Early Warning System

FMO-58112

EMPRESA ELECTRICA DE ORIENTE, S.A.

Quick Facts

Countries	El Salvador
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Proposed
Bank Risk Rating	B
Borrower	EMPRESA ELECTRICA DE ORIENTE, S.A.
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million

Project Description

The clients are four electricity distribution companies in El Salvador: i) Compania de Alumbrado Electrico de San Salvador, SA de CV (CAESS); ii) Empresa Electrica de Oriente, S.A. de C.V. (EEO); (iii) AES CLESA S. en C. de C.V. (CLESA); and iv) Distribuidora Electrica de Usulutan (DEUSEM) (hereinafter "AES El Salvador" or "the Companies"). The Companies are controlled, and **majority owned by The AES Corporation**. The companies are responsible for the distribution of electrical energy to municipalities and urban areas in distinct regions in El Salvador. The companies are regulated by public utility companies.

The proposed transaction is a payment facility to purchase accounts receivable, that will be used to discount the electricity bills issued by the distribution companies and which are part of a deferral. The invoices arise from Executive Decree No. 12 of the Executive Body for the Health Sector of March 21, 2020, for the deferral of payment of electricity consumers' invoices (as a response to adverse economic effects of COVID-19). The payment facility addresses the Companies' liquidity and working capital needs. The credit line will be available for up to three months and the deferred invoice payments shall be repaid in 24 monthly instalments.

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	AES Corporation	Investor	-

Contact Information

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism