Public Information Summaries

Host Country

Egypt

Name of Counterparty

A special purpose vehicle, wholly owned by Actis Long Life Infrastructure Fund, to be incorporated in Egypt (or other jurisdiction acceptable to DFC), for the purposes of the Project.

Project Description

The privatization and operation of a 580-megawatt wind power plant located in Ras Ghareb, Egypt.

DFC Product Type

Debt Financing

DFC Investment

Up to $140,000,000

Total Project Costs

To be determined

U.S. Involvement

General Atlantic Service Company, L.P.

Policy Review

U.S Economic Impact

The Project is not expected to have a negative impact on the U.S. economy.

Developmental Objectives

Egypt currently faces significant macroeconomic challenges including high levels of government debt which has adversely affected the country's ability to attract private capital. In response to the fiscal crisis, the Egyptian government and the International Monetary Fund (IMF) reached an agreement to increase IMF support to the country from $3 billion to $8 billion. Under the agreement, the State-Ownership Policy requires the Government of Egypt to divest of more than 30 state-owned companies which will help save the government $10 billion over the next four years.

To address these macroeconomic challenges, DFC will support Actis Long Life Infrastructure Fund (ALLIF) to acquire the Gabal El Zeit 580 MW Wind farm power plant from the New and Renewable Energy Authority of Egypt (NREA). This is slated to be the first state-owned company privatized under the IMF divestiture project, and it is expected that the project will signal to the domestic and international markets that doing business in Egypt with the Government of Egypt is financially viable. The Project will lead to operational efficiencies and an extension of the life of the asset by up to ten years, while raising the Project's environmental and social policies to international standards. This supports Egypt's energy security and counters the influence of the People's Republic of China, which has focused on investments in Egypt's power sector. Given the Project's characteristics, it is categorized as Impactful per DFC's Impact Quotient.

Environment and Social Assessment

Screening:

The Project has been reviewed in light of DFC's categorical prohibitions and was determined to be eligible. The Project is screened as Category A because large-scale wind projects are considered to have significant adverse impacts that could be diverse, irreversible, or unprecedented.

Applicable Standards:

The Project is subject to DFC's 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 Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

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; and
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Wind Plant was developed on land owned by the Government of Egypt and allocated to the New and Renewable Energy Authority (NREA) for the purpose of constructing and operating wind farms. The Project will use the land and buildings under a usufruct agreement with the government. NREA has confirmed that there are no agreements for oil and gas exploration or development on the Project site or adjacent land. There are no known Indigenous Peoples, cultural heritage sites, or inhabitants within the Project site, and no resettlement or economic displacement is anticipated or has previously occurred as a result of the Project, according to a desk-based due diligence assessment and Environmental and Social Due Diligence carried out by a third-party consultant. Therefore, PS 5, 7, and 8 are not triggered at this time.

Environmental and Social Risk and Mitigation:

Primary environmental and social issues of concern associated with the Project include the potential for impacts on resident and migrating birds, cumulative biodiversity impacts, labor management, and the need for appropriate stakeholder engagement. In 2023, Actis commissioned a third-party E&S audit, which included an E&S Action Plan (ESAP). DFC has incorporated additional E&S requirements into the ESAP based on our due diligence. DFC will require Actis to implement the ESAP and provide the completed ESAP deliverables.

Multiple ESIAs have been completed for the Project area since 2008. The Project is comprised of three sub-projects which were previously financed by different lenders, and these subprojects completed ESIAs in order to meet Government of Egypt and lender requirements. The O&M Contractor has a corporate-level ESMS, and the ESAP requires the Project to develop and implement a Project-specific

ESMS, drawing on the sub-Project ESIAs, environmental approval conditions, IFC Performance Standards, and Egyptian legal requirements. The Project currently has in place a Stakeholder Engagement Plan and External Grievance Mechanism, in alignment with IFC Performance Standard 1.

The O&M Contractor has several corporate-level human resources policies that are generally aligned with the IFC PS and Egyptian labor law. The ESAP requires the Project to develop and implement Project-specific HR policies and procedures, including workplace grievance processes, that will cover workers employed through third parties and be aligned with IFC PS 2 and local labor laws and regulations. The Project will also be required to carry out an assessment of labor and welfare conditions of security guards across the Project site and take actions to address any deficiencies identified.

In addition, the Project will be required to undertake a security risk assessment and develop a Project-specific Security Management Plan.

The Project has in place an Active Turbine Management Program, including radar assisted shut down on demand, which will be implemented during the spring and autumn migration periods. The Project will also be required to carry out and implement a Biodiversity Action Plan.

Host Country

Egypt

Name of Insured Party

A holding company, wholly owned (indirectly) by Actis Long Life Infrastructure Fund (ALLIF), to be incorporated in the United Arab Emirates (or other jurisdiction acceptable to DFC).

Project Description

The privatization and operation of a 580-megawatt wind power plant located in Ras Ghareb, Egypt

DFC Product Type

Political Risk Insurance

DFC Insured Amount

Up to $300,000,000

Total Project Costs

To be determined

U.S. Involvement

General Atlantic Service Company, L.P.

Insurance Specific

Private Insurer Participation

Private Reinsurers

Investment Type

Equity

Foreign Enterprise

A special purpose vehicle, wholly owned by the Insured Investor, to be incorporated in Egypt, for the purposes of the Project.

Policy Review

U.S. Economic Impact

The Project is not expected to have a negative impact on the U.S. economy.

Developmental Objectives

Egypt currently faces significant macroeconomic challenges including high levels of government debt which has adversely affected the country's ability to attract private capital. In response to the fiscal crisis, the Egyptian government and the International Monetary Fund (IMF) reached an agreement to increase IMF support to the country from $3 billion to $8 billion. Under the agreement, the State-Ownership Policy requires the Government of Egypt to divest of more than 30 state-owned companies which will help save the government $10 billion over the next four years.

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Environment and Social Assessment

Screening:

The Project has been reviewed in light of DFC's categorical prohibitions and was determined to be eligible. The Project is screened as Category A because large-scale wind projects are considered to have significant adverse impacts that could be diverse, irreversible, or unprecedented.

Applicable Standards:

The Project is subject to DFC's 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 Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

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