ZAPORIZHIA WIND FARM & EUROCAPE UKRAINE LLC
INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Ukraine
Name of Borrower:	EuroCape Ukraine I, LLC ("EuroCape")
Sponsor:	LongWing Energy S.C.A. ("LongWing")
Project Description:	The development, construction, and operation of the first 225 MW phase (the "Project") of a planned 500 MW wind farm in Ukraine.
Total Project Costs:	Approximately €466 million ($560 million)
Investment Type and Amount:	1. Mezzanine loan up to €200 million by Apollo Global Management, LLC, through one or more eligible subsidiaries ("Apollo"); 2. Equity and shareholder loan investment up to €84 million made in EuroCape by LongWing, which may include an up to €34 million investment by subsidiaries of General Electric Company ("GE").
U.S. Involvement:	Apollo will provide approximately €200 million in mezzanine debt financing. GE will sell and manage the installation of 62 wind turbines for the Project, and provide long-term operations and maintenance services to EuroCape. GE may also make an equity investment in the Project.
Proposed OPIC Loan:	Up to $150 million
Proposed OPIC Insurance and Reinsurance:	Up to $225 million, plus $50 million interest for the mezzanine loan, provided to Apollo or an eligible affiliate. Up to $45 million of reinsurance for the equity investment (described below).
Proposed Insurance by 1. Liberty MutualInsurance Europe Limited; and 2. Indian Harbor Insurance Company (XL Catlin):	Up to $81 million for equity investment, provided to LongWing.
OPIC Reinsured Parties:	1. Liberty Mutual Insurance Europe Limited 2. Indian Harbor Insurance Company (XL Catlin)
Proposed Coverages:	Inconvertibility, expropriation (including arbitral award default and denial of justice), and political violence.
Policy Review	

U.S. Economic Impact:	The Project's projected procurement of operations and management services from the United States is expected to have a positive impact on U.S. employment and on the five-year U.S. trade balance. The Project is not expected to have a negative impact on the U.S. economy.
Developmental Effects:	The Project is expected to have a highly developmental impact on Ukraine. The wind development, of which the Project is a part, will strengthen the country's energy security by increasing its capacity to generate wind energy by approximately 40%. In 2016, Ukraine was ranked 69th out of 144 countries by the World Economic Forum in quality of electricity supply. Ukraine remains dependent on imports for about 40% of its total energy needs and is vulnerable to supply cutoffs from its foreign suppliers. Ukraine is also recovering from a severe recession brought about by the military conflict in the eastern part of the country that led to an 80% decline in foreign direct investment. The Project aligns with the Government of Ukraine ("GOU")'s 2035 Energy Strategy to prioritize utilization of the country's wind resources, modernize the energy market, increase transparency and attract new investment. The GOU aims to increase renewable power generation from 4.5% of gross final energy consumption in 2013 to 11% in 2020. In addition to helping modernize the country's energy infrastructure, the Project will create local jobs and support a number of social infrastructure projects such as the replacement of water systems; connection of villages to natural gas heating networks; renovation of cultural buildings, libraries, schools, health facilities and village council buildings; and purchase of new ambulances for village and district hospitals.
Environment:	**Screening:** The Project has been reviewed in light of OPIC's categorical prohibitions and was determined to be categorically eligible. The Project is screened as Category A because the Project is a large-scale greenfield wind development that could have significant adverse environmental and social impacts that are diverse and irreversible. The major environmental and social concerns related to the Project include potential

	impacts on resident and migrating birds and bats, potential impacts from noise and shadow flicker, impacts to community health and safety resulting from increased traffic and influx of non-local workers, and the need for a robust environmental and social management system with appropriate organizational capacity given the ambitious timeline for construction. **APPLICABLE STANDARDS:** OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following 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. In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety (EHS) General Guidelines and IFC's August 7, 2015 Environmental Health and Safety Guidelines for Wind Energy are applicable to the Project. **Environmental and Social Risks and Mitigation:** An environmental impact assessment was developed for the 500 MW Zaporizhia wind farm development in accordance with Ukrainian legislation in 2015. In 2017, EuroCape expanded on the 2015 environmental and social impact assessment ("ESIA") in order to assess the Project in accordance with the IFC Performance Standards and international best practice. The Project has obtained necessary construction permits from local authorities. EuroCape has a corporate level policy statement on health, security, safety, environment and social performance, and is working on developing a project-specific environmental and social management system ("ESMS"). The final version of the ESMS, satisfactory to OPIC, will be required prior to financial close. As part of the project-specific ESMS, the Project will be required to detail an environmental, social, health and

