

Press Release

PROPARCO supports wind energy development in Uruguay

USD 38.5m loan to finance subsidiary of French group Akuo Energy

Paris, 22 February 2013. PROPARCO announces the signing of a USD 38.5m senior loan with a 15-year maturity with Polesine S.A., a subsidiary of Akuo Energy S.A.S., to finance the construction and operation of a wind farm in Uruguay. PROPARCO has coordinated the entire financing operation, worth a total of USD 88.5m, by involving the two development finance institutions from the Netherlands – FMO – and Germany – DEG – in the round of funding.

Following the rise in the price of hydrocarbons, which occurred at the same time as one of the severest droughts the country has ever experienced, Uruguay set out to implement a national energy policy focusing on renewable energy. In 2008, the Government launched a 25-year plan aiming to diversify its energy mix and reduce its reliance on fossil fuels. Wind energy is expected to provide 15% of electricity by 2015, thanks to the construction of around twenty new wind farms. Biomass and hydropower, which are already highly developed, will complete the generation capacity.

This new wind farm, with a capacity of 50 MW and a total cost of USD 128m, is located in the Florida Department, 100 km to the north of the capital Montevideo. Its commissioning is scheduled for November 2013 and will contribute to scaling up energy supply in Uruguay, in context of high pressure demand¹. This project will reduce its reliance on hydrocarbon imports, especially in periods of drought.²

“Uruguay has always been a prime location for Akuo Energy, since it was founded, as a point of entry into the Latin American market. This strategy has paid off and we are delighted today to be a leading player in renewable energy in the region. This has also strengthened our international presence. In addition to the Florida wind farm, Akuo has just financed a 2nd project in Uruguay, the Minas wind farm. The two projects together total 92 MW under construction for an overall investment of USD 205M. With these two wind farms, Akuo Energy will remain committed to electricity generation from renewable and sustainable sources”, says Eric Scotto, Chairman of Akuo Energy.

This project is PROPARCO's first direct operation in Uruguay, *“Both as a funder and leader of European bilateral financing institutions, PROPARCO is extremely proud to be supporting Akuo Energy Group, which is seeking to contribute to the diversification of Uruguay's energy mix by expanding internationally”,* points out Claude Périou, Chief Executive Office of PROPARCO. This wind project will participate in the fight against climate change by reducing annual greenhouse gas emissions by 17,000 teq CO₂.

ABOUT

PROPARCO, is a Development Finance Institution jointly held by Agence Française de Développement (AFD) and public and private shareholders from the North and South. Its mission is to catalyze private investment in emerging and developing countries with the aim of supporting growth, sustainable development and the achievement of the Millennium Development Goals (MDGs). PROPARCO finances investments that are economically viable, socially equitable, environmentally sustainable and financially profitable. PROPARCO is one of the main bilateral development finance institutions in the world. It invests on four continents encompassing the major emerging countries and the poorest countries, particularly in Africa, and has a high level of requirements in terms of social and environmental responsibility. www.proparco.fr

Akuo Energy is an independent French producer of electricity generated exclusively from renewable energy sources. It develops, finances, builds and operates a portfolio of power plants. The Group has over 100 employees and operates in 13 geographical areas: mainland France, Réunion Island, Corsica, the West Indies, Poland, Croatia, Serbia, Montenegro, Morocco, the USA, Uruguay, Indonesia and Turkey.

¹ Demand is expected to increase at an annual rate of 4% from now until 2020.

² Uruguay's installed power generation capacity stands at 2,700 MW and is essentially hydro-based. The remainder is mainly made up of thermal capacity, as renewable energy, excluding hydropower (wind and biomass), is still marginal.