

IJGlobal Awards 2023 – Latin America Deal Winners

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This evening, at Gustavino's New York, we hosted the IJGlobal Awards 2023 to celebrate transactions that closed over the course of the 2023 calendar year and the companies that drove them on to a successful conclusion.

The focus of this story is on the Latin American winners in the Deals Category for greenfield finance and refinance of infrastructure and energy transactions.

To read about the winners for transactions closed in North America, [click here...](#)

Meanwhile, to read about all the winners from the Company Category for both North America and Latin America, [click here...](#)



As with all IJGlobal awards, the company awards are chosen by an independent panel of industry experts, while the transactions are chosen – from submissions – by the relevant editorial members.

A total of 18 transactions were selected from the submissions to recognise their achievements. They are:

- Energy Transition Deal of the Year – Project Mendubim
- Transport Deal of the Year, Roads – Transversal del Sisga
- Transport Deal of the Year, Airports – Lima Airport Refinancing
- Transport Deal of the Year, Transit – Project CCR Lines 8 and 9 – São Paulo
- Digital Infrastructure Deal of the Year, Data Centres – Ascenty
- Export Finance Deal of the Year – CSN Mineração Export Pre-payment Financing
- Mining Deal of the Year – Sal de Vida Super Green Loan
- Renewable Energy Deal of the Year, Onshore – Feijao Wind Complex
- Renewable Energy Deal of the Year, Solar – Project Mendubim
- Power Deal of the Year – Chile Electricity Lux MPC Financing
- Refinance Deal of the Year – AES Warehouse Facility for Renewable Energy
- Water Deal of the Year, Desalination – Codelco Water Supply
- Water Deal of the Year, Distribution – Aguas Do Rio
- Green Bond Deal of the Year – Solek PMGD and Utility Scale
- Oil & Gas Deal of the Year, Other – Terminal Quamica Puerto Mexico (TQPM)
- Oil & Gas Deal of the Year, FPSO – FPSO Alexandre de Gusmao
- Oil & Gas Deal of the Year, LNG – TC Energia Mexicana
- Oil & Gas Deal of the Year, Midstream – Esentia

Energy Transition Deal of the Year and Renewable Energy Deal of the Year, Solar

Project Mendubim

[Mendubim](#) is a JV formed to build and manage a 531MWp solar power plants, transmission line and associated interconnection facilities located in the municipality of Assú, Rio Grande do Norte State in Brazil, with an estimated total investment of US\$430 million.

The project will provide most of the energy generated to the Alunorte aluminum refinery through a long-term PPA with the remaining to be sold to energy consumers in the Brazilian free market.

It was selected as Energy Transition Deal of the Year and Renewable Energy Deal of the Year, Solar for a few reasons. It is the largest and longest ever US dollar financing for a renewable project in Brazil, paving the way for many US dollar PPA future projects to come, especially considering the evolution of regulations.

It is also First IDB A/B Loan for renewables in Brazil with effectively and benefitted from a novel unfunded risk participation structure, the presence of 3 foreign sponsors, and a complex collateral structure implemented by multiple SPV project companies. While this alternative fundig structure is not new, it has not been used in large scale for renewables or even power in general in the country.

Positive impacts of the project include the creation of jobs (1,000 direct jobs) and income and use of local workforce. Additionally, 1.2TWh of green energy will be generated on a yearly basis, which is equivalent to the powering 620,000 households.

Transport Deal of the Year, Roads

Transversal del Sisga

The project is for the expansion and maintenance of 137km of highways in the departments of Boyacá, Casanare and Cundinamarca with 2 toll stations. The construction scope includes, pavement rehabilitation and reconstruction works, attention to critical points, re-profiling of tunnels, and replacing some vehicular bridges.

The winner of Transport Deal of the Year, Roads involves the sponsor behind the Transversal del Sisga highway refinancing debt associated with the project for COP 942.1 billion (US\$225 million). The refinancing structure included 4 senior debt tranches (maturing one after the other) provided by FDN, Blackrock debt fund, and Ashmore debt fund, as well as a liquidity line provided by FDN.

