Early Warning System

FMO-64648

ATOME PARAGUAY SAE

Early Warning System
ATOME PARAGUAY SAE

FMO-64648

Quick Facts

Countries	Paraguay
Specific Location	uninformed
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Borrower	Atome PLC
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 64.18 million
Loan Amount (USD)	$ 64.18 million
Project Cost (USD)	$ 64.18 million

Project Description

WHO IS OUR CUSTOMER?

ATOME PLC ("Atome PLC" or the "Sponsor") is a UK-based company listed on the London Stock Exchange since 2021 under the ticker AIM: ATOM. Atome PLC focuses on developing and operating projects involving green hydrogen, ammonia, and fertilizers, driving sustainable solutions in the energy sector. ATOME is developing a green fertilizer project in Paraguay: the 145 MW Villeta Green Fertilizer Project comprises the construction, operation, and maintenance of a green fertilizer plant with a yearly production capacity of 264,000 tons of green Calcium Ammonium Nitrate ("CAN"). The green hydrogen, ammonia, and fertilizer will be produced using 100% green electricity from the Paraguay grid (sourced from the Itaipu and other hydro projects). The plant is expected to be operational by the second half of 2028.

WHAT IS OUR FUNDING OBJECTIVE?

The transaction is a USD 94.8 mln loan, and the proceeds will finance the development, construction, and operation of a Green Fertilizer Plant in Paraguay.

WHY DO WE FUND THIS INVESTMENT?

The transaction fits well with FMO's Green Hydrogen Strategy as it is an opportunity to decarbonize the fertilizer value chain in the context of a growing population and demand for fertilizers for food production in line with SDG 2. Furthermore, FMO's additionality is evident in addressing the scarcity of long-term debt financing options in Paraguay, thereby catalyzing green fertilizer development.

WHAT IS THE ENVIRONMENTAL AND SOCIAL CATEGORIZATION RATIONALE?

The project is an environmental and social (E&S) risk category B+ investment, to be confirmed during due diligence (DD). This is related to the risks from both the Construction Phase (CAN fertilizer plant) and the Production Phase (CAN). The E&S risks have been determined in the E&S Impact Assessment (ESIA), prepared by a qualified international expert, and based on relevant local legislation and the FMO Sustainability Criteria, including the IFC Performance Standards (PSs) 2012. Project risk management is based on an E&S Management System (ESMS) and underlying E&S Management Plans based on the results of the ESIA. The applicable IFC PSs are 1, 2, 3, 4, and 6. PS 5 on land is not applicable (willing seller - willing buyer). PS 7 on Indigenous Peoples is not applicable according to the ESIA (this will be verified during the DD; some families identified as Indigenous Peoples live in the region but are not directly impacted by the project). PS 8 on Cultural Heritage, was not identified in the ESIA as applicable. After signing the contracts, FMO will monitor the environmental and social performance of the project with the help of qualified external experts, site inspection visits including community meetings, and review of environmental and social reporting.

Investment Description

- Netherlands Development Finance Company (FMO)

Contact Information

FMO

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.