

IJGlobal Awards 2022 – LatAm Deal Winners

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The Americas-based infrastructure and energy community amassed last night (16 March) at the splendid Guastavino's in New York to celebrate the IJGlobal Awards 2022.

The awards night – hosted in association with Wilmington Trust – pulled in a hearty crowd of industry specialists to celebrate the successes of the previous year's financial closes.

This story is to identify and celebrate the deals that made it to financial close during the judging period across Latin America – the Deal Awards.

Unlike the Company Awards – which are chosen by the [independent panel of judges](#) – these are chosen by the IJGlobal editorial team, based on submissions from the people who drove them on to successful conclusion.

There are 9 transactions in the primary financing space for greenfield infrastructure and energy projects:

- São Paulo Metro Line 6, Brazil
- ODATA Data Centers, Mexico
- EKF, Finnavera, SEB - Araguaia Ferronickel Mine, Brazil
- US EXIM Bank - Angra 1 Nuclear Power Plant, Brazil
- Araguaia Nickel Mine, Brazil
- Yellowtail's One Guyana FPSO
- Heritage Petroleum, Trinidad & Tobago
- Rio de Janeiro Water and Sanitation Bloc 3 PPP, Brazil
- Termo Caribe Dual Fuel Power Facility, Colombia

Also celebrated last night were 6 refinancing deals closed over the course of the judging period:

- Açu Petróleo Refinance, Brazil
- Mina Justa Refinance, Peru
- Rumichaca-Pasto 4G Refinance, Colombia
- Amanecer Solar CAP Plant Refinance, Chile
- Innergex Renewable Energy Portfolio Refinance, Chile
- Ferrocarril Central Railway, Uruguay

The other awards presented last night were:



- [Latin America deal winners](#)
- [North America deal winners](#)
- [N America company winners](#)

Transport Deal of the Year

São Paulo Metro Line 6, Brazil

An outstanding transaction that was submitted several times by a number of different organisations [São Paulo Metro Line 6](#) in Brazil – the Orange Line – is a one-of-its-kind project for many reasons and has considerable political significance.

With the exit of the project's original sponsors due to the Lava Jato scandal, the State of São Paulo turned to Acciona to rescue the project – which was enabled by a ground-breaking decision from the Brazilian Supreme Court that confirmed the constitutionality of the transfer of a concession between private agents without the need of a new bidding process.

It is also a landmark transaction for the market in that it is the largest infrastructure PPP being financed in Latin America and it the first limited-recourse project financing for BNDES in Brazil in which it assumes greenfield construction risk.

The project adopts a novel financing structure that enables participation by foreign banks in the provision of long-term financing in local currency.

The BNDES loan was supported by a unique LC facility structure allowing for the provision of letters of credit and guarantees under Brazilian, New York, Spanish, French and Italian laws and in different currencies (Reais, US Dollars, Euros).

The structure establishes a pioneering precedent that could open the door to long-term project financing in Brazil from foreign financiers and investors.

Digital Infrastructure Deal of the Year

ODATA Data Centers, Chile

MUFG Bank and SMBC underwrote the commitment to support Odata in constructing a 44MW built-to-suit [data centre in Santiago](#), Chile

This data centre is of critical importance to the tenant's operations as it supports the strategic goal of diversifying its data capacity over the Latin American geography.

The debt was sized for full amortization over the term of the lease agreement with an average DSCR of ~1.25x.

The transaction benefits from strong sponsorship with Odata – which has extensive experience of building and operating data centres across Latin America.

It currently has projects under construction and operational in Chile, Mexico, and Brazil with more than 93.2MW of leased/reserved capacity and in excess of 298MW of campus capacity.

The data centre is 100% pre-leased to a highly creditworthy hyperscaler, underpinned by a dollarized 15-year lease agreement (with 10x 2-year extension options). The agreement is structured as a triple net lease by which O&M (and costs related to O&M) is the responsibility of the tenant.

Export Finance Deal of the Year – Mining

EKF, Finnvera, SEB - Araguaia Ferronickel Mine, Brazil

This year sees 2 awards presented in the export finance category for LatAm – this one is for mining and it celebrates the success of [Araguaia Ferronickel Mine](#) which reached financial close mid-March 2022.

Milbank advised the ECAs and commercial lenders in connection with the \$346.2 million senior debt financing package for the development of the greenfield project in Brazil by Horizonte Minerals.

The lending group included cover provided by EKF of Denmark and Finnvera of Finland with funding provided by BNP Paribas, BNP Paribas Fortis, ING Capital, ING Bank, Natixis, Societe Generale and SEK (the Swedish ECA).

Funding for the project also involved the issuance of a royalty to Orion Mine Finance, convertible loan notes issued to Orion and La Mancha Investments, and a cost overrun facility provided by Orion. In addition, this deal involved complex intercreditor arrangements between the ECAs and other senior lenders.

