

 Early Warning System

FMO-64175

Acciona Financiacion Filiales S.A.



Quick Facts

Countries	Peru
Specific Location	Peru
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-12-23
Borrower	Acciona Financiación Filiales, S.A.
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 95.00 million
Project Cost (USD)	\$ 600.00 million



Project Description

According to the Bank's website, the transaction consists of a USD 95 mln B-loan behind IFC, to participate in an unsecured corporate facility to Acciona Financiacion Filiales, S.A. ("AFF"), with a tenor of 7 years. The transaction is fully guaranteed by Acciona S.A.

The total financing of the project is estimated at USD 600 mln. FMO is participating as a B-lender under the IFC facility with an amount of USD 95 mln. The financing proceeds are used to finance three power transmission projects in Peru (increasing the capacity of existing transmission lines, building new transmission line capacity, and building new substations).

The three projects in Peru contribute to decarbonizing the country's energy mix by increasing the penetration of renewables, which is still heavily reliant on fossil fuels (38% of electricity production in 2021). One of the projects is in southern Peru, a region with strong renewable resources but is experiencing curtailment. The other two projects are in the north, which is a low-income, isolated region that still relies on diesel for grid stability. The transmission lines will allow an increased flow of energy in the Peru-Ecuador interconnection system. As such, the transaction fits well with the transmission & distribution strategy by increasing FMO's investments in the electricity transmission sector. The FMO Green Label was approved for the transaction.



Early Warning System Project Analysis

FMO's E&S category for this transaction is A, reflecting key environmental and social (E&S) risks related to potential impacts to communities and economic displacement due to land use change in the transmission lines in Peru, and potential biodiversity impacts through bird collisions. According to the information currently available, the following IFC Performance Standards are triggered: 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, PS 6: Biodiversity conservation and sustainable management of living natural resources, and PS 8: Cultural Heritage. IFC PS 7 (Indigenous Peoples) is not triggered as the projects are not expected to affect Indigenous Peoples in the area.



Investment Description

- Netherlands Development Finance Company (FMO)

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Funding: FMO NV



Private Actors Description

Acciona S.A. is a large Spanish corporation (listed in the IBEX 35 index; EUR 6.5 bln market capitalization) and has maintained its investment grade rating for the past 10+ years. *Acciona Financiación Filiales, S.A.* is a financial holding company based in Spain that was set up to raise financing and provide funding to sub-holdings of the Group.

The transaction is fully guaranteed by Acciona S.A., rated BBB (low) stable by DBRS Morningstar (2024).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Acciona Financiacion Filiales S.A.	Client	-
-	-	-	-	Acciona S.A.	Parent Company	-



Contact Information

No contacts available at the time of disclosure.

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>