The proceeds of the financing were used to repay the original debt of the project, and a dividend recap to the sponsors for their equity investments in other concessions in Colombia.

Transport Deal of the Year, Airports

Lima Airport Refinancing

The Transport Deal of the Year, Airports award goes to the refinancing of a 7-year US\$1.3 billion mini-perm facility to refinance the existing US\$450million term loan that supported the initial stages of the expansion project and finance the design, development, construction, and completion of the new passenger terminal of the [Jorge Chavez International Airport](#) (JCIA) in Lima.

The airport is an important asset to the region and to Peru's economy with the financing structure incorporating traffic

risk. The refinancing also involved strategic coordination among the lender group and advisers to execute the mini-perm.

At the time of the refi signing, Matthias Zieschang, CFO of LAP, said: “This is a landmark transaction. We are pleased by the continued strong demand from the international capital markets for financing Lima Airport’s strategic development. More than ever, well-managed aviation hubs like Lima are highly regarded as critical infrastructure and reliable long-term investments.”

Transport Deal of the Year, Transit

Project CCR Lines 8 and 9 – São Paulo

The concession of the [São Paulo Metropolitan Trains of Lines 8 and 9](#), is a groundbreaking project that has attracted a significant investment of BRL 6.5 billion, innovative engineering and sustainable financing.

Additionally it is now supported by a BRL 4.6 billion non-recourse project finance facility structured with BNDES encompassing the largest green bond issuance in Brazil’s infrastructure sector to date, winning it Transport Deal of the Year, Transit.

Total debt encompasses a BRL 850 million 26-year loan from BNDES mainly for civil works; a BRL 1.25 billion 18-year backstop tranche provided by BNDES which can be replaced by a capital market issuance depending on the conditions and a BRL 2.5 billion green bond.

The equity will be withdrawn after the debt to secure its liquidity with the sponsors also offering letters of credit to cover the equity support agreement obligations.

The investments are primarily for the acquisition of rolling stock, energy and signalling systems provided by Alstom and Siemens, respectively, in fixed prices supply agreements built in a back-to-back basis in relation to the concession agreement. These supply agreements were also assigned to the lenders by direct agreements.

Digital Infrastructure Deal of the Year, Data Centres

Ascenty

Latin American data centre firm [Ascenty – a Digital Realty and Brookfield company](#) – secured US\$825 million in offshore senior credit facilities, winning it Digital Infrastructure Deal of the Year, Data Centres. It is the largest connectivity and data centre service provider in the region, currently managing 34 data centres in operation and/or construction in Brazil, Chile, Mexico and Colombia, interconnected by 5,000km of proprietary fibre-optic network.

Alongside the offshore senior credit facilities, Ascenty issued debentures in the local market in an amount equivalent to \$200 million, led by Bradesco. The debentures were issued in reais and swapped to US dollars. The debenture issuance and term loan facility, lengthened the company's debt term and added cash to expand Ascenty’s activities in Brazil.

Ascenty will use the loan for the repayment of existing debts and to fund the operations of its 3 Santiago-based data centres. It will use the remainder to bolster its working of its capital and for general corporate purposes.

Export Finance Deal of the Year

CSN Mineração Export Pre-payment Financing

The mining arm of Brazilian integrated steel producer Companhia Siderúrgica Nacional (CSN) secured an export pre-

payment financing facility of up to US\$1.4 billion. The payment obligations of the borrower under the facility were secured by certain export receivables and CSN will use the funds from the financing to build a new pellet feed production plant.

The new plant is expected to produce 15 million tonnes of pellet feed per year, which will help CSN in reach its goal to decarbonise the country's steel production sector.

Up to US\$980 million of this financing is being provided by the Japan Bank for International Cooperation, and a syndicate of banks. A US\$420 million tranche is insured by Nippon Export and Investment Insurance, which covers 97.5% of the credit risk and 100% of any political risk. This deal deserves recognition for the high-value and high-profile nature of this project, winning it Export Finance Deal of the Year.