This project represents a significant investment in meeting the need for nickel. As a key input for both stainless steel and new battery technology, the development of major nickel resources such as Araguaia is critical to supporting energy transition commitments that will set the stage for a sustainable future for both Brazil and Latin America.

Export Finance Deal of the Year – Power

US EXIM Bank – Angra 1 Nuclear Power Plant, Brazil

The second award to be presented in the export finance category – this one for Power – is [Angra 1 Nuclear Power Plant](#) in Brazil... and it has to win... because it's nuclear and it weighs in at \$22.3 billion.

As markets around the world increasingly talk about nuclear as a primary solution for resolving the energy crisis – Brazil is doing something about it.

However, it is the export finance element that wins this transaction an award – and that was significant.

Mattos Filho advised Banco Santander on the legal structuring, preparation and review of the credit agreement and other documents involved in the transaction, from a Brazilian Law perspective, which included the credit documents and the master guarantee agreement negotiated with US Exim Bank.

The financing is secured by a corporate guarantee (fiança) granted by Eletrobras, as well as by a credit guarantee granted to Santander by US Exim Bank.

Proceeds obtained by means of the financing shall enable the extension of the operating life of the Angra I nuclear power generation plant and the continuance of the project's implementation.

Mining Deal of the Year

Araguaia Ferronickel Mine, Brazil

Having already picked up the export finance deal for LatAm, [Araguaia Nickel Mine](#) is also the winner for the mining deal of the year... in its own right.

Horizonte Minerals (HZM) is sponsor on the Brazilian mine that is owned by Araguaia Niquel Metais LTDA.

The financing package provides significant growth for Horizonte, making it a major nickel producer, and enabling the

company to capitalise on the projected increase in nickel demand.

There is a strong long-term outlook for the nickel market driven by acceleration of demand from the EV battery sector which – combined with continued robust growth in stainless steel demand – has led to nickel prices increasing by 24% in the last 12 months.

Global demand is expected to reach 3.9Mt in 2030, an increase of 1.6x compared to 2020, with projected demand growth of 5% per annum.

Given the global shortage of nickel, the development of this project stands Horizonte in good stead to play a major part in the energy transition, both in terms of nickel being a key component of battery technology and also in steel which is vital for the construction of renewable energy sources.

For tax purposes, a part of the financing is structured through an offshore finco, with related cash injections into Brazil.

Given not all aspects of the financing were structured through this vehicle, this raised additional structuring considerations and complexity from an intercreditor perspective.

Given the complex multi-tiered financing package involving a number of different types of financier, a bespoke intercreditor agreement was entered into governing the intercreditor issues between Orion and the project finance lenders. This required significant negotiation.

In addition, the structuring of the multi-tiered financing raised complexities in terms of balancing the closing of each piece of the financing.

Horizonte Minerals also has a second 100% owned project, the Vermelho Nickel Cobalt project which is being advanced towards feasibility stage with the final products targeted for the EV battery market.

Oil & Gas Deal of the Year – FPSO

Yellowtail's One Guyana FPSO

As the largest floating, production, storage and offloading financing that was brought to financial close in a relatively short time frame – in a challenging geopolitical scenario – this deal is a winner.

[One Guyana FPSO](#) will be deployed at Yellowtail, the fourth development within the Stabroek block, this one around 200km offshore Guyana.

Esso Exploration and Production Guyana Limited – an affiliate of Exxon Mobil Corporation – is the operator and holds a 45% interest in the Stabroek block, while Hess Guyana Exploration holds a 30% stake and CNOOC Petroleum Guyana (a wholly-owned subsidiary of CNOOC Limited) has the remaining 25%.

The FPSO will be designed to produce around 250,000 barrels of oil per day. It will have associated gas treatment capacity of 450 million cubic feet per day and water injection capacity of 300,000 barrels per day.

It will be moored in a water depth of about 1,800 metres and will be able to store around 2 million barrels of crude oil.

Oil & Gas Deal of the Year – EP

Heritage Petroleum, Trinidad & Tobago

This award relates to the issuance of the \$537 million secured notes by [Heritage Petroleum Company Limited](#).

At the same time, Heritage was involved in the tender offer and consent solicitation of the outstanding 9.75% senior notes (due 2026) issued by its sole shareholder, Trinidad Petroleum Holdings Limited.

Heritage is a limited liability company organised under the laws of the Republic of Trinidad and Tobago, primarily engaged in the exploration, development, production, and marketing of crude oil whose ultimate parent is the Government of the Republic of Trinidad and Tobago.

