

## PROJECT ABSTRACT

MARCH 9<sup>TH</sup>, 2012

<b>Country:</b>	Regional
<b>Sector:</b>	Renewable Energy (Solar), Energy Transmission and Transport
<b>Project Name:</b>	Isolux Corporate Loan
<b>Project Number:</b>	RG-L1050
<b>Borrower:</b>	<i>Grupo Isolux Corsán S.A. (“Isolux” or the “Borrower”)</i>
<b>Sponsors:</b>	n/a
<b>Proposed A Loan:</b>	Up to US\$100 million

Grupo Isolux Corsan (“Isolux” or “the Company”) has requested an unsecured corporate loan from the Inter-American Development Bank (“IDB”) to support the financing of Isolux’s equity contribution in the *Majes* and *Repartición* solar plants in Arequipa, Peru, which represent the first large scale solar installations in Latin America, as well as to finance their equity contribution in other infrastructure concessions that they are awarded in the Region.

Isolux was created in 2004 after the acquisition of Corsan Corviam by IsoluxWat and is now the seventh largest construction company in Spain by revenues, employing more than 7,600 people. In 2010, Isolux had 1,690 km of motorway concessions in India, Brazil, Mexico and Spain, 7 concessions in the electric transmission business totaling 3,812 km of transmission lines in Brazil and the USA and had installed 267 MW in photovoltaic power (“PV”) stations in Italy and Spain, including the biggest solar installation in Europe (72MW).

The investment program contemplated by Isolux over the next 3 years totals in excess of US\$534 million in equity investments. The financing is estimated at up to US\$100 million and will be provided as an unsecured corporate loan. IDB’s loan tenor is expected to be up to 7 years, including a grace period of up to 2 years.

From an environmental standpoint, the two 40MW solar projects in Arequipa are likely to have small negative environmental, social, health, safety, and labor (ESHSL) impacts and risks, which will be duly assessed during the environmental and social due diligence associated with the structuring of the corporate loan. Given that not all of the underlying projects to be supported by the corporate loan have been selected at this time, this loan is classified for its environmental and social impact as a flexible lending instrument for which ex-ante impact classification is not feasible

The Project will have a number of positive developmental impacts such as: (i) addressing the current unavailability of long-term credit from commercial financial institutions, which has become particularly severe for European corporations since the start of the European financial crisis, and where the Bank can play a critical anti-cyclical role and

ensure that critical infrastructure continues to be built in the Region; (ii) supporting the installation of the first two large scale solar plants covering 206 hectares which could have significant demonstration effects; and (iii) by virtue of requiring that the sub-projects follow IDB policies and guidelines, ensure that all the sub-projects developed by Isolux meet the highest industry standards when it comes to Environmental and Social practices.

IDB's Environmental and Social Strategy (ESS) for this operation is presented in a separate document.