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Category: B

AGUA FRIA solar energy project – Honduras

GIEK and Export Credit Norway will participate in the financing of the AGUA FRIA solar energy project in Honduras. Scatec Solar, the EPC contractor, is responsible for executing and delivering the project, as well as for operation and maintenance services after completion. The project will generate a capacity of 60 megawatts and will represent an important contribution to new energy production in the country. A long-term power purchasing agreement has been established with the state electricity company ENEE (*Empresa Nacional de Energia Electrica*) for a period of 20-years. The facility is currently under construction and is scheduled to be completed and producing energy from autumn 2015.

GIEK and Export Credit Norway's participation in the financing of the solar power plant is based on Norwegian deliveries to the project. Norfund and KLP are co-investors along with Scatec Solar and a Honduran company.

According to the OECD Common Approaches on Environmental and Social Due Diligence, this project is categorized as **category B**.

The project is not located in an environmentally sensitive area, nor will any resettlement take place, however we have looked specifically at issues related to, inter alia, stakeholder engagement, security, community safety, waste management, etc. The project has limited adverse social and environmental impacts which will be readily addressed through mitigation measures as part of an action plan.

An Environmental and Social Impact Assessment (ESIA), as well as an Environmental and Social Action Plan (ESAP) have been established in accordance with the IFC Performance Standards. Regular monitoring and follow-up will be conducted by an independent third party consultant in accordance with defined milestones in the ESAP during construction and operation of the plant. On-going compliance with the IFC Performance Standards and the ESAP is a condition for support. Deviation or non-compliances with the ESAP will be addressed by Norfund in cooperation with GIEK and Export Credit Norway.