This was the first equity and offtake linked ECA financing to be negotiated by CSN after its partial IPO in 2021. Given their substantial growth over the last few years and requirements as a listed company, the financing terms and conditions were intensely negotiated, including many aspects of the package of financial covenants, other covenants, representations and warranties and events of default.

The financing structure of this deal is notable in that it combines elements of corporate financing and project financing.

Mining Deal of the Year

Sal de Vida Super Green Loan

Allkem and its affiliates finalised a US\$130 million (with the potential to increase to up to US\$180 million) limited recourse project financing provided by the International Finance Corporation (IFC) to support the development and construction of the first stage of Allkem's [Sal de Vida lithium](#) project located in Catamarca, Argentina.

It is the first time a greenfield mining project's financing has been structured as a green and sustainability-linked loan – creating a 'Super Green' loan and winning it Mining Deal of the Year.

Once completed, the project will strengthen Argentina's position as one of the world's leading lithium producers and help set sustainability standards for the lithium mining industry.

Sal de Vida is located within the 'Lithium Triangle' and is a greenfield lithium battery-grade brine project. In its first stage, it is expected to produce 15,000 tons per annum of Lithium Carbonate Equivalent (LCE). This project has superior brine chemistry that readily upgrades to battery grade lithium with the initial production target of 15,000tpa in Stage 1 readily expandible to 45,000 tpa with an additional 30ktpa from Stage 2.

The project's sustainability targets include increasing the percentage of women in Sal de Vida's workforce from 10% in 2022 to 26% by 2030 and expanding the use of renewable energy in the production cycle to 50% by 2030.

It is the first time a greenfield mining project's financing has been structured as a green and sustainability-linked loan – creating a 'Super Green' loan.

Renewable Energy Deal of the Year, Onshore

Feijao Wind Complex

The project is for the development of a 456MW wind project in northeastern Brazil, one of the largest wind farm clusters in Latin America. Alunorte and Paragominas both signed long-term US dollar power purchase agreements (PPAs) with [Feijão](#) under the Brazilian self-production structure, enabling the project as sole off-takers. Total capital expenditure for the wind farm is estimated at US\$681 million.

The deal marks the first time a project of this size has secured full US dollar financing in Brazil without the involvement of an international financial institution, winning it Renewable Energy Deal of the Year, Onshore.

The wind and solar project is located in the states of Piauí and Pernambuco. Eighty turbines with a combined capacity of 456MW will be constructed in phase one, with the option to develop up to 130MW of solar power production in phase two.

The wind project's total investment cost is around \$700 million – with a 52/48 debt-equity ratio – provided by a consortium of international commercial lenders.

Power Deal of the Year

Chile Electricity Lux MPC Financing

Goldman Sachs led the concurrent issuance of US\$784 million 6-year WAL 144A / Reg S and US\$322m 4(a)(2) USPP senior secured delayed-draw notes due 2033 for [Chile Electricity Lux MPC](#), an SPV incorporated under the laws of Luxembourg.

This was a one-of-a-kind transaction, monetising MPC securities to protect regulated electricity consumers from a sharp increase in electricity prices. The Power Deal of the Year monetised these payment obligations (receivables) and injected over US\$1 billion of liquidity into the power market in Chile.

This transaction also represents the first structured bond issuance in Latin America since Q1 2022, an impressive feat given the challenges a high-rate capital markets environment has presented.

Refinance Deal of the Year

AES Warehouse Facility for Renewable Energy

The winner of the Refinance Deal of the Year Award is the AES Warehouse Facility for Renewable Energy, a structured financing to AES Dominicana Renewable Energy to design, construct and operate 3 greenfield non-conventional renewable (NCRE) projects totaling 240MWac of installed capacity (Mirasol, Peravia I and Peravia II). The transaction also includes the refinance of short-term facilities previously obtained to build 3 other NCRE projects (Agua Clara Wind Project, Bayasol Solar and Santanasol Solar) totaling 150MWac of installed capacity.

