

NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	Islamic Republic of Pakistan
Name of Borrower:	Tenaga Generasi Limited, a company incorporated under the laws of Pakistan (the “Project Company”).
Project Description:	The Project Company will develop, construct, and operate an approximately 49.5 megawatt wind power project located in the Sindh province of southeastern Pakistan (the “Project”). The Project will help alleviate the country’s significant electricity shortages and energy crisis in Pakistan’s power sector since it will utilize wind, a free and renewable resource, as its fuel. The Project’s selection of wind as its fuel was enabled by a 2007 USAID-sponsored study that allowed the U.S. National Renewable Energy Laboratory to map the favorable wind resource of the Sindh coastal belt.
Proposed OPIC Loan:	Up to \$44 million with a term up to 12 years, including a grace period of up to 2 years and a 10-year repayment period.
Total Project Costs:	Approximately \$117 million.
U.S. Sponsor:	General Electric Company (“GE”) <p>Subsidiaries of GE will be providing 30 of its 1.6xle series wind turbine generators and one 1.5xle wind turbine generator to the Project as well as operation and maintenance services for approximately 10 years (two years as subcontractor to the Project’s EPC contractors and eight years as a wind turbine generator and electrical service contractor to Engro PowerGen Ltd. (“Engro”), an affiliate of the Sponsor and the O&M provider to the Project).</p>
Foreign Sponsor:	The Project Company is a wholly-owned subsidiary of Dawood Lawrencepur Limited (the “Sponsor”), which is organized under the laws of Pakistan. The Sponsor is publicly listed on the Karachi and Lahore stock exchanges, though it is majority owned and controlled by the Dawood Family (“DF”). The DF is a leading business group in Pakistan, with a large investment portfolio across many industries throughout the country.
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. U.S. procurement in the form of operations & maintenance services 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:	<p>This Project will have a strong developmental impact on Pakistan through the construction of a new wind power plant that will supply renewable power to the country's national grid. This wind power plant will help Pakistan diversify its power sources from high-priced fuel oil, and increase electricity supply in a country with an electricity shortage of up to 5,000 MW. The Project will import advanced wind turbine equipment into a country where only a minor amount of wind power generation has been developed. This Project will also support government efforts to increase power generation through renewable resources. Finally, the Project will create local jobs that will include technical training in wind power plant management.</p>
Environment:	<p>Screening: This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Wind farms not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on wildlife and community 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 are proximity to sensitive bird habitat or migratory flyways, potential impacts to community both during construction (e.g., influx of workers) and operation (e.g., noise and shadow flicker), adequate temporary worker housing facilities, appropriate occupational health and safety measures and proper management of waste and hazardous materials.</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>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; and P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.</p> <p>Land for the Project is being leased from the Alternative Energy Development Board (AEDB); therefore, the Project does not</p>

involve purchase of land. The Project does not involve impacts to Indigenous Peoples or cultural heritage. Therefore P.S.'s 5, 7 and 8 are not triggered at this time.

In addition to the Performance Standards listed above, IFC's April 30, 2007 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy, IFC's April 30, 2007 EHS Guidelines for Electrical Transmission and Distribution and relevant sections of IFC's April 30, 2007 General EHS Guidelines are applicable to this Project .

Environmental and Social Risks and Mitigation: The Project involves construction and operation of a 49.5 MW wind project in the province of Sindh near the town of Gharo, about 54km south-east of Karachi on an inter-tidal area of land bounding the Arabian Sea.

An Environmental Management Plan (EMP) was developed consisting of the organizational structure and roles and responsibilities, mitigation plan, monitoring plan, change management plan, communication and documentation and environmental training. The Project will establish the Environment, Health and Safety Department (EHSD) and develop and implement the EHS and socioeconomic management system for the Company, defining roles and responsibilities of various departments and their respective staff. The Project Company will be required to provide to OPIC information regarding the EPC Contractor's environmental, social, health and safety policies and procedures that are developed for the Project as well as an organizational chart detailing the Environmental, Social, Health and Safety teams, structure and relationship at the corporate and Project site levels. During the environmental assessment process in 2009, public consultation with a number of stakeholders in Haji Girano Union Council were held in order to inform them of the Project activities and to obtain their views and concerns. The consultations were held in several villages, located between 5 to 15 kilometers east to the Project site, including meetings with approximately 10 individuals. Some of the villagers already knew about the Project, but did not know the specific details. The participants generally welcomed the plans to establish the proposed power plant in the area as they are expecting improvements in the infrastructure, better power and water supply. In order to ensure ongoing communication with the communities, OPIC will require that the Project Company develop and implement a Stakeholder Engagement Plan (SEP)

that outlines the manner and frequency with which the Project Company will communicate with stakeholders and community members throughout the life of the Project.

The EPC contractor is an internationally experienced company that operates to international best practice standards in construction and operations. The Project Company represents that safety induction meetings will be regularly conducted, and incident statistics maintained. Dedicated health and safety staff will be appointed and present on the construction site during working hours and will include an on-site first aid emergency capacity. The Project will be required to develop and submit to OPIC for review and approval a Project -specific Occupational Health and Safety Plan for both the construction and operation phases of the Project.

The Project involves construction of transmission line, which will be constructed by The National Transmission and Despatch Company Ltd (“NTDC”). OPIC will require that the Project Company work with NTDC to encourage the use of internationally accepted prevention and control measures to minimize avian and bat collisions with the transmission line such as those outlined in the 2007 IFC EHS Guidelines for Electrical Transmission and Distribution.

The 2009 REA identified four birds in the Coastal Ghoro area that are considered threatened according to the IUCN Red List of Threatened Species. The *Limosa limosa*, *Numenius arquata*, *Sterna Aurantia* are listed as “Near Threatened” and the *Sterna acuticauda* is listed as “Endangered.” In February 2012, TGL commissioned a field based study “Faunal Baseline Environmental Study.” A total of 103 bird species were observed in the Project area, which included the three “Near Threatened” species listed above. OPIC will require that the Project Company submit to OPIC for review and approval a letter or memo or short report from a credible local expert providing an opinion regarding the potential impacts (or lack thereof) of the Project on birds, in particular on those species that are under conservation status, and recommended mitigation measures.

In addition, OPIC will require that Project Company’s EMP include a set of mitigation measures and that the Project implement these mitigation measures to reduce the impacts of the power plant operation on birds mortality. The Project will work with local and/or international flora and fauna conservation partners (IUCN, WWF Pakistan) to prepare a bird

	<p>monitoring plan that will ensure that proper monitoring programs are in place and appropriate follow-up mitigation will be implemented. The plan will be submitted to OPIC for review and approval. In addition, the Project Company will retain an Independent Ornithological Expert (IOE) to establish a monitoring program that would contain an agreed protocol for mitigation measures, including the reduction of the speed of the turbines or, potentially, for the turbines to be temporarily turned off should a migrant flock be observed to be approaching either site.</p>
<p>Workers 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>Human Rights:</p>	<p>The Project received a human rights clearance on January 14, 2015.</p>

