

## INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Senegal
Name of Borrower:	ContourGlobal Cap des Biches Senegal SARL
Name of Insured Investor:	ContourGlobal Senegal, LLC
Project Description:	The ContourGlobal Cap des Biches expansion thermal power project (the “ <b>Expansion Project</b> ”) is a critical component of Senegal’s power generation and sustainable energy growth plan by adding 33MW of power onto the Senegalese grid. The Expansion Project will complement the adjacent and original 52.9MW combined-cycle thermal power plant currently under construction (the “ <b>Existing Project</b> ”). Together the Expansion Project and the Existing Projects (the “ <b>Projects</b> ”) will operate on heavy fuel oil with an option to convert to natural gas, in Cap des Biches, approximately 27km from Dakar, Senegal. The Expansion Project will provide efficient and reliable electricity to the Senegalese grid. The Projects will contribute greatly to solving the problem of electricity shortages in Senegal by adding a total of 85.9MW of generation capacity, which is approximately a 30% increase in Senegal’s overall functional capacity of only 296MW.
Proposed OPIC Loan:	up to \$53 million (€35 million) (the “ <b>OPIC Loan</b> ”) with an 18 year tenor that matches the maturity date on the loan of the Existing Project of July 30 2033, but in no event greater than 75% of the Total Project Costs.
Total Project Costs:	€47 million (USD equivalent, up to \$71 million)
Proposed Insurance:	Inconvertibility, Expropriation, Political Violence, and Forced Abandonment
U.S. Sponsor:	ContourGlobal, LP
Foreign Sponsor:	NA
Foreign Enterprise:	ContourGlobal Cap des Biches Senegal SARL
Investment Type to be Insured:	Equity
<b>Policy Review:</b>	
U.S. Economic Impact:	The Expansion 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 the national grid in Senegal. U.S. procurement associated with this Expansion Project is expected to have a small, but positive impact on U.S. employment. The Expansion Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Expansion Project is expected to have a highly developmental impact on Senegal through a 33 MW expansion of a 52.9 MW combined cycle electricity generation facility that will supply an additional 240-

	<p>290 GWh of power to the country's national grid per year. In 2014, Senegal experienced an average of six electrical outages per month, with the duration of a typical electrical outage of one hour. Both the Projects align with Senegal's Poverty Reduction Strategy, which includes increasing involvement of private operators in the development of energy infrastructure and services.</p>
<p>Environment:</p>	<p><b>Screening:</b> The Expansion Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Expansion Project has been screened as Category A because its greenhouse gas emissions exceed 100,000 tons of carbon dioxide equivalent (CO<sub>2eq</sub>) per year. The Expansion Project's potentially significant impacts include: particulate matter, sulfur oxides, and nitrogen oxides (NO<sub>x</sub>) emissions and their additional impact on ambient air quality; water usage and effluent discharges; solid and hazardous waste (including used oils) disposal; handling of hazardous materials (flammable materials such as fuel oil); noise; influx of construction workers; construction traffic; and occupational health and safety during both construction and operations (including life and fire safety).</p> <p><b>Environmental and Social Standards:</b> International Finance Corporation's (IFC) Performance Standards (January 2012) 1 (Assessment and Management of Environmental and Social Risks and Impacts), 2 (Labor and Working Conditions), 3 (Resource Efficiency and Pollution Prevention), 4 (Community Health, Safety, and Security), are triggered by the Expansion Project. The Expansion Project will be located on a brownfield site in an existing industrialized area adjacent to the OPIC's recently supported Existing Project and within the Existing Project's fence line. Therefore it will not involve involuntary resettlement or impacts on biodiversity and living natural resources, Indigenous Peoples, or cultural heritage as defined by the IFC. This implies that the Expansion Project does not trigger the Performance Standards (P.S.) 5, 6, 7, and 8 at this time. The Guidelines applicable to the Expansion Project include the IFC's Environmental, Health and Safety General Guidelines (April 2007), IFC's Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution (April 30, 2007) and the IFC's Environmental Health, and Safety (EHS) Guidelines for Thermal Power Plants (December 19, 2008).</p> <p><b>Environmental and Social Risks and Mitigation:</b> The incremental ambient air quality impacts associated with the expansion will be managed using the appropriate technology for controlling particulate matter, sulfur oxides, and nitrogen oxides emissions. Greenhouse gas emissions will vary depending on the operating hours of the facility. Under the worst case scenario, CO<sub>2eq</sub> emissions from the Expansion Project will be less than 198,000 tons annually. Modeling indicates</p>

that noise from both Projects will be within the 3 dB(A) increment recommended by the IFC guidelines.

