

 Early Warning System

FMO-61738

GENNEIA S.A.



Quick Facts

Countries	Argentina
Specific Location	Province of San Juan and Province of Buenos Aires
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-02-16
Borrower	Genneia S.A.
Sectors	Climate and Environment, Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Loan Amount (USD)	\$ 40.00 million
Project Cost (USD)	\$ 40.00 million



Project Description

Genneia S.A. (FMO existing client) is an Argentinian-based renewable energy generation company that holds approximately 20% of the country's installed renewable energy capacity as of December 2021, making Genneia a leader in the renewable energy sector in Argentina. The company is involved in the entire cycle of power generation: from prospection and development to the construction and operation of renewable and conventional power plants. Genneia is a pioneer in promoting renewable energy in Argentina.

The transaction is a corporate loan, and the proceeds will be used to finance part of the construction cost of TOCOTA III, a 60 MW PV solar project in the province of San Juan and La ELBITA I&II, a 140 MW wind project in the province of Buenos Aires.

This transaction will be used to support Genneia's expansion of renewable energy projects (specifically TOCOTA III and LA ELBITA) which is aligned with FMO's energy sector strategy. FMO's additionality is apparent with the availability of long-term debt financing (10 years) which is scarce in Argentina.

Environmental and social rationale

FMO's preliminary E&S Category for this transaction is B+ given the main risks of these wind (bird and bats) and solar (probability of pre-Hispanic archeological findings) projects, general risks associated with land acquisition and occupational health and safety, and their specific locations (scarcely populated, low ecological value areas, no protected areas close to the project site). FMO's environmental and social due diligence indicates that the investment will have impact which must be managed in a manner consistent with the following IFC Performance Standards in particular: 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 PS 5 - Land Acquisition and Involuntary Resettlement, and PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources. PS 8 - Cultural Heritage may be triggered for the Tocota III project. Based on FMO's in-country experience and knowledge, IFC PS 7 - Indigenous Peoples is not applicable. Plans and mitigants have been put in place or are part of the Environmental and Social Action Plan (ESAP) to mitigate construction and operation risks.



Investment Description

- Netherlands Development Finance Company (FMO)

The description of investment type was not available at the time of the snapshot.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Genneia	Undisclosed	Energy



Contact Information

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

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>