

Annex Six
Six Canada Funds at Multilateral Development Banks:
Projects Approved to Date

1. Asia Development Bank
Canada Climate Fund for the Private Sector II

Established in March 2017, the Canadian Climate Fund for the Private Sector in Asia II is a Cdn\$200 million fund (US\$160 million) designed to support greater private sector participation in climate change mitigation and adaptation in low and lower middle-income countries and upper middle-income small island developing states in Asia and the Pacific. It provides concessional loans to enable private sector investment in climate mitigation or adaptation.

<https://www.adb.org/what-we-do/funds/canadian-climate-fund-for-the-private-sector-in-asia-2>

Projects (July 2021):

Allocated: US\$92.05 million (58% allocated)

Adaptation – 0%	LICs/LDCs – 47%
Mitigation – 100%	LMICs – 53%
	UMICs -

- 1. Afghanistan – Kandahar Solar Power Project:** The proposed project will include development, construction, commissioning and operation of a 15.1 MW solar power plant in Kandahar, Afghanistan. The project has not caused any physical or economic displacement impacts. The land for the project is leased to 77Afg rent-free by Da Afghanistan Breshna Sherkat (DABS) per the terms of a power purchase agreement. Key concerns expressed during the consultation are access to electricity, work and education opportunities.
Mitigation Fund Commitment: US \$3.85 million
- 2. Indonesia – Eastern Indonesia Renewable Energy Project (Phase I):** Phase 1 of the project will construct, operate and maintain a 72 MW wind power plant in Jeneponto (South Sulawesi).
Mitigation Fund Commitment: US\$8.1 million (US\$30 million for Phase I and II)
- 3. Indonesia - Eastern Indonesia Renewable Energy Project (Phase II):** Phase 2 of the project will construct, operate and maintain a 21 MW solar power plant in Likupang (North Sulawesi) and three 7 MW solar power plants, in Pringgabaya, Selong, and Sengkol (Lombok, West Nusa Tenggara). The concessional financing from the Canadian Climate Fund for the Private Sector in Asia II (CFPS II) was needed to assist with implementation of the first utility scale solar power projects in Indonesia and to help the project sponsors to address its first mover costs and disadvantages as well as overcome various technical and regulatory challenges.
Mitigation Fund Commitment: US\$21.9 million (US\$30 million for Phase I and II)
- 4. Nepal - Upper Trishuli-1 Hydropower Project:** The project comprises the design, construction, commissioning, operation and maintenance of a 216 MW run-of-river hydro power plant, 1.2 kilometers of transmission lines, and associated infrastructure on the Trishuli River. The electricity generated will be sold for domestic consumption to the Nepal Electricity Authority. Establishing the

project results in direct impacts on the land and natural resources of 154 families, of whom, ethnically, more than 90% are Tamang and less than 5% are Gurung. Both ethnicities are recognized under the Constitution of Nepal as indigenous nationalities, or Adivasi Janajati. The project impacts on indigenous people include the acquisition of community forest user group land and water resources for commercial development and the limited relocation of indigenous people families, both of which trigger broad community support (BCS) under the ADB Safeguard Policy Statement (2009) (SPS). Nepal's preeminent indigenous peoples' organization and an international indigenous peoples expert, were engaged to facilitate the BCS process on behalf of the sponsors. They mobilized the federations Tamang speaking national and district chapters to work with affected communities during the BCS process, with the explicit aim of facilitating meaningful and informed consultations and collective decision-making

Mitigation Fund Commitment: US\$30 million.

- 5. Viet Nam – Floating Solar Project:** The project entails the Asian Development Bank (ADB) providing financing to DHD to install 47.5 megawatt peak (MWp) of floating solar photovoltaic (PV) power generation panels, on the man-made reservoir of its existing 175 megawatt (MW) Da Mi hydro power plant.

Mitigation Fund Commitment: US\$11 million.

- 6. Bangladesh – Spectra Solar Power Project:** The project consists of a 35-megawatt (net) grid connected solar power plant in Paturia, Shibaloy, Manikgonj, located approximately 85 kilometers west of Dhaka. Bangladesh aims to increase the share of renewable energy in the total generation capacity to 10% by 2021. However, the renewable energy initiatives have faced challenges in their implementation. This project is expected to establish bankable precedents intended to catalyze further private sector participation in Bangladesh's renewable energy sector.