These transactions were of crucial importance to the client and the Republic of Trinidad and Tobago because they enabled the client to refinance its debt at a significantly lower interest rate and to adjust the collateral package, giving the company – and therefore the Government of the Republic of Trinidad and Tobago – the flexibility to make strategic asset sales in the future.

This high-yield bond offering is part of a multi-tranche refinancing which also featured a refinanced credit facility, adding layers of complication to the deal's execution.

Water Deal of the Year

Rio de Janeiro Water and Sanitation Bloc 3 PPP, Brazil

A transaction designed to address the vast shortfall in water, sewage and sanitation services in Brazil, its impact on the regional market – where many more deals of this nature are to be driven – is significant.

This is a major step in the national effort to implement legislation that obliges all municipalities to universalise water and wastewater facilities until 2033.

As the operator of W&W of one of the most complex and poor regions of the Rio de Janeiro state, [SAAB Participações III](#) – the SPV between Vinci and Águas do Brasil – is responsible for investment efforts to connect the local population to the water/sewage connection network.

This work will improve the quality of life for some 2.7 million inhabitants and the project comprises a 35-year concession for water and sewage services of CEDAE's Block 3 region which reached financial close mid-March 2022.

The SPV/concessionaire will serve 21 municipalities from Rio de Janeiro Metropolitan Area, including a portion of Rio de Janeiro City.

Power Deal of the Year

Termo Caribe Dual Fuel Power Facility, Colombia

The winner of the power award is Termocaribe SAS ESP for the project financing of a 57MW dual fuel power generating facility in Bolivar, Colombia.

The facility for [Termo Caribe Gas-Fired Power Plant](#) was arranged by MUFG Bank and consists of a term loan financing and 2 letter of credit facilities.

This transaction is important for Colombia which suffers consistent energy shortfalls.

However, it especially stands out as there are few opportunities for international lenders to support the buildout of energy projects given that a majority of projects in Colombia have Peso-denominated cash flows.

This project represents a unique opportunity for USD cash flows to support the growth of the energy market in Colombia.

Refinance Deal of the Year – Oil & Gas

Açu Petróleo Refinance, Brazil

This deal consists of an issuance in the international market by Açu Petróleo Luxembourg – a non-operating entity that is fully owned by Açu Petróleo and is an SPV created to issue the notes – of 7.5% Series 2022-1 Senior Secured Notes amounting to \$600 million that mature in 2035.

The notes are guaranteed by Açu Petróleo, Brazil's largest private crude oil transshipment port.

Furthermore, the deal involves a complex contractual network of guarantees, with fiduciary assignment and conditional usufruct of shares; fiduciary assignment of credit rights; and public mortgage deed.

The purpose of the issuance is to [refinance the oil terminal](#) at the Port of Açu in São João da Barra, State of Rio de Janeiro, a venture developed by Prumo Logística that offers infrastructure solutions for the O&G sector.

This terminal is part of the port industrial complex located in the Açu district, the largest privately-owned port industrial complex in Brazil, strategically located near the Campos and Santos Basins – the largest offshore oil basins in Brazil in the heart of the pre-salt polygon.

The issuer intends to reimburse the company originally responsible for financing the port – the US International Development Finance Corporation (DFC).

In addition, the funds raised by the project will be used to acquire a minority stake in Açu Petróleo held by Oiltanking and to make distributions to its shareholders.

Açu Petróleo is a partnership between Prumo and Oiltanking dedicated to providing oil handling infrastructure and services in a safe, efficient and sustainable manner. The company has operated the oil terminal (T-OIL) at the Port of Açu since 2016. Its license allows the handling of 1.2 million barrels per day and the terminal's depth is 25 metres.

For this deal to be possible, it was necessary to open 8 demand deposit accounts with Citibank, opened in Brazil in accordance with local laws and regulations in which Açu Petróleo deposited certain financial resources.

Accordingly, Banco Citibank is the onshore account bank to hold and administer money deposited in or credited to the onshore project accounts.

Refinance Deal of the Year – Mining

Mina Justa Refinance, Peru

BBVA Securities was sole lead arranger and bookrunner alongside a syndicate of 10 lenders in connection with the [\\$500 million facility](#) to refinance Marcobre's existing project finance facilities, which financed the construction and development of the Mina Justa copper mine in the Ica Province of Peru.

The \$900 million primary finance of the mine reached [financial close](#) in 2018 with a group of international lenders, 3 ECAs – Export-Import Bank of Korea, Export Finance Australia and Export Development Canada – alongside state lender Banco de Credito del Peru.

This 2022 refinancing, which was incurred solely through a corporate facility, exemplifies the success of the original deal, which was the first greenfield mine project finance in Latin America that year.

Refinance Deal of the Year – Transport

Rumichaca-Pasto 4G Refinance, Colombia

A transaction that logs some “largest” and “first” elements, the \$798 million equivalent refinance of the project finance debt on [Rumichaca-Pasto 4G Toll Road](#) in Narinho Province, Colombia, is a worthy winner.

