Early Warning System

IIC-11620-01

Itelecom Energy Efficient Street Lighting

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Quick Facts

Countries	Chile
Specific Location	Melipilla, Cartagena, San Javier, Villa Alemana, and Coyhaique
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	C
Voting Date	2016-10-21
Borrower	Inversiones y Asesorias en Telecomunicaciones e Informatica S.A.
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million
Project Cost (USD)	$ 15.00 million

Project Description

The proposed loan will support Itelecom in developing and installing high efficiency LED technology for public street lighting in Chilean municipalities under a third party, structured financing model. The municipalities expected to be included in the program will be Melipilla, Cartagena, San Javier, Villa Alemana, and Coyhaique. The use of blended climate finance will enable the demonstration of a highly scalable and replicable financing model in the municipal street lighting sector in Chile and throughout the LAC region.

The energy efficiency projects will reduce energy consumption and therefore lighting expenses, providing monetary savings to the municipalities. The main project outputs will be the replacement of approx. 37,700 luminaires with high efficiency LED technologies. The main outcomes of the project include reductions in energy costs, energy use, and GHG emissions in the municipal public lighting systems. The IIC states that the project will reduce CO2 emissions across the three municipalities by more than 70,000 tons over the first 10-years of useful life of the fixtures. The lighting system's electricity consumption will be reduced by approximately 55 percent, saving over 100,000 MWh over the same period. The project will also increase luminosity by more than 100%, improving the quality and quantity of street lighting.

The project consists of mainly retrofitting existing public municipal lighting systems (about 95% of total installations) in urban and suburban areas. The principal risk of this project is likely connected to the installation activities for the retrofit and the implementation of adequate procedures for waste management and disposal specifically of high-pressure sodium (HPS) lighting during installation activities.

The proposed operation is categorized as a Category C according to the IIC's Environmental and Social Sustainability Policy, as it is likely to result in very limited or no adverse environmental or social impacts or risks.

Investment Description

- IDB Invest (IDBI)

The Project consists of a senior IIC A loan of up to the Chilean peso equivalent of US$10M with a 9-year tenor and 1-year grace period. The total project costs are expected to be approximately US$15M and the structure includes a first-loss guarantee of up to US$6.05M from the Clean Technology Fund (CTF).

Contact Information

For inquiries about this project, contact divulgacionpublica@iadb.org.

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).

Other Related Projects

- IDBI-11620-02 Itelecom Efficiency Lighting Phase 2