

Project Abstract

May 3, 2011

Country: Colombia
Sector: Financial Markets
Project name: COLOMBIAN FINANCIAL INTERMEDIARIES SUSTAINABLE ENERGY FACILITY
Project Number: CO-X1014
Borrower: 3 to 4 financial intermediaries in Colombia
Proposed: Risk Sharing Facility

The proposed Colombian Financial Intermediaries Sustainable Energy Facility (the “Facility”) entails financing up to US\$90 million (or its equivalent in local currency) to promote energy efficiency/clean production/renewable energy (EE/CP/RE or “Sustainable Energy”) investments by end-users, in particular small and medium enterprises (“SMEs”) and small and medium corporations (“SMCs”) in Colombia. The objective of the Facility is to increase access to finance and build capacity and awareness for related investments. The Facility will provide direct long-term financing, a credit enhancement to bond issuances or a risk sharing mechanism that will support a portfolio of sub-projects investing in Sustainable Energy initiatives. The Facility is expected to be executed by 3 to 4 financial intermediaries (FIs) in Colombia – each FI being considered a Project under the Facility.

The first-of-its-kind Facility would be a flagship project for the region and for the financial sector in Colombia. By coupling SCF’s financial markets expertise with technical assistance, the Facility will support Colombian FIs to identify opportunities that create value and mitigate climate change. This Facility is expected to leverage Clean Technology Fund (CTF) resources through the Colombia Sustainable Energy Finance Program (“the Program”) approved during 2010 by the CTF Trust Fund Committee.¹ CTF participation will be designed and implemented as a coordinated effort with the International Finance Corporation (IFC) and INE/ECC.

¹ For more information, visit
http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/C_sef_PID_120710.pdf