Early Warning System

IFC-45818

Energuate UCL

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Quick Facts

Countries	Guatemala
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-05-22
Borrower	Energuate
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 175.00 million

Project Description

As stated by the IFC, the proposed investment entails a 10-year senior unsecured loan to Energuate for up to US$175 million (including up to US$100 million from IFC). The proceeds of the loans provided by IFC shall be used for financing of the Co-Borrowers' investment plan for the period June 30, 2022 through December 31, 2025 related to (A) energy loss control and reduction initiatives, and improvements to the existing distribution network to increase the efficiency and reliability thereof, and (B) enabling new distribution lines that will be built by the Co-Borrowers in the future to interconnect mostly users in rural communities located within the established distances of the network per regulatory requirements and per Energuate's rural electrification plan (aimed to support the GoG's REP), that will increase the reliability, efficiency, and resilience of the existing network, increase the number of household connections from the existing lines.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

From the IFC's disclosure:

DEOCSA and DEORSA are two power distribution companies in Guatemala, collectively referred to as Energuate. Energuate is the largest privately-owned power distribution company in Central America based on the network’s geographic coverage and size. Operations consist of installing low and medium voltage distribution lines from nodal electrical substations on public rights of way (RoW) to rural households located within the regulatory threshold of their distribution area, provided these meet RoW access (obtained by the end-user from the local municipality) and technical safety requirements. Energuate presently serves 2.3 million mostly rural customers.

After several private owners, Energuate was acquired by Inkia Energy Group in 2016, granting them rights to operate, extend and maintain distribution services in 20 of 22 Guatemalan departments for a period of 50-years (ending in 2048).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Energuate	Client	Energy
-	-	-	-	Inkia Energy	Parent Company	Energy

Contact Information

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Borrower - Energuate (Distribuidora de Electricidad de Oriente, S.A. and Distribuidora de Electricidad de Occidente, S.A.):

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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

Bank Documents

- Environmental and Social Review Summary

Other Related Projects

- IFC-51381 Project Itzamna