Mitigation Fund Commitment: \$US5 million

- 7. Cambodia – Prime Road National Solar Park Project:** The project finance loan will support Prime Road Alternative (Cambodia) Co. Ltd to develop and operate a 60-megawatt alternating current (MWac) solar photovoltaic (PV) power plant in Kampong Chhnang Province, Cambodia. The Project will contribute to the establishment of the first phase of the planned 100 MWac Cambodian National Solar Park Project. Power plant land was formerly used for commercial cassava plantation and there are no villages within 5 kilometers. Direct beneficiaries are therefore land sellers, village community members that may access employment opportunities and EDC as off taker of electricity produced. The project has a gender action plan, but all performance indicators, targets and baselines are deleted as "confidential information".

Mitigation Fund Commitment: \$US4.2 million

- 8. Uzbekistan – Navio Solar Power Project:** The project consists of a 100-megawatt grid connected solar power plant in Navoi District, Uzbekistan. _Nur Navoi Solar_ Foreign Enterprise (NNS), a Limited Liability Company is the borrower for the loan and will build, own, and operate the project. Masdar is the sponsor of NNS. The project Power Purchase Agreement was signed with JSC National Electric Grid of Uzbekistan in 2019. This project is expected to establish bankable precedents intended to catalyze further private sector participation in Uzbekistan's renewable energy sector. The borrower will lease 264 hectares of land for a nominal fee from the government per the Power Purchase Agreement. The area of state land was previously leased by two farmers for grazing activity. Their overall lease holding areas were reportedly reduced by the government prior to the project.

Mitigation Fund Commitment: \$8 million

2. World Bank, International Finance Corporation (IFC) Canada- IFC Blended Climate Finance Program

Established June 2018, the Canada-IFC Blended Climate Finance Program involves a contribution of Cdn\$250 million (US\$200 million) from the government of Canada. IFC will use these funds to mitigate risks deterring private investment in key areas such as resilient infrastructure, climate-smart agriculture, and renewable energy. This financing, when blended with IFC's own investments, will mobilize private capital to help overcome the challenge of climate change.

https://www.ifc.org/wps/wcm/connect/10f07019-0f89-415c-a821-b5b4086cf797/BlendedFinance_Canada_vREDACTED_4.pdf?MOD=AJPERES&CVID=n22QZbn

Project information through the 2019 Implementation Progress Report up to June 2019, but no current project data is available from GAC or the IFC.

The 2019 Implementation Progress Report states the following:

“The length of time for a project to move through this process may vary significantly, ... In general, the project cycle time is rarely less than six months (even for FI projects), but some projects may take in excess of two to five years, depending on the complexity of the deal and requirements of the parties involved. In challenging political environments, projects receiving concessional financing may require additional time to appraise and structure.” (page 11)

Projects (July 2021, IFC Project and Data Portal)

<https://disclosures.ifc.org/enterprise-search-results-home/%22Canada%20IFC%20Renewable%20Energy%20Program%20for%20Africa%22>

Total Allocated: US\$115.86 million (58% allocated)

Adaptation – 5%	LICs/LDCs – 3%
Mitigation – 95%	LMICs – 28%
	UMICs – 69%

1. Sri Lanka – Alliance Finance and Central Finance Corp Loan: The funding will support the expansion of Alliance's MSME portfolio related to the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises. Central Finance Corp Loan: The Central Finance Corp funding will support the expansion of CF's MSME portfolio in the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises.

Adaptation Fund Commitment: US\$5.3 million

2. Serbia – Belgrade Waste-to-Energy: The proposed project includes i) construction and operation of a 340,000 tons p.a.(tpa) Waste-to-Energy (WtE) Facility with connection to electricity and heating distribution systems, ii) closing and remediation of the existing Vinca landfill, iii) building and operation of a new EU compliant sanitary landfill for 170,000 tpa, and iv) building and operation of a 200,000 tpa Construction and Demolition Waste (CDW) Facility by Beo Cista Energija d.o.o (the “SPV”) in Belgrade, Serbia.

Mitigation Fund Commitment: US\$24.4 million

- 3. Cambodia – Kampong Solar:** The Project consists of a 60 MW solar power plant located in Cambodia’s Kampong Chhnang province and is the first phase of the 100 MW solar park planned by the Government of Cambodia. The Project is expected to become operational by June 2022 and will sell electricity to Electricite du Cambodge (Cambodia’s state-owned power utility), pursuant to a 20-year PPA. The Project will be developed by a special purpose vehicle named Prime Road Alternative (Cambodia) Co., Ltd (PRAC). Prime Road Alternative Company Limited (PRA) is the Project Sponsor. PRA is 99.99% owned by Prime Road Power Public Company Limited (PRIME), a listed company on the Stock Exchange of Thailand.

