

PROJECT ABSTRACT

Project number:	BO-L1022	
Project name:	ISA Bolivia II—La Arboleda (the “Project”)	
Country:	Bolivia	
Sponsors:	Interconexión Eléctrica S.A. E.S.P. (ISA) and Transelca S.A. E.S.P.)	
Total project cost:	Approximately US\$9.3 million	
Proposed A loan:	Up to US\$3.7 million	
Financing plan:	Senior Debt:	Up to US\$6.5 million
	Equity:	Approximately US\$2.8 million
Department:	Structured & Corporate Finance Department	
Status:	Eligibility	
Date:	November 9, 2007	

Project description

Interconexión Eléctrica ISA Bolivia S.A. (ISA Bolivia) is undertaking the construction and operation of a 230/115 kV substation at La Arboleda in the Bolivian Department of Santa Cruz (the “Project”). The Project is an approximately US\$9.3 million expansion of the initial project, financed by the IDB, which consisted of three transmission lines in the Bolivian Departments of Cochabamba, Chuquisaca, Potosí and Santa Cruz. Project sponsors are Interconexión Eléctrica S.A. E.S.P. and Transelca S.A. E.S.P. (together the “Sponsors”), both of Colombia.

Under the Bolivian Electricity Law and its regulations, transmission companies are required to carry out expansions deemed necessary by the Government of Bolivia (GOB) in exchange for compensation that is agreed upon by the parties. The GOB has requested that an additional substation be built as part of one of ISA Bolivia’s transmission lines located in the Departments of Cochabamba and Santa Cruz. The Company will enter into a 30-year license agreement with the GOB.

The Sponsors are seeking approximately US\$6.5 million from the IDB and Corporación Andina de Fomento, both senior lenders to the original project, and will provide the rest in equity and/or project cash flow.

Project benefits

The expansion is required by the GOB to improve the reliability of the electric transmission system. The substation would also allow for the expansion to 115 kV of the sub-transmission system north of Santa Cruz, which is owned by Cooperativa Rural de Electrificación Ltda.