

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Hungary
Name of Insured Investor:	Colgate/McCallum Ltd.
Foreign Enterprise:	Provindia Energetika Kft
Project Description:	The project involves a \$1.1 million investment by Colgate/McCallum Ltd. and a local bank loan of \$3 million to Provindia Energetika Kft. The proceeds will be used to purchase and install a single 2 MW wind turbine in Northwestern Hungary.
Total Project Cost:	\$4.1 million
Proposed OPIC Insurance Amount:	\$1,500,000
Developmental Effects:	The project will have a positive developmental impact on Hungary by expanding domestic sources of renewable energy. The project will increase Hungary's wind power capacity as well as move the country closer to meeting mandatory renewable energy targets set by the European Union. The European Union has mandated that Hungary increase its energy use from renewable sources from 7.5% to about 15% by 2020.
Environment:	<p>Screening: Small wind farms not located in migratory flyways or in sensitive ecological areas are screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major concerns related to wind energy conversion systems are proximity to sensitive bird habitat or migratory flyways, disturbance of sensitive ecosystems, erosion and sediment control, ambient noise, and visual impacts.</p> <p>APPLICABLE STANDARDS: The project is subject to OPIC's Environmental and Social Policy Statement (October 15, 2010). Under OPIC's Environmental and Social Policies, the insured investor is required to comply with applicable national laws and regulations related to environmental and social performance. OPIC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation ("IFC") 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; and PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p> <p>In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety Guidelines for Wind Energy and the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the project.</p> <p>Land is being leased from an individual landowner for a period of 30 years. The insured investor represents that the lease was negotiated in a voluntary manner and at market rates. The project will not impact any indigenous peoples or cultural sites. Therefore, Performance Standards 5, 7 and 8 do not apply to the project.</p> <p>Direct CO₂eq emissions associated with the project will be from vehicle operations and a diesel-powered generator and are estimated to be less than 50 tons CO₂ per year.</p>
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Environmental and Social Risks and Mitigation:

The project involves the installation and operation of one 2 MW Vestas Model V11 wind turbine in northwestern Hungary. Construction will be carried out in accordance with recommended mitigation measures outlined in the preliminary Environmental Impact Assessment. The insured investor has developed for the project an Environmental Management Plan, Occupational Health and Safety Plan, Waste and Hazardous Materials Management Plan and Fire Protection and Emergency Preparedness Plan in accordance with Hungarian regulations and European Union standards. The insured investor will be required to develop and submit to OPIC a project-specific Environmental and Social Policy and a Community Grievance Mechanism.

The 6.5 km 20 kV underground transmission line will pass under a Natura 2000 wetland (Füles brook); there will be no direct impact to the Natura 2000 site itself. There are two Sites of Community Importance (“SCI”) located approximately two kilometers from the project: Hatrámenti Forests SCI and Rábaközi SCI. These sites have been classified as SCIs primarily to conserve their botanical value. Lake Fertő, located within Fertő -Hanság National Park, is located 14 km from the project and is an Important Bird Area. Species found at Lake Fertő are designated as species of Least Concern on the IUCN Red List of Threatened Species.

	<p>A nature and landscape impact assessment was conducted by a credible local expert and included six bird surveys. Thirty-two bird species were observed during the course of the surveys. All of the identified species are designated as species of Least Concern on the IUCN Red List of Threatened Species. No important bird habitat or migratory pathways have been identified near the site. The study indicates that the project area does not contain frequented bat habitat nor is there evidence of winter gathering or hibernating places where the bat population would occur in large numbers near the project area. Therefore, the assessment concludes that risk of bat mortality as a result of the project is low.</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 foreign enterprise will also be required to operate in a manner consistent with the requirements of the IFC'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>Human Rights:</p>	<p>OPIC issued a human rights clearance for the project on July 29, 2015.</p>
<p>U.S. Effects:</p>	<p>The project is not expected to have a negative impact on the U.S. economy. The project is expected to have a negligible impact on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact.</p>