

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Uruguay
Name of Borrower:	Estrellada SA, a Uruguayan special purpose entity.
Project Description:	The project comprises the development, construction, operation and maintenance of a 50 MW wind farm in eastern Uruguay. The project benefits from a 20-year power purchase agreement, with the national electric utility, UTE, as the offtaker. The Uruguayan electricity generation supply system is heavily dependent on hydroelectric plants that are subject to significant variability in production depending on hydrological conditions, resulting in potentially significant increases in the cost of generation when thermoelectric sources are used. As part of a broad effort to address this problem, the country has undertaken an effort to develop wind energy as a cost effective alternative to thermoelectric sources to diversify its electricity generation and supply system.
Proposed OPIC Loan:	A financing in an amount not to exceed \$96,000,000.
Total Project Costs:	\$128,106,000
U.S. Sponsor:	Nordex USA, Inc.
Foreign Sponsor:	Juwi AG
Policy Review	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy. There is initial and operational U.S. procurement associated with the construction and operation of the wind farm, which is expected to have a positive impact on U.S. employment. The project is expected to have a net negative five-year U.S. balance of payments impact.
Developmental Effects:	The project is expected to have a positive development impact in Uruguay through the construction of new wind power. The wind power industry is in its nascent stages in Uruguay as the country moves to lessen its dependence on hydroelectric power generation, which in dry years can require greater reliance on expensive fossil-fuel based generation and importing of power from its neighbors. The developer will provide technical assistance in the construction of the plant to local companies contracted to build parts of the facility, which will not only stimulate the local economy, but also transfer valuable know-how to Uruguayan suppliers. This project will also hire new staff to operate the facility, all of whom will receive training.
Environment:	SCREENING: This project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Small to medium wind farms not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on birds and bats are typically

screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major concerns related to the project include potential bird/bat collisions, potential impacts to cultural heritage, potential impacts to community (shadow flicker, visual impacts and access to pilgrimage sites) and the need for a robust Social and Environmental Management Plan for the construction and operation phases of the project.

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.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;
- P.S. 2: Labor and Working Conditions;
- P.S. 3: Resource Efficiency and Pollution Prevention;
- P.S. 4: Community Health, Safety and Security;
- P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; and
- P.S. 8: Cultural Heritage.

The project will not involve physical or economic displacement and land was purchased from landowners on a seller-willing basis at market rates. The project will not impact any Indigenous Peoples. Therefore, P.S.'s 5 and 7 do not apply to this project.

In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy and the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this project.

Environmental and Social Risks and Mitigation: The project involves construction and operation of a 50 MW wind farm near Arbolito, Cerro Largo, Uruguay. A draft Social and Environmental Management Plan (SEMP) for the project was sent to the Uruguayan authorities for their review and approval. Comments and recommendations from the authorities will be incorporated into the final SEMP. OPIC will require that the Borrower submit to OPIC for its review and approval the final SEMP as a condition to disbursement.

The project has the potential to impact local communities. According to a shadow flicker assessment conducted for the

	<p>project, one house will be exposed beyond the maximum exposure standard of 30 hours per year set by the Danish Association of wind farms. The visual impact assessment indicated that the project will have high visibility from the town of el Arbolito. Two pilgrimage sites that are visited once a year are located 100 m and 150 m respectively from one of the project's turbines. In addition, the project will impact stone walls that were built in the last quarter of the 19th century. OPIC will require the project develop and submit for review and approval a community development plan, stakeholder engagement plan and community grievance mechanism.</p> <p>There are three Important Bird Areas in the general area of the project site, the closest one is located 20 km from the project site. As required by the local authorities, the project is currently undertaking a year-long bird study in order to establish a baseline. OPIC received a copy of and reviewed the results from the first season's campaign which did not indicate the presence of sensitive species. OPIC will require that the project develop and implement a bird monitoring plan for OPIC's review and approval.</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 15, 2013.</p>