

## Public Information Summary

<b>Host Country</b>	Ecuador
<b>Name of Borrower</b>	Solararomo S.A.
<b>Project Description</b>	Development, construction and operation of a 200-megawatt solar photovoltaic power plant near the city of Manta in the Manabí province of Ecuador.
<b>Proposed DFC Loan/Guaranty</b>	\$144,000,000 and up to 18-year term
<b>All-Source Funding Total</b>	\$192,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	The Project is expected to have a positive development impact in Ecuador through the development of 200 MW of solar photovoltaic capacity, which is expected to generate 344 GWh of energy annually. The additional energy supply will help address Ecuador's growing energy needs and support the diversification of Ecuador's electricity generation, which is currently highly consolidated around hydropower with most of the remaining generation from fossil fuels. The Project also represents the first large-scale solar power project in Ecuador, demonstrating the financial and operational viability of solar projects in the country.
<b>Environment and Social Assessment</b>	<p><b>SCREENING:</b> The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. Projects involving medium scale solar development as Category B under DFC's environmental and social guidelines given that it is expected to generate limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and can be readily addressed through mitigation measures.</p> <p><b>APPLICABLE STANDARDS</b> The Project is subject to DFC's 2020 Environmental and Social Policy and Procedures ("ESPP"). Under DFC's ESPP, the Project Sponsor is required to comply with applicable national laws and regulations related to environmental and social performance. In addition, DFC'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's (IFC) 2012 Performance Standards (PS):</p> <ul style="list-style-type: none"> <li>• PS 1: Assessment and Management of Environmental and Social Risks and Impacts;</li> <li>• PS 2: Labor and Working Conditions;</li> <li>• PS 3: Resource Efficiency and Pollution Prevention;</li> <li>• PS 4: Community Health, Safety, and Security;</li> <li>• PS 5: Land Acquisition and Involuntary Resettlement;</li> <li>• PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; and</li> <li>• PS 8: Cultural Heritage</li> </ul>

In accordance with PS 3, the Project is also subject to the IFC April 30, 2007 Environmental, Health, and Safety (EHS) General Guidelines and IFC's EHS Guidelines for Electric Power Transmission and Distribution, 2007.

The Environmental and Social Impact Assessments (ESIAs) developed for this project indicated that "ethnic communities" identified in the Area of Influence (AoI) did not fall under the Project Affected People but did not clarify and justify this stance. As such DFC has not triggered PS 7 on Indigenous Peoples at this time but this will require further verification.

**Environmental and Social Risks and Mitigation Measures:**

During construction, key environmental risks and impacts include air emissions and noise that could temporarily disturb surrounding residents, occupational health and safety (OHS) of construction workers, community safety, and vegetation removal. The key social risks are the potential for community health and safety impacts associated with worker housing, appropriate security management, labor risks and potential displacement due to the acquisition of land for the Right-of-Way. During operations, risks and impacts include the need for appropriate labor management of worker and contractors, water extraction, erosion and dust generation resulting from vegetation removal, and waste management. These impacts will be mitigated through strong environmental and social management plans developed and implemented by the client.

The Project will need to develop robust, project-specific environmental and social management plans and procedures. These include stakeholder engagement plans, human resources policies, security plans, a biodiversity action plan, and an easement securitization plan to include:

- Details on the legal and regulatory framework applicable for the easement establishment, including Government participation in a potential forceful Right of Way and any resulting compensation.
- Engagement strategy and approaches to engage with affected landowners and land users, to include economic compensation as needed.
- Details on the easement valuation, inventory of affected crops and assets, cut-off date for this inventory, among others.
- Description of the easement securitization including timelines, roles and responsibilities, and any legal or administrative requirements.
- Risk management plan in relation to those lands without legal recognition to land usage including proper deeds.

The area along the T-line has been identified as Critical Habitat for two endemic orchids (*Oncidium estradae*, and *Notylia replicata*). In addition, the Project area includes sections of natural habitat. The project will be required to develop a specific Biodiversity Action Plan to achieve no net loss of any potential impacts to these habitats through avoidance and mitigation measures.