

 Early Warning System

IADB-PE-L1254

Financing Sustainable Electric Transport Solutions



Quick Facts

Countries	Peru
Financial Institutions	Inter-American Development Bank (IADB)
Status	Approved
Bank Risk Rating	F1
Voting Date	2020-06-13
Borrower	Government of Peru
Sectors	Finance
Loan Amount (USD)	\$ 20.00 million
Grant Amount (USD)	\$ 0.48 million
Project Cost (USD)	\$ 20.48 million



Project Description

The general objective of the program is to reduce fossil fuel consumption and Greenhouse Gas (GHG) emissions through the promotion of low-carbon mobility solutions in Peru. The specific objective is to stimulate and demonstrate the financial viability of private investments in Electric Vehicles (EV).

Clean Technology Fund (CTF) concessional loan resources will be channeled by IDB via COFIDE, Peru's second-tier national development bank, and blended with IDB's resources to provide long-term financing for EV projects, including: (i) replacement of diesel/gasoline operated vehicles and new fleets with EVs; (ii) power generation for green mobility solutions, mainly EV charging stations (preferably solar powered). Financing will be delivered to final beneficiaries through first-tier FIs (operators, technology providers and concessionaries for buses, taxis and moto-taxis).

The program will combine the concessional loan instrument with the use of adapted risk transfer mechanisms, such as guarantees and insurance. CTF resources will also finance complementary TC activities to support the overall implementation of the program, including awareness, capacity building, evaluation of business models, monitoring, and reporting within COFIDE, and knowledge sharing.



Early Warning System Project Analysis

The program is expected to have a transformational and long-term impact since FIs and vehicle operators will be encouraged to further support these investments, once its viability and profitability has been demonstrated. Program activities can also contribute to ongoing government efforts towards formalizing and improving public transport.



People Affected By This Project

Consistent with the approach to financial intermediation operations, the Bank will conduct the analysis of the proposed program at two levels; one at the corporate level, specifically CODIFE's ability to manage and apply the Bank's environmental and social safeguards, identifying the capacity and expertise of areas within the entity to allow safeguards to be applied to projects and investments to be financed with IDB resources. The other level is in the analysis of specific sub-projects or investments.



Investment Description

- Inter-American Development Bank (IADB)

This operation is a financial intermediation operation B.13. The program will be executed under a sole financing component by which COFIDE will use IDB (US\$10.5 million) and CTF (US\$9.5 million) loan resources to provide long-term financial support to private-led EV projects for urban transport. Funds will be channeled via second-tier loans.



Contact Information

ACCOUNTABILITY MECHANISM OF IADB

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

- [Project Profile - Financing Sustainable Electric Transport Solutions - PE-L](#) [Original Source]