Early Warning System

FMO-58215

EMPRESA DE DISTRIBUCION ELECTRICA C

Quick Facts

Countries	Panama
Financial Institutions	Netherlands Development Finance Company (FMO)
Bank Risk Rating	B
Borrower	EDEMET-EDECHI
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 120.00 million

Project Description

Clients are two electricity distribution companies in Panama: Empresa de Distribucion Electrica Metro-Oeste, S.A. ("EDEMET") and Empresa de Distribucion Electrica Chiriqui S.A. ("EDECHI"). EDEMET and EDECHI ("Naturgy Panama" or "the Companies") have more than 600,000 residential clients and account for 62.67% of total electricity sales in Panama. The loan will be allocated US$80 million to EDEMET and US$40 million to EDECHI, for a total of US$120 million. The Companies are controlled, and majority owned by Naturgy. The companies are regulated utility companies.

The transaction consists of a senior loan with a term of 30 months (the "Transaction"). The purpose of the Transaction is to provide working capital to the Companies to compensate for the lack of liquidity resulting from the deferral of electricity bills during the four-month moratorium approved by the Government of Panama (Law 152 of May 4, 2020) intended to help end-users affected by the economic crisis caused by the global coronavirus (Covid-19) pandemic. The beneficiaries of this Transaction will be the Companies' end users.

The bank has categorized this transaction E&S B, as these are operational companies which conduct electricity distribution activities with relatively limited environmental & social impacts. IFC Performance Standards (PS) 1 - 4 are triggered. Adequate environmental & social management systems are expected to be in place. PS 5 - 8 are expected to be not triggered as the companies' activities concern existing electricity distribution operations. This financing will not be used to make any capital investments.

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
-	-	-	-	Empresa de Distribución Eléctrica Chiriquí S.A. (EDECHI)	Contractor	-
-	-	-	-	Empresa de Distribución Eléctrica Metro-Oeste, S.A. (EDEMET)	Contractor	-

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

COMPANIE CONTACT

The contact information of the companies' representatives was not provided at the time of disclosure.