

 Early Warning System

IFC-49507
Element Mexico



Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	Element Fleet Management Corp
Investment Type(s)	Loan
Investment Amount (USD)	\$ 0.75 million
Project Cost (USD)	\$ 100.00 million



Project Description

Element Fleet Management Corporation Mexico (<https://www.elementfleet.com.mx/>) (or the “company”) provides fleet financing and fleet management services to organizations. It optimizes fleet operations, including vehicle acquisition, maintenance, fuel management, safety, and remarketing. Element Mexico offers customized solutions to reduce costs, improve efficiency, and enhance fleet performance. While historically focused on fossil fuel-powered vehicles, Element Mexico is now dedicated to providing clients with solutions for electric vehicle (EV) adoption. IFC's proposed investment is a senior, unsecured debt financing package to be processed under the INR Strategic Client Framework initiative. The proposed loan may be structured in several tranches over multiple years. The first tranche (US\$ 100 million), to be committed in the fiscal year 2025, entails an up to 5-year Sustainability-Linked Loan (SLL) with IFC providing US\$75 million A Loan and mobilizing US\$25 million. Future tranches may be committed over the next 3-5 years based on Element Mexico's capex plans and timeline. IFC's proposed investment is to support the purchase of passenger and commercial vehicles, medium and large trucks, as well as compatible charging infrastructure. The proposed investment will contribute to Mexico's commitment to the Paris Agreement of reaching a 35% reduction in CO2 emissions below 2007 levels by the year 2030, particularly where commercial vehicles, with their greater number of daily kilometers traveled, present a larger opportunity for carbon reduction than personal vehicles. The transport sector is responsible for nearly 25-30% of Mexico's GHG emissions, and road transport accounts for more than 80% of the sector's emissions.



Investment Description

- International Finance Corporation (IFC)



Contact Information

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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>