

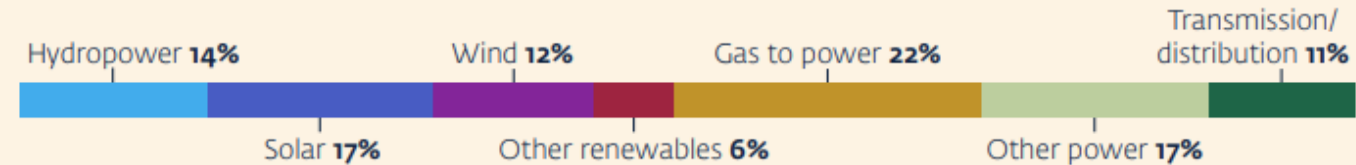
Overview of IFC's activities in Energy in Latin America & Caribbean



IFC'S ENERGY PRACTICE

Power portfolio

\$5.7 billion power portfolio as of June 30, 2023



Over the past decade, IFC invested and mobilized over \$32 billion in the energy sector.

The IFC difference

- IFC brings **decades of experience** in financing, structuring, and leading complex energy deals in emerging markets.
- As a **leading financier of low-cost renewable energy**, IFC has financed more than 8GW of hydropower, 8GW of solar, and 6GW of wind projects to date. IFC is also supporting the deployment and scaling up of renewable energy through programmatic approaches like Scaling Solar and Scaling Wind.
- IFC is a leader in **advancing energy innovation**, supporting and accelerating the introduction of new products and technologies in developing countries.
- With a **strong track record of success with new technologies and in markets under reform**, IFC offers a combination of extensive local market knowledge and technical expertise in financial solutions, public-private partnerships (PPPs), risk management, engineering, and environmental and social standards.

- IFC's Energy practice commitment volumes average around **US\$2.5-3.7 billion per year**.
- IFC is active in all Energy subsectors. **Renewables account for 45% of the committed portfolio**.

IFC, A LEADER IN SUSTAINABLE FINANCING

Market Pioneer

- IFC issued its first green bond in 2010 and is **one of the largest global issuers** (172 green bonds issued for c.a. US\$10 billion in 20 currencies).

Setting Standards

- IFC chairs ICMA's⁽¹⁾** Sustainable Finance Committee - published Green, Social, Sustainable & Sustainability-Linked Bond Principles.
- IFC sits on Sustainable Finance Committees at LMA⁽²⁾ and APLMA⁽³⁾** - published the Green Loan and Sustainable-Linked Loan Principles.

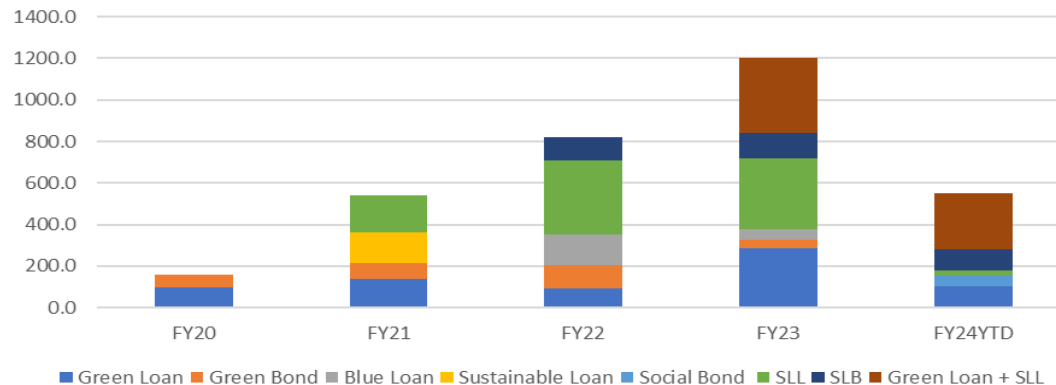


Mobilizing Investors

- In 2018, IFC and Amundi launched (\$2 billion Amundi Planet Emerging Green One - **world's largest targeted green bond fund for EMs**).
- In 2020, IFC and HSBC announced the third closing of HSBC Real Economy Green Investment Opportunity GEM Bond Fund (REGIO), which has raised **\$474 million of new financing to support climate mitigation investments across EM**

Developing Sustainable Finance Solutions for Clients

SF Own Account



SDG-Linked Instruments



IFC STRATEGY IN THE ENERGY SECTOR - DECARBONIZATION & TRANSITION

IFC'S Approach entails:

- Working with experience developers
- Mobilize concessional financing where appropriate
- Deep understanding of regulatory regimes and risks
- Assisting with E&S management/issues (e.g. bird migration)
- Selective engagement in merchant markets
- Providing in-house technical expertise



Wind Power Generation

- Focus on cost-competitive utility-scale plants
- Supporting the adaptation of offshore wind



Solar Power Generation

- Focus on cost-competitive utility-scale plants
- Exploring new technologies (e.g. bi-facial panels and floating PV)



Battery Storage

- Support stand alone or hybrid (ie. Solar+BESS) solutions
- Promoting BESS regulation
- New BESS technologies (esp. Long duration)



Green Hydrogen

- Pre-investment/early on development support with in-house expertise
- Financing of pilots
- Provision of blended finance support



T&D

- Finance CAPEX programs for distribution and transmission companies
- Provide technical assistance through our **Sustainable Grids Platform**
- Scaling mini grids



Distributed Generation

- Investments in developers active in Commercial & Industrial Solar, captive DG project and microgrid opportunities
- Focus on the C&I segment where deployment is driven by cost savings and grid reliability issues