	safety structure indicating hierarchy and overarching responsibilities, project-specific construction-phase and operational-phase environmental and social management plans, training plan, contractor management plan, emergency preparedness and response plan, waste management plan, hazardous materials management plan, and noise management plan. EuroCape has drafted an occupational health and safety ("OHS") policy which requires that any person mobilized on-site be trained on health and safety and must wear personal protective equipment. The policy also requires that team leaders fill out OHS checklists and report on OHS statistics. The Project will be required to develop a project-specific OHS Plan prior to start of construction. Project contractors will be responsible for providing bottled drinking water for workers during construction. Air emissions will be restricted to dust during construction and emissions from construction vehicles. Transport of equipment and traffic impacts are expected to be significant. The Project will be required to submit information detailing the final transport route, anticipated environmental and social impacts of that route, and mitigation measures and to develop a traffic management plan. Diesel generators will also be used on site during the construction period. The Project anticipates using diesel generators (total capacity less than 400 kVA) during construction. Greenhouse gas emissions from the generators are estimated to be less than 2000 short tons of CO_2 per year. The Project is expected to avoid approximately 272,000 tons of CO_2 annually.[1] The Project site is located 5 km from the Molochnyi Estuary, which is a Ramsar site and Important Bird Area (IBA). The estuary is cited as supporting between 12,000-15,000 breeding water birds as well as serving as a staging site for 197,000-286,000 migratory waterbirds. Baseline surveys were undertaken in 2014 and 2016 within the Project site area and adjacent areas. Based on findings of the surveys, a total of 110 species of birds were recorded within the Project site. Of these, 20 were

[1] Based on internal OPIC estimates using publically available data.

	identified as target species of conservation importance and were assessed as part of the 2017 ESIA. Overall it was concluded that these species occurred in low numbers within the Project site. While the 2014 and 2016 surveys did provide some information on birds in the area, gaps were noted in the methodology used to collect the data. The Project is currently reassessing existing baseline data to focus on target species which are relevant to potential impacts of the Project and conducting further field surveys to provide data to determine the potential collision risk to birds, in particular to migratory species, in order to be in line with IFC's EHS Guidelines for Wind Energy. Bat surveys were also performed in the Project area. Overall nine species of bats were recorded. Although the surveys provided a comprehensive overview of bat activity within and outside the Project site, the analysis did not consider use of the hedgerows as foraging and commuting corridors and how this may vary across the site. The Project is conducting additional baseline surveys during swarming and migration periods as well as at height surveys. Once the current supplemental surveys and additional impact assessment work is completed with respect to birds and bats, the Project will be required to use the updated data to revise the Biodiversity Action Plan and Bird and Bat Monitoring Plan. **OPIC Site Visit**: The Project's ESIA was posted on OPIC's web site for a 60 day comment period, from June 30, 2017 through August 28, 2017. No comments were received. OPIC staff undertook an environmental and social due diligence site visit in July 2017. The visit involved a visit to the project site, grid sub-station connection point, driving sections of the proposed overhead transmission line route, meeting with EuroCape staff and the balance of plant contractor, and meeting with affected communities in the Project area, including representatives from seven village councils, and other stakeholders such as regional administration representatives, Department of Regional Culture,

	Department of Environmental Protection, ornithologists at the Melitopil Bogdan Khmelnitskey State University.
Social Assessment:	The Project has impacts that must be managed in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement, and applicable local laws. OPIC's statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers. The Project involves the development, construction and operation of a 225 MW wind farm in the Zaporizhia region of Ukraine across eight village councils. OPIC staff undertook a due diligence site visit in July 2017 to review the Project's potential social impacts and management system for social and labor risk. EuroCape will be required to enhance its existing stakeholder engagement plan and community grievance mechanism to meet Performance Standard 1, and develop a project-level human resource management system and worker grievance mechanism applicable to all Project workers, and a chance finds procedure that meet applicable standards. The Project will also be required to develop a contractor management system prior to initiation of the construction phase. EuroCape began its public consultation with the villages in September 2009 and has since held formal meetings at the village, district, regional and national level. Formal meetings of the entire village councils are held twice a year on average. Alongside these formal meetings, the community engagement team has frequent and regular interaction with village leadership and affected land users. OPIC staff met with several landowners and members of the affected villages during the site visit.

	No physical displacement is anticipated. Land required for the Project will affect up to 500 agricultural land plots, of which approximately 60% are privately owned plots and the remainder are state owned and in agricultural use. EuroCape represents that it has obtained legal rights to all land plots required for the Project. The portions of land affected by the Project are small in relation to the total land in production for affected parties. There has been ongoing consultation and meetings with land owners and land users affected by the Project. EuroCape is able to acquire land with regional court approval for the use of the Project and has done so in one case thus far following attempted negotiation with the land owner. This review covers the commensurate human rights risks associated with wind farm construction and operations in Ukraine.