p> <p>Because the sites for the Project are still being finalized, OPIC will require the Borrower to incorporate certain prohibitions and requirements in the investments and have systems to assess and address potential impacts relevant to P.S. 5, 6, 7, and 8.</p> <p>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.</p> <p>Environmental and Social Risks: The Project involves construction and operation of solar-powered microgrids in approximately 100 off-grid villages in Kisii and Nyamira counties in Kenya. Powerhive submits an Environmental Impact Assessment (EIA) for each installation site which must be approved by NEMA. The EIA is</p>

	<p>performed by an independent environmental specialist. There are two civil works supervisors who will be responsible for coordinating construction at multiple sites and for overseeing and managing contractors and subcontractors. Site supervisors are responsible for ensuring compliance with environmental, health and safety standards. Construction impacts are expected to be minimal given the size of the microgrid sites and facilities and the short construction period for each site (~1 month).</p> <p>Risk Mitigation: The Project is in the process of developing various environmental, social, health and safety plans that will be used to manage and mitigate risks of the Project. The Project will be required to provide OPIC with: an Environmental and Social Policy Statement for the Project; Environmental and Social Management Plan for the construction and operation phases of the Project; Community grievance mechanism; Organizational chart detailing the Environmental, Social, Health and Safety teams, structure and relationship at the corporate and project site levels, including contractor and subcontractor levels; Emergency Preparedness and Response Plan; Waste Disposal Plan, in particular for Hazardous wastes (batteries and panels at the end of their useful life or broken panels); and Occupational Health and Safety Plan in accordance with P.S. 2. In addition, the Project will be required to submit to OPIC an annual report demonstrating compliance with P.S. 5, 6, 7 and 8.</p>
<p>Worker Rights:</p>	<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> <p>The Project will engage approximately 120 workers during the construction phase, of which 70 will be low-skilled. Approximately 15 professional and managerial employees will work on the project during the operational phase. The majority of workers will be managed by EPC and O&M subcontractors with oversight from the Borrower.</p> <p>The Project will be required to submit finalized human resource policies consistent with IFC Performance Standard 2, including sample employment contracts for temporary workers and a revised grievance mechanism.</p>

Human Rights:	OPIC issued a human rights clearance for this Project on July 29, 2014.
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