

Host Country	Egypt
Name(s) of Borrower	Virtuo Finance S.A R.L.
Project Description	Green Note issued by the Borrower to be on-lent to six operating AC solar photovoltaic power plants in Benban, Egypt with a total capacity of 300-megawatts.
Proposed DFC Loan	Up to \$50 million
All-Source Funding Total	Up to \$351.8 million
Policy Review	
Developmental Objectives	The Project is expected to have a developmental impact in Egypt through DFC’s purchase of Green Notes to refinance ongoing solar photovoltaic park operations in the Aswan Governorate region. The Project is expected to support Egypt’s first certified green bond issued by a private entity with purchase in part by private investors for renewable energy assets. The Green Notes are expected to mobilize private capital from institutional investors including life insurance companies and pension funds likely based in several major markets.
Environment and Social Assessment	<p>SCREENING: The Project has been reviewed against DFC’s 2020 Environmental and Social Policy Procedures (“ESPP”) and has been determined to be categorically eligible. Photovoltaic solar power generation facilities that are in operations are screened as Category B under DFC’s environmental and social guidelines. Potential adverse environmental or social risks and/or impacts are limited, few in numbers, site-specific, largely reversible, and readily addressed through mitigation measures.</p> <p>Egypt is eligible for the Generalized System of Preferences (GSP) and is not currently subject to petitions challenging its DFC eligibility on worker rights grounds, and has signed and ratified all eight of the International Labor Organization (ILO) core labor fundamental conventions.</p> <p>APPLICABLE STANDARDS: Under DFC’s ESPP, the Fund is required to comply with applicable national laws and regulations related to environmental and social performance. DFC’s environmental due diligence indicates that the investment will have impacts that must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (P.S.):</p> <ul style="list-style-type: none"> • 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; and
- P.S. 4: Community Health, Safety, and Security.

In addition to the Performance Standards listed above, the IFC's April 30, 2007, Environmental, Health, and Safety General Guidelines are applicable to the Project.

The Project is already built and Scatec ASA represents that there are no plans for additional land acquisition or physical expansion of the six solar plants during operations. For this reason, PS 5 is not applicable to the Project.

The Project is not located in or near a protected area or sensitive ecosystem. In addition, because the Project is already constructed, potential impacts of an operating solar plant to biodiversity are minimal. Therefore PS 6 is not triggered at this time.

The Strategic Environmental and Social Assessment does not indicate the existence of Indigenous Peoples in the Project Area, and therefore PS 7 on Indigenous Peoples is not triggered.

The Strategic Environmental and Social Assessment did not identify cultural heritage in the project area, but a chance finds procedure was in place during the construction phase. During operations PS 8 will not be applicable to the Project.

In addition to the Performance Standards listed above, the IFC's April 30, 2007, Environmental, Health, and Safety General Guidelines are applicable to the Project.

Host Country Requirements. Egypt's New and Renewable Energy Authority (NREA) commissioned a strategic environmental and social assessment for the Benban solar park, of which the Project is a part, prior to its construction in February 2016.

ENVIRONMENTAL AND SOCIAL RISKS AND MITIGATION:

Environmental and Social risks associated with operating solar facilities are minimal. Overall environmental and social management, occupational health and safety measures, and emergency preparedness and response procedures

need to be in place and appropriate training provided on these measures and procedures.

The Projects have had DFI involvement since the development phase and therefore are familiar with implementing environmental and social plans in accordance with IFC Performance Standards. The Borrower has developed a set of Environmental and Social Plans that are commensurate with the risk and nature of the project and adequately identify the limited potential risks of operating solar facilities, and management measures and monitoring indicators for each potential risk. The Projects will continue to report to the Lenders on E&S performance throughout operations.