This deal is not to be mistaken for the AES Warehouse Facility in North America.

The total project cost was around US\$480 million financed through new equity contributions from the sponsor for around US\$85 million, a 7-year mini-perm IDB Invest A/B Loan with an underlying amortisation of 16 years for up to US\$368 million and a one-year evergreen stand-by letter of credit for up to US\$27 million to support a debt service reserve account. The transaction also had over US\$300 million in interest rate swaps.

Water Deal of the Year, Desalination

Codelco Water Supply

A consortium of Marubeni Corporation (Japan) and Transelec Holding Rentas (Chile) closed the US\$2.2 billion financing to develop a desalination plant to deliver water to Codelco's Chuquicamata and Radomiro Tomic copper mines in northern Chile.

This landmark desalination plant wins Water Deal of the Year, Desalination because it reduce potable water consumption at the mines and substitute it with desalinated water. The strength of the underlying development contracts and offtake agreement, as well as the financing structure have set a benchmark in the market for upcoming desalination projects in the region.

The project consists of a reverse osmosis desalination plant with a capacity of 840 l/s, with a potential expansion up to 1,890 l/s in the second stage, a 160km and 3,000m altitude water pipeline and associated pumping systems, as well as related high-voltage electric transmission infrastructure and a substation.

This is not only the largest project financing transaction in recent years, but it is also a strong signal of international trust in a country that has faced uncertainties around its future political constitution.

Water Deal of the Year, Distribution

Aguas Do Rio

The State of Rio de Janeiro was divided into 4 blocks of concessions with Aegea winning the auction for the concession of blocks 1 and 4 and creating 2 separate SPVs; Águas do Rio 1 and Águas do Rio 4.

Both these projects are considered the largest sanitation project ever awarded in the country to universalise access to potable water and sewage collection for more than 10 million people in the State, including vulnerable areas.

While the US\$8 billion non-recourse financing is considered groundbreaking for the state as it comprised a multi-source transaction, it is also a landmark for the entire Latin American project finance industry because of its size and complexity. It is also noteworthy because it will make water and wastewater coverage possible for 27 cities in Rio Janeiro, making it Water Deal of the Year, Distribution.

The debentures are also the largest infrastructure debentures' offering ever made in Brazil. The BNDES Loan will be, after disbursement of all committed funds, the second largest financing by the development bank in the history of Brazil.

The end goal is to achieve 99% water coverage by 2032, 90% of sewage coverage by 2033 and reduce water losses to 25% by 2033.

Green Bond Deal of the Year

Solek PMGD and Utility Scale

Solek secured US\$379 million in financing for its portfolio of utility-scale and PMGD solar plants in the central region of Chile and winning it Green Bond Deal of the Year. The proceeds will be used to finance the construction of the Leyda solar power plant in Chile, expansion plans and refinance some of the sponsor's operating solar assets in Chile as well as some assets in construction once they are completed (including Leyda).

Solek required short-term construction facilities to initiate the construction of the most advanced projects while working on the construction risk free permanent financing.

BNP Paribas was placement agent, bookrunner and sole MLA. It also worked alongside Natixis to arrange a US\$19 million non-recourse 7-year LC facility to be used to comply with debt service, PPA, major maintenance and O&M reserve requirements, as well as a US\$41m 24-month construction facility for Leyda (provided by BNP) and a US\$55m 18-month construction facility for the PMGD assets (provided by Natixis) that was closed concurrently with the project bond.

The transaction achieved investment grade rating and closed in a difficult period with Chilean regulatory changes and volatile interest rates. It was tailored to a unique regulatory framework designed to promote distributed generation and

renewables to contribute to Chile's decarbonisation plan.

Oil & Gas Deal of the Year, Other

Terminal Quamica Puerto Mexico (TQPM)

Terminal Química Puerto México (TQPM) – located in Coatzacoalcos, Veracruz – comprises a greenfield ethane storage terminal integrated with a jetty and a pipeline to transport ethane. It is owned 50/50 by Braskem Idesa (BI) and Advorio.

