

Public Information Summary

Host Country	Brazil
Name of Guaranteed Party	Smart RJ Concessionária de Iluminação Pública SPE S.A., a Brazilian corporation (“ Smart Rio ”).
Project Description	Smart Rio has entered into a 20-year Concession Agreement with Companhia Municipal de Energia e Iluminação – RIOLUZ (“ RioLuz ”), and the Município do Rio de Janeiro (the “ Municipality ”) (the “ Concession Agreement ”) pursuant to which Smart Rio will modernize, maintain and operate the public lighting systems and install and manage smart city infrastructure in the city of Rio de Janeiro, Brazil (the “ Project ”).
Proposed DFC Loan/Guaranty	\$267,000,000 investment guaranty for a tenor of 11 years and 3 months.
All-Source Funding Total	\$310,497,055
Policy Review	
Developmental Objectives	The Project is expected to have a highly developmental impact in Brazil by upgrading public lighting and smart city infrastructure in Rio de Janeiro. Brazil’s infrastructure spending is estimated to be less than two percent of GDP, which is lower than the estimated depreciation of existing assets. For this Project, the use of LEDs is expected to abate Rio de Janeiro’s use of electricity for street lighting by between 40 and 60 percent. In addition, this Project will also support the city’s ongoing digitalization of services, with expected improvements in resident satisfaction in core areas such as public safety, traffic, and sewage control.
Environment and Social Assessment	<p>Screening: The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. Projects involved with upgrading existing infrastructure in urban areas are screened as Category B under DFC’s environmental and social guidelines because impacts are site-specific and readily mitigated. Key environmental and social issues associated with the Project include the need for a robust environmental and social management system to manage potential environmental and social risks, occupational health and safety measures, protection of privacy, management of contractors, and proper disposal of hazardous wastes.</p> <p>APPLICABLE STANDARDS: Under DFC’s Environmental and Social Policies, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC’s environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent</p>

with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

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

DFC's due diligence assessment indicates that because the Project involves modernization, maintenance, and retrofit of all existing public lighting fixtures in the Municipality of Rio de Janeiro in established areas, as well as the expansion of current public lighting infrastructure and the installation of cameras, WiFi access points, and smart transit controllers, significant adverse impacts with respect to land acquisition and resettlement, biodiversity conservation, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

The Project will be required to meet applicable provisions of the IFC's April 30, 2007 General Environmental Health and Safety (EHS) Guidelines.

Environmental and Social Risks and Mitigation Measures:

Smart Rio commits to managing the environmental and social risks to which it may be exposed as a result of its activities and in alignment with local legislation, best practices, and IFC performance standards. The Project is required to submit a final ESMS before financial close. Smart Rio has plans in place to ensure the occupational health and safety of workers that identify inherent risks such as noise, electrocution, shock, and risk of burns. In addition, the Project has procedures in place to ensure the safe keeping and disposal of hazardous waste. The Project is finalizing a Communication Plan to establish and implement policies to engage and manage stakeholders. Additionally, the Project will be required to implement the actions that were identified through its due diligence of its privacy management system relating to the projects surveillance capabilities. The Project has a human resources management system that generally aligns with IFC Performance Standard 2. The Project is finalizing its internal grievance mechanism.