MENU & DESCRIPTION OF ADVISORY & CO-DEVELOPMENT

IFC delivers tailor-made advisory services based on partner utility's demand and bringing-in global expertise



Examples of Advisory & Co-Development solutions for investments:

1. Grid Enhancement & Digitalization

- Grid Modernization Assessment
- Capital Program Prioritization
- Smart Metering Roll-out
- Commercial Loss Reduction
- Battery Storage Co-development
- Rural Electrification Planning
- Cyber Security

2. Climate Change

- Decarbonization Strategy/Pathways
- Climate Resilience Roadmaps
- Just Transition Process & Plans
- Climate Change Adaptation Design

3. ESG Advisory

- Gender Advisory
- Biodiversity Assessments
- Corporate Governance
- Community Development

4. Risk & Regulation

- Tariff Reform Analysis
- Regulatory Change Adaptation
- Credit Rating

5. Sustainable Finance

- Sustainability-linked Financing Framework
- Thematic Bond/Loan
- Sustainability Strategy Integration
- Implementation Support

TOP PARTNERS IN THE INDUSTRY



SELECTED CASES STUDIES (1/2)

Energy Chile	2023
	
US\$ 400mm Green + SLL (UCL)	

CONTEXT

- In June 2023, IFC signed a **10-year senior unsecured corporate loan of US\$400 million to Engie Energia Chile S.A. (“EECL”)**.
- EECL is ENGIE’s subsidiary in Chile. The company is present in the generation, transmission, gas transportation and port infrastructure markets. EECL is currently the **4th largest electricity generator in Chile**.
- The investment was structured as a **green + sustainability-linked loan**, combining the more traditional **“green” use of proceeds** (renewable energy and battery energy storage systems) with **sustainability-linked features** (pricing is linked to the achievement of three sustainability targets).

SLL Features - The loan has a **step down in the margin if three targets are met:**

- **Climate:** (i) Decommission or conversion of 1,066 MW of coal-fired plants between 2022 and 2026; (ii) Install 500 MW of RE capacity between 2022 and 2026.
- **Gender:** increase the % of female managers from 24% in 2022 to 31% in 2026.

Energy Colombia	2023
	
US\$ 300mm UCL	

CONTEXT

- In November 2023, IFC signed a **8-year senior unsecured corporate loan of US\$300 million to Enel Colombia S.A. E.S.P. (“Enel Colombia”)**.
- Enel Colombia is **one of the largest power utilities in Colombia**, with 3,570 MW of installed capacity and serving 3.83 million clients in the distribution segment. Enel Colombia is majority-owned by Enel Américas, the Latin American holding company of Enel SpA. Grupo Energía de Bogotá, the energy holding of the city of Bogotá, is the other strategic shareholder in the company
- **IFC provided upstream advisory services** to enhance Enel's capacity to implement its digitalization agenda, gender advisory services to close gaps in its supply chain and improve community engagement programs, and align its systems, practices, and policies with IFC's Performance Standards

SELECTED CASES STUDIES (2/2)

Energy Brazil	2022
	
US\$ 115mm SUPER GREEN LOAN	

CONTEXT

- IFC provided BRL 550 million (~US\$115 million) Green and SLL Loan to Coelba, **which combines green use-of-proceeds commitments with sustainability-linked financing features**
- **First Super Green Loan for a power distribution company worldwide**
- Coelba operates the energy distribution concession in the state of Bahia, Brazil. Coelba is controlled by Neoenergia S.A. (part of the Iberdrola group), an integrated energy company in Brazil.

SLL Features - The loan has a **step down in the margin if three targets are met:**

- **Climate:** (i) Scope 1 carbon intensity per kWh generated; (ii) Validation of Scope 1,2 and 3 GHG emissions target by SBT, before March 2027
- **Gender:** Percentage of female electricians over total electricians, achieving a 10.7 percent female electrician workforce by 2026, against a baseline of 0.8% in 2019

Energy Colombia	2022
	
US\$ 140mm WC Facility	

CONTEXT

- **In June 2022, IFC signed a US\$140 million, COP-linked, 5-year, unsecured revolving facility with Celsia Colombia S.A. E.S.P.** (“Celsia Colombia). The proceeds of the facility will be used for construction or acquisition of renewable energy projects, financing of regulatory and maintenance capital expenditure on the transmission, distribution and commercialization segments, and the construction of battery energy storage system projects.
- **Revolving features** allow for fast execution of investments while also serving as bridge financing until long-term debt financing can be in place.
- **Celsia is a Colombian fourth largest energy company in the country**, with vertically integrated operations.
- Celsia Colombia **is a mixed-owned company**, incorporated as a limited joint stock corporation and **listed in the Colombian Stock Exchange**. The Company is owned 65.11 percent by Celsia S.A. and 34.89 percent by state and municipal investors

Contacts

Cheryl Edleson Hanway
Regional Industry Director
Infrastructure
Latin America & Caribbean
cedlesonhanway@ifc.org

Giancarlo Ortega
Investment Manager
Infrastructure North
Latin America & Caribbean
gortega@ifc.org

Camila Rodriguez
Pre-investment Manager
Infrastructure
Latin America & Caribbean
crodriguez@ifc.org

Miguel Toledo
Chief Investment Officer
Energy Lead
Latin America & Caribbean
mtoledo@ifc.org

Temel Oktem
Investment Manager
Infrastructure South
Latin America & Caribbean
toktem@ifc.org



IFC

**International
Finance Corporation**
WORLD BANK GROUP