It won Oil & Gas Deal of the Year as TQPM and the sponsors pursued a strategy that permitted the disbursement of the financing without perfecting the collateral package (perfection requires governmental approvals and would entail delays in disbursing), by providing a robust sponsor support package until governmental approvals and perfection of collateral was completed.

With 100% of available funds to complete the project, TQPM and the sponsors will be able to focus on achieving COD of the terminal project by the end of 2024 and provide BI with a reliable and cost-efficient source to satisfy 100% of its ethane requirements.

TQPM is being constructed to serve BI's multi-billion dollar petrochemical complex and is anchored with 20-year, US dollar denominated availability-based offtake agreements with BI for 100% of its storage and transport services.

The new terminal will have an area of around 25 acres for ethane storage connected to the BI petrochemical complex through an ethane pipeline of around 10km. It will have a storage capacity of 100 thousand m³ and will supply the ethane required by the BI complex to operate at full capacity.

Oil & Gas Deal of the Year, FPSO

FPSO Alexandre de Gusmao

Netherlands-based oil and gas developer SBM Offshore, together with its partners, closed financing for the [FPSO Alexandre de Gusmao](#) – a deal valued at \$1.6 billion.

The Oil & Gas Deal of the Year, FPSO was the second largest project finance deal to have closed in 2023 in Latin America to build, own, operate and charter the FPSO Alexandre de Gusmao for deployment by Petrobras in the Mero field, Santos Basin, Brazil.

The FPSO's cashflows are underpinned by a charter contract with Petrobras over a 22.5-year term that begins upon construction completion. The financing had been in the works for around 2 years with long-term funds for the FPSO provided by a consortium of international commercial lenders and backed by 3 international credit agencies.

Oil & Gas Deal of the Year, LNG

TC Energia Mexicana

[TC Energía Mexicana](#) refinanced US\$2.3 billion existing intercompany debt. The facilities comprised a US\$1,800bn term loan facility and a US\$500 million revolving facility. The repayment of outstanding shareholders' loans and revolvers was to facilitate the development and construction of the TGNH Southeast Gateway Pipeline, a US\$4.5bn offshore natural gas pipeline project being developed by TC Energy and Comisión Federal de Electricidad (CFE), Mexico's state-owned electric

utility.

The Oil & Gas Deal of the Year, LNG will prioritise the supply and transport of natural gas to the central and southeast regions of Mexico, estimated to carry 1.3 billion cubic feet per day of natural gas and serve as an additional source of power.

Subsequently, this transaction will contribute to Mexico's continuing efforts to transition from fuel oil and diesel as its primary energy sources for electric generation to using natural gas.

The intended social impact of the transaction is to increase access to cleaner and more affordable energy, benefiting both businesses and households. The natural gas pipelines that originate from the alliance between TC Energy and CFE has led to a faster development of natural gas infrastructure in the central and southeast regions of Mexico and solid support of the population's growing need for sustainable energy in the country.

Oil & Gas Deal of the Year, Midstream

Esentia

Esentia Energy Systems, a private natural gas transport company that develops infrastructure projects, was sponsor in Hub Chavez's project refinancing in connection with various pipeline operations located in Mexico.

The three natural gas pipelines include Villa de Reyes; La Laguna; and Roadrunner. The La Laguna-Aguascalientes pipeline and the Villa de Reyes-Aguascalientes-Guadalajara pipeline are solely owned by Fermaca. The Roadrunner pipeline is held by a 50/50 joint venture with midstream service provider ONEOK.

Esentia Hub Chávez secured US\$1.3 billion in senior secured credit facilities, representing a milestone transaction in Latin America for its advanced structure, successful syndication resulting in significant oversubscription, and improvement of gas transport in Mexico while also winning it Oil & Gas Deal of the Year, Midstream.

The advanced facilities are composed of a term loan credit facility, an operating LC credit facility, and a DSR LC credit facility.

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