

 Early Warning System

IIC-11609-04

Banco Galicia Green Financing Partnership



Quick Facts

Countries	Argentina
Financial Institutions	IDB Invest (IDBI)
Status	Hold
Bank Risk Rating	F1
Voting Date	2016-12-13
Borrower	Banco de Galicia y Buenos Aires S.A. ("Galicia")
Sectors	Finance
Investment Type(s)	Loan
Project Cost (USD)	\$ 150.00 million



Project Description

The Project consists in a financing facility for up to US\$100 million (“Green Financing Partnership”) for Banco de Galicia y Buenos Aires S.A. that will allow Galicia to finance sub-projects with high environmental benefits in Argentina; primarily in the areas of renewable energy and energy efficiency, and will also support other carbon mitigating investments. The Green Financing Partnership will support the development and growth of Sustainable Projects in small and medium enterprises and small and medium corporations.

The project objective is to promote access to finance green projects mostly related to renewable energy (wind, solar and biomass) and energy efficiency, and to promote other investments to reduce emissions of greenhouse gases (sustainable projects) through SMEs. The potential pipeline is expected to involve only medium E&S risk operations and will be restricted to category "A" sub-projects.

Galicia currently has an Environmental and Social Management System (ESMS) with sufficient capacity to manage the E&S risks, but given that it has limited experience in renewable energy projects, the bank will be required to update its procedures and improve its capacity as well as to expand the scope of application of its ESMS.



Investment Description

- IDB Invest (IDBI)

The proposed Project consists of a senior unsecured loan for up to US\$100 million to Galicia comprised of an IDB loan for up to US\$70 million and an IIC loan for up to US\$30 million.

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.

- [Banco de Galicia y Buenos Aires S.A.](#) (Financial Intermediary)



Private Actors Description

According to bloomberg, Banco de Galicia y Buenos Aires S A U provides banking services. The Bank offers business and consumer loans, mortgages, investment banking, securities brokerage, foreign exchange services, mutual funds, insurance, annuities, and credit cards. Banco de Galicia y Buenos Aires serves customers in Argentina.



Contact Information

ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



Bank Documents

- [ENVIRONMENTAL AND SOCIAL REVIEW](#)