Early Warning System

IFC-43609

SP River CleanUp

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Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-01-29
Borrower	DESENVOLVE SP - AGENCIA DE FOMENTO DO ESTADO DE SAO PAULO S.A.
Sectors	Finance, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million

Project Description

The proposed IFC investment consists of a financing package of up to US$100 million to Desenvolve SP – Agência de Fomento do Estado de São Paulo S.A. (“Desenvolve SP” or “DSP”) to support its lending to private sector medium sized water and energy service companies (“WESCOs”) operating in the water, wastewater and solid waste sectors. The financing package will consist of an A-loan up US$75 million and would mobilize institutional investors to invest in an up to US$25 million B-Loan. The proceeds of IFC’s loan will be used as followed: (i) at least 75% will be used to finance WESCOs that enter into performance-based contracts (“PBCs”) under the Pinheiros River Clean-up program; and (ii) up to 25% will be used to finance small and medium-sized enterprises (“SMEs”) in the waste and water sector (the “Project”).

Investment Description

- International Finance Corporation (IFC)

According to the IFC, the proposed investment consists of a loan facility of US$100 million to Desenvolve SP, comprised of an A-Loan of up to US$75 million and would mobilize institutional investors to invest in an up to US$25 million B loan. The loan proceeds will be used to support its lending to private sector medium sized water and energy service companies operating in the water, wastewater and solid waste sectors.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Desenvolve SP (Financial Intermediary)

Private Actors Description

According to IFC, Desenvolve SP is the São Paulo State development agency, constituted as a legal entity under State Law 10.853/01 and considered as a nondependent public company, with authorization from the Central Bank to operate. It began operations in 2009 and is 99.9% owned by the State of São Paulo, reporting to the São Paulo State Finance and Planning Secretariat (Sefaz). With long-term loans and competitive interest rates, DSP provides support to the development of small and medium businesses and municipalities in São Paulo, providing financing to MSMEs and Municipalities in the São Paulo State, as well as providing funding to innovation and sustainable projects, fostering economic growth and job creation in the state.

Desenvolve SP is focused on providing long-term financing, enabling investments in technology and innovation, increasing business efficiency and profitability, while respecting the environment and preserving natural resources. DSP offers a wide range of credit facilities for the expansion, modernization, increase of production capacity, implementation of new plants and relocation of operations. Since its inception, Desenvolve SP has disbursed BRL3.9 billion, representing more than 6,429 operations, distributed across 407 municipalities to support 3,951 enterprises and 168 municipal governments.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org