The motorway itself is the largest 4G project financing in Colombia and it involved the largest social bond tied to an infrastructure project in Latin America and the second infrastructure social bond in the country.

It also stands as a precedent as the first transaction where the Inter-American Development Bank (IDB) acted as investor in a local currency 144A/RegS bond.

The multi-tranche, multi-currency financing optimised the cost of debt and maturity profile across the capital structure by tying in local and international lenders as well as unlocking deep pools of capital via local and international capital markets.

The bond issuance was able to tighten from IPTs and exhibited strong investor interest, despite sector volatility that has affected Latin American infrastructure projects.

Goldman Sachs and JP Morgan acted as joint global MLAs and bookrunners for Patrimonio Autónomo Unión del Sur’s multi-currency, multi-tranche and multi-format \$798 million for 4G toll road Rumichaca-Pasto, including a \$262 million equivalent 144A/Reg S Social Notes tranche.

Given the project’s strong ESG impact, the UVR bond tranche was certified as a Social Bond by international ESG consultant Vigeo Eiris, aligning with UN SDGs 1, 8, 9, and 10.

With the project 96.4% completed, the transaction enabled the sponsors to refinance existing mini-perm debt before COD and achieve a significant dividend recap.

Refinance Deal of the Year – Renewables

Amanecer Solar CAP Plant Refinance, Chile

The sponsor – TerraForm Power which merged into Brookfield Renewable Partners in the summer of 2020 – intended to raise \$199.5 million through a bank term loan to refinance \$150.5 million existing debt with the International Finance Corporation (IFC) and the US International Development Finance Corporation (DFC).

The intention was also to generate a dividend distribution through updated pricing and sizing – including consideration for moderate amount post-PPA cashflows (merchant) representing around 3% of total debt.

Financing included a \$15 million letter of credit and a 100% hedged profile through an interest rate swap. All banks – MUFG Bank, Santander and SMBC – provided same commitments on a pro-rata basis.

[The refinancing](#) centres on an operating 101MW dc solar PV power plant located in Chile’s northern region, 700km from Santiago (Amanecer).

The asset reached COD in April 2014, and – as per the IE – has 22-27 years of expected remaining life and it is operated by the sponsor.

Portfolio Refinance Deal of the Year

Innergex Renewable Energy Portfolio Refinance, Chile

The refinance of \$803.1 million of the non-recourse debt on [Innergex Renewable Energy](#)'s portfolio of assets in Chile is the winner in this category.

As one of Latin America's largest private placements in recent history, the financing consisted of a \$710 million issuance of green bonds (including a balloon payment of \$139 million) maturing in 2036 and a \$93.1 million letter of credit facility.

In addition to refinancing the portfolio's debt, the deal provides capital for the construction of Innergex's first battery energy storage (BESS) project in Chile.

A group of global institutional investors participated and the deal was significantly oversubscribed.

SMBC and CIBC World Markets acted as placement agents (books) and co-agent, respectively, on this transaction. SMBC also acted as financial adviser to Innergex in respect of the structuring of the transaction, as sole green bond coordinator, and as sole issuing bank for the LC facility.

Refinance Deal of the Year – Rail

Ferrocarril Central Railway, Uruguay

This transaction involves the refi of [Ferrocarril Central Railway](#) in Uruguay – a project that consists of the design, construction, financing, rehabilitation and maintenance of a 273km railroad under an initial 18-year PPP contract... which has now been extended to 19.25 years.

Following the addenda to the projects' PPP contract and the additional capital expenditure incurred by the sponsor, Astris saw extra capacity to refinance some of the concessionaire's existing senior debt on the back of sustained appetite in the capital markets.

For the refinancing, Astris used an orphan SPV to issue a \$250 million fixed-rate B-bond, structured by IDB Invest and purchased by Allianz Global Investors (AllianzGI) on behalf of its clients in a private placement.

It included the partial refinance of the IDB Invest A loan (brought down to \$175 million) and partial refi of the Intesa Sanpaolo B loan (brought down to \$50 million).

The sponsors also repriced, reprofiled, and extended the maturity of the IDB Invest loan to match the new repayment schedule of the B-bond, which had been extended relative to the loan to match the new length of the concession. Combined with the partial refi of the Intesa Sanpaolo B loan – effectively a sell-down to AllianzGI – the full refi came to \$475 million.

The maturity of the remaining tranches of the original financing remain the same.

The B-bond structure marked something of a first for both IDB Invest and AllianzGI. For IDB Invest, it was the largest B-bond ever issued; for AllianzGI, it was the company's largest ever infrastructure debt investment in Uruguay.

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