

## PROJECT ABSTRACT

August 16, 2013

<b>Country:</b>	Uruguay
<b>Sector:</b>	Renewable Energy
<b>Project name:</b>	Carape I & II Wind Power Project
<b>Borrower:</b>	Fingano S.A and Vengano S.A
<b>Total project cost:</b>	Approximately US\$223 million
<b>IDB A Loan:</b>	Approximately US\$86 million

### I. OVERVIEW AND PROJECT DESCRIPTION

- 1.1 Carape Wind Power project consists of the construction, operation and maintenance of a 90MW wind farm, to be located over the Carape Hills north of San Juan (Uruguay), with the installation of 31 V-112 wind turbine generators and 39.6km of transmission line in 150kV, as well as access roads and other infrastructure (the "Project").
- 1.2 The Government of Uruguay ('GoU') is making an effort in diversifying the electricity matrix and reducing dependence on imported fossil fuels. In 2011, the *Administracion Nacional de Usinas y Transmisiones* ('UTE' or the 'Off-taker'), conducted two wind energy tenders to attract private investment to the sector. This resulted in awarding the Borrowers the right sell all the energy generated by the Project during a 20 year period. . The Project will be developed by Fingano S.A, and Vengano S.A. two Uruguayan special purpose companies owned by i) Corporacion America S. A., an Argentinean group and one of the largest airport operators, currently involved in manufacturing, energy, infrastructure and agribusiness; ii) Grupo San Jose, a Spanish group, with significant expertise in wind farm construction with over 500MW installed; and iii) Contreras Hermanos S.A., an Argentinean group with over a 50 years' experience in engineering, construction activities related to infrastructure, oil & gas.

### II. DEVELOPMENTAL IMPACT AND ADDITIONALITY

- 2.1 The most significant developmental impacts derived from the Project will be the following: (i) the generation of 364,700MWh per year of renewable energy, helping support the National Budget Act, a priority to the GoU to ensure a stable, long-term electricity supply at reasonable prices, as well as, an increase in the generation of energy through wind, biomass and solar resources; (ii) the reduction of the vulnerability of Uruguay's electricity sector by diversifying the energy matrix; (iii) a potential increase in the economic development in the Country due to higher installed electrical capacity; (iv) technology and know-how transfer during both the construction and operation phases of the project; and (v) reducing the emissions by approximately 259,000 tons of CO<sub>2</sub> per year through the substitution of fossil fuels for renewable energy.

- 2.2 The Project is consistent with the objectives of the 9<sup>th</sup> General Capital Increase (GCI-9) as it provides an important contribution to two lending, namely infrastructure for competitiveness, promotion of renewable energy and supporting small and vulnerable countries. The Project is also aligned with IDB's Country Strategy for Uruguay (2010-2015) (GN-2626), which seeks to support the countries' efforts to add new sources of electricity by taking advantage of natural conditions conducive to generating electricity from wind.
- 2.3 The Bank has partnered with the China Co-Financing Fund for Latin America and the Caribbean (the "China Fund"), a fund established by the Government of China and the IDB to support projects in the region, to provide long-term financing to the Project. The Inter-American Investment Corporation (IIC), an institution part of the IDB Group, is expected to participate in the financing of the Project.