Air dispersion modelling indicates that annual air quality standards for sulfur dioxides (SO<sub>2</sub>) nitrogen dioxide (NO<sub>2</sub>) can be achieved by the entire power generation for both the Projects. Ambient air quality sampling for SO<sub>2</sub> and NO<sub>2</sub> at locations near the Projects were initiated in November 2014. During the 12-month sampling period (2014-2015), air quality in the vicinity of the Projects met the Senegalese ambient air quality standards for SO<sub>2</sub> and NO<sub>2</sub> but not for particulate matter (for both particulates less than 2.5 microns (PM<sub>2.5</sub>) and 10 microns (PM<sub>10</sub>) in size). Although the ambient air quality monitoring data for PM<sub>2.5</sub> and PM<sub>10</sub> is only available for four months, preliminary results indicate that the baseline ambient particulate matter (both PM<sub>2.5</sub> and PM<sub>10</sub>) levels exceed those recommended in the IFC's General EHS Guidelines thereby classifying the air-shed as degraded. In addition, the engine manufacturer cannot guaranty that the Expansion Project's particulate matter emissions will meet the IFC Thermal Power Guideline value of 50 mg/Nm<sup>3</sup>. Therefore, a waiver of compliance with the IFC's General EHS and Thermal Power Guidelines has been received from OPIC's management. Based on the recent air-dispersion modeling using delivered fuel quality, the Projects are expected to contribute less than 0.4% and 3% to annual and daily average ambient particulate matter concentrations. Analysis of these particulates indicates that these comprise of 80 to 90% sand, salt, and other naturally occurring materials because of the Project site's proximity to the desert and coast. In addition, the data provided to OPIC which is being confirmed by the Independent Engineer, indicates that reducing the particulate matter emissions and those of other pollutants (sulfur oxides and nitrogen oxides) would add significant costs to both the Existing Project and the Expansion Project and may make them commercially unviable. On account of the Projects' limited contribution to the already degraded air-shed and the economic infeasibility of using either cleaner fuels or pollution controls, a waiver to comply with the OPIC's environmental requirements was the only feasible option to pursue the much needed Expansion Project.

No sensitive fauna or flora were discovered during the Existing Project's detailed site survey. Water for the Projects are being supplied by the local municipality. Treated wastewaters complying with the IFC's Guidelines will be discharged in an open channel which is currently being used by the adjacent Senegal Electric's (SENELEC) Thermal Power Plant and subsequently discharged to the sea. Both municipal and hazardous waste disposal facilities will be used for the disposal of solid and hazardous wastes, respectively. Updated hazardous materials management plan, occupational health and safety

plan (OHSP), and emergency response plans will be used to manage risks associated with the handling of fuel, including the risk of fire. The updated OHSP will address safety issues during both construction and operations of the Expansion Project. The Borrower continues to be committed to providing appropriate personal protective equipment, training of all site personnel, and adoption of standard safety procedures during all stages of the Expansion Project.

The updated Stakeholder Engagement Plan will be used to manage the concerns of the nearby community and other stakeholders. In order to manage the construction impacts to acceptable levels and ensure compliance with the IFC's Performance Standards and Guidelines, the Borrower will update its traffic management and construction management plans. The Engineering, Procurement, and Construction (EPC) Contractor continues to be committed to complying with IFC's Performance Standards and Guidelines and ensuring that the community impacts are minimized.

Social and Environmental Assessment and Management System:

The Expansion Project has developed a social and environmental management system whose components will be further updated as the project progresses. The Borrower has updated the Environmental and Social Impact Assessment (ESIA) prepared for the Existing Project to address the additional impacts associated with the Expansion Project and which met the requirements of both the World Bank Group's recommended ESIA process and the Senegalese regulations. The Borrower has added dedicated resources to manage environmental and social impacts and utilizes external consultants to support local staff as needed. The organizational structure has been designed to accommodate additional risks associated with the Expansion Project. The Borrower has established a grievance mechanism to receive and address any concerns from the stakeholders. The Borrower has prepared frameworks for monitoring and reporting on the environmental and social impacts and these are being updated to include the Expansion Project.

Environmental and Social Management Plan (ESMP):

The Project's detailed ESMP is being updated and it will present additional information on the monitoring of mitigation measures which have been designed to reduce the Expansion Project's impacts to acceptable levels and in compliance with IFC's Performance Standards and Guidelines. Additionally, the Expansion Project will provide OPIC with annual reports summarizing the Project's environmental and social performance and demonstrating compliance with the applicable IFC's Performance Standards and Guidelines except for those provisions for which it receives a waiver. The Expansion Project will also be required

	<p>to conduct an independent third party audit of its monitoring data to verify compliance with environmental and social covenants in the loan documents.</p> <p><b>OPIC Site Visit:</b> OPIC staff undertook an environmental and social due diligence site visit from April 20 to 24, 2016. Meetings took place with the local Projects’ team, the local community, and the local regulators.</p> <p><b>Community Consultations:</b> Several public consultation meetings have been held since January 2016 to identify the concerns of the nearby residents and other stakeholders regarding the Expansion Project. Informal meetings are continuing between the Borrower and the nearby community and school representatives through the already established stakeholder engagement process.</p> <p>The ESIA on the Expansion Project was posted for public comment for a 60 day period. The comment period closes on May 23, 2016.</p>
Worker Rights:	<p>The Expansion Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions, OPIC’s Environmental and Social Policy Statement and applicable local labor laws. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Expansion Project, including contracted workers.</p> <p>The Expansion Project has developed and implemented a labor management system that addresses labor risk commensurate with its employment-related risks and consistent with the IFC Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local labor law. The Expansion Project’s human resource policies and procedures have been evaluated against the IFC Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local labor law. Terms and conditions of work are communicated to employees through written employment contracts. OPIC has reviewed the project-level worker grievance mechanism which is compliant with IFC Performance Standard 2.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the Expansion Project on May 3, 2016.</p>