

INFORMATION SUMMARY FOR THE PUBLIC

Los Angeles

Host Country:	Panama
Name of Borrower:	Solar Azuero Venture, S.R.L.
Project Description:	This project involves an 18-year loan to Solar Azuero Venture, S.R.L. to finance the construction and operation of an 11.2 MW solar power plant located in Los Santos Province, Panama. The Project expects to sell its electricity to the grid through EDEMET, a regional distribution company as well as other independent power producers who have capacity shortfall. The Project will be managed by Entropy Investment Management, LLC, a U.S.-based renewable and alternative energy investment and management company.
Proposed OPIC Loan:	Up to \$15,016,794
Total Project Costs:	Up to \$21,452,837
U.S. Sponsor:	Gold Paper S.a.r.l., Tilon S.a.r.L., York Credit Opportunities Fund, L.P.
Foreign Sponsor:	York Credit Opportunities Investments Master Fund, L.P.
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 that will be sold to spot markets within Panama. U.S. procurement is expected to have a small but positive impact on U.S. jobs. The project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This project will have a positive developmental impact on Panama by increasing the country's capacity to generate clean electricity. This Project will help Panama diversify its power sources away from oil imports, on which it is currently heavily dependent, which will alleviate pressure on the country's balance of payments. The Project will be among the first to produce solar-generated electricity for sale onto the grid in Panama. The Project is also expected to stimulate the local economy through its procurement of local goods and services.
Environment:	SCREENING: The Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Solar power generation facilities not located in or near sensitive areas and that are unlikely to have significant negative impacts associated with biodiversity, Indigenous Peoples and land acquisition 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 for appropriate health and safety measures and a robust

	<p>environmental and social management system for day-to-day aspects of construction and operation including solid waste disposal, hazardous materials management and disposal and wastewater treatment and disposal.</p> <p>APPLICABLE STANDARDS: OPIC’s environmental and social review indicates that the Project will have impacts that must be managed in a manner consistent with the following 2012 International Finance Corporation’s (IFC) Performance Standards (PS):</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 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; and PS 8: Cultural Heritage</p> <p>The Project will not involve land acquisition. Rental land agreements valid for 30 years have been issued for the Project. The Project does not displace or restrict any person from their home, job or livelihood. The Project will not have impacts to Indigenous Peoples. Therefore PS’s 5 and 7 are not triggered at this time.</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 the Project.</p> <p>Environmental and Social Risks and Mitigation: The Project is located in sparsely populated agricultural areas in Panama. No flora of significance has been identified besides some vulnerable orchid species, which will be rescued and relocated as per the flora and fauna management plan in the EIAs. Some vulnerable fauna are located in or near the project site, but none are endemic of the area. Water will be trucked to the sites for construction activities. Portable toilets will be used during construction and they will be serviced by a certified subcontractor. A septic system will be installed on-site to handle wastes from office activities. Some archaeological remains were found during the EIA preparation. Consequently, intensive surveys were conducted and any archaeological findings were provided to the respective authorities.</p>
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	<p>OPIC will require that the Borrower provide a detailed Environmental and Social Management Plan for construction and operations, an organizational chart detailing the Environmental, Social, Health and Safety teams and structure, hazardous and solid waste management plan, a hazardous materials management plan, and a cultural heritage monitoring plan. OPIC will review these plans to assure they are consistent with International Standards. Additionally, OPIC will require the Project to develop a chance finds procedure and provide evidence that a qualified archeologist is supervising the Project during construction.</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 for employment, hours of work, 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 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 September 15, 2015.</p>