Mitigation Fund Contribution: US\$4 million

- 4. Mexico – BBVA Leasing Mexico:** Support to [BBVA Leasing Mexico](#), a leading provider of vehicle and machinery leases, to help the company expand its product offerings to small and medium enterprises (SMEs) and is designed to support the economic recovery from the Covid-19 health crisis. Up to \$40 million will be dedicated to leasing “climate-smart” equipment.

Mitigation Fund Commitment: US\$15 million

- 5. Mexico – Neolpharma:** Grupo Neolpharma (the “Company”) is a Mexico-based, family-owned, pharmaceutical company focused on the development, manufacture, distribution and sale of branded and unbranded generic medicines. The proposed IFC’s financing aims to support Grupo Neolpharma’s expansion plan which includes the construction and equipment of a new injectables facility in Mexico City (Psicofarma DN), expansion of the existing API production plant (NeolSym) in Ecatepec, Mexico, climate related projects (clean energy utilizing new cogeneration units on three of the production plants) and other expenditures associated with Neolpharma’s expansion plan. Neolpharma has implemented some basic initiatives on resource efficiency (e.g. change of lighting systems, improvement of HVAC system, etc.) and has over time replaced equipment such as back-up generators and boilers to more efficient ones. In addition to reduce the electricity consumption, the Company uses natural gas for its boilers to support its energy demand.

Mitigation Fund Commitment: US\$15 million

- 6. Uzbekistan – UZ Scaling Solar:** The proposed investment involves providing long term debt financing for construction and operation of 100MW solar photovoltaic (“PV”) plant located in Navoi, Uzbekistan. The Project is undertaken by Nur Navoi Solar Foreign Enterprise LLC, a limited liability company established in Uzbekistan. The generated electricity will be sold to the National Electric Grid of Uzbekistan under (‘NEGU’) under a 25-year power purchase agreement. The Project is being implemented by Nur Navoi Solar Foreign Enterprise LLC, a special purpose company incorporated in Uzbekistan, wholly owned by Abu Dhabi Future Energy Company PJSC (“Masdar”). Masdar was formed in Abu Dhabi in 2006 as a wholly-owned subsidiary of Mubadala Investment Company (“Mubadala”) to promote renewable energy and sustainable urban development.

Mitigation Fund Commitment: US\$20 million

- 7. South Africa – IPM Debt Facility:** The proposed project is an investment in INCA Portfolio Manager's (“IPM”) Infrastructure Debt Facility (“the Facility”), a debt facility that is being set up to on-lend to creditworthy secondary municipalities in South Africa. The Facility aims to enable access to commercial finance for creditworthy secondary cities in SA, where more than 80% of municipal financing is directed towards only 8 large metropolitan municipalities (out of over 200 municipalities in SA).

Mitigation Fund Contribution: US\$25 million

- 8. Ukraine – Mariupol Buses:** The Project includes: (i) procurement of about 64 modern large capacity Euro-5 diesel buses and the bus workshop tools and equipment; (ii) reconstruction of the depot with maintenance and repair workshops and (iii) expansion of the traffic planning and management system of the dispatch center.

Mitigation Fund Contribution: US\$7.16 million

3. World Bank, International Finance Corporation (IFC) Canada IFC Renewable Energy Program for Africa

Launched in January 2018, the Program involves a contribution of 150 million Canadian dollars (US\$120) from the Canadian government. IFC will use these funds to catalyze private sector investment in renewable energy by providing concessional financing blended alongside IFC's own account resources to mitigate a variety of risks that can deter private investment in renewable energy. This is expected to improve access to affordable and sustainable energy services, reduce the dependency on fossil fuels, and bring African countries a step closer to accomplishing their sustainable development goals.

https://www.ifc.org/wps/wcm/connect/45968e92-3719-48b6-91ab-0815f20cfaf6/Canada_Africa_REDACTEDv_4.pdf?MOD=AJPERES&CVID=n22Rsdu

The *2019 Implementation Progress Report*, provides a very negative prognosis for allocation of these funds for renewable energy projects in Africa in blending relationships with the private sector:

“While many governments indicated their ambitious plans to stimulate the development or RE [Renewable Energy] components in their energy systems, not many have undertaken the necessary steps for creating the minimal required conditions for the private sector projects to take off. And those that have, see remarkably long gestation times and significant head winds to projects crossing the finish line.”

“Countries in SSA typically represent complex and challenging settings, with numerous barriers to private sector investment including perceptions of risk, regulatory barriers, economic instability, macro risks, weak financial systems, and many others. Often there is limited government capacity to support projects on a technical or finance level.”

“This observed lead-time for renewables is consistent with upstream requirements necessary for financing real sector, greenfield projects, such as negotiation of power purchase agreements, land right acquisition, environmental and social due diligence and complex investor agreements, among others. ... Even projects considered to be “fast movers” take around three years, and that number could go up depending on the level of complexity and country conditions.”

“In sum, while developing a portfolio, an ongoing assessment of the possible trade-offs between development impact and the required return on investments is required. There is a limited amount of concessionality that can be delivered to the project through available financial instruments and under the returnable capital framework.”

“[T]he type of concessionality delivered by the Africa Program funds — namely, risk-averse, limited subsidy level, returnable capital — might be incompatible or take additional time to find the right projects.” (pages 14-15)

Projects (July 2021, IFC Project and Data Portal)

<https://disclosures.ifc.org/enterprise-search-results-home/%22Canada%20IFC%20Renewable%20Energy%20Program%20for%20Africa%22>

Total Allocated: US\$35.0 million (29% allocated)

Adaptation – 0%	LICs/LDCs –
Mitigation – 100%	LMICs – 29%
	UMICs – 71%

- 1. Gabon - Kinguélé Aval Hydro:** The Kinguélé Aval hydroelectric power plant is a proposed greenfield run-of-river 34.5 MW hydropower project which will have an average annual power production of circa 200 GWh. It will be located on the River Mbé, in the northwest of Gabon, about 90 km east of Libreville. Construction is expected to start in Q4 of 2020, with commissioning planned for 39 months later. The Project benefits from the full support of the Republic of Gabon which signed and granted the 30-year concession to the Project Company. The power generated by the Project will be purchased by the Republic of Gabon through a Power Purchase Agreement.

Mitigation Fund Contribution: \$US25 million

- 2. Nigeria – Daystar Power:** Daybreak Power Solutions is a 100% owned subsidiary of Daystar Power Group (“Daystar Group”). Daybreak provides clean, competitive and reliable solar hybrid solutions to commercial and industrial customers (“C&I”) who are receiving poor supply from the country’s grid infrastructure and/or heavily reliant on diesel for generation. Daybreak’s business model is to achieve a energy cost saving for its C&I customers primarily via the displacement of diesel generation with solar and battery-based solutions.

Mitigation Fund Contribution: US\$10 million

4. Inter-American Development Bank (IADB) Canadian Climate Fund for the Private Sector in the Americas (C2F)

Launched in April 2019, the Canadian Climate Fund for the Private sector in the Americas aims to finance private sector climate mitigation and adaptation projects in Latin America and the Caribbean that need concessional financing to become viable projects. The Fund, initiated by a \$223 million (US\$180 million) contribution from the government of Canada seeks to mobilize private investment and stimulate economic growth, and will provide financing to projects focused on renewal energy, energy efficiency, and reducing greenhouse emissions and climate change vulnerabilities.

IADB web site for the second phase of this Canadian program is forthcoming. Project information provided by GAC in June 2020.

Projects (July 2021)

Projects are managed by IDB Invest: <https://www.idbinvest.org/en/canadian-climate-fund>

Total Allocated: US\$105.5 million (59% allocated)

Adaptation – 36%
Mitigation – 64%

LICs/LDCs –
LMICs – 40%
UMICs – 60%

- 1. Brazil – Sicredi Solar Energy:** Part of IADB’s loan for the equivalent of \$110 million to Banco Cooperativo Sicredi S.A. (Sicredi). The funds will promote access to financing for small-scale photovoltaic solar energy systems, supporting the growth of Sicredi's solar portfolio and contributing to the expansion of distributed generation of photovoltaic solar energy in the Brazilian market.
Mitigation Fund Commitment: US\$10 million.
- 2. Brazil – Jacaranda Bifacial Photovoltaic Plants:** DB Invest, a member of the IDB Group, provided financing equivalent to \$67.2 million, with a tenor of 14.8 years, for the design, construction, operation and maintenance of four bifacial photovoltaic plants, with a combined capacity of 187 MW. The Jacaranda project will be developed by four special-purpose entities established in Brazil, which belong to subsidiaries owned by the company Atlas Renewable Energy.
Mitigation Fund Commitment: US\$7.5 million
- 3. Brazil - Minas Gerais Bifacial Photovoltaic Plants:** IDB Invest, a member of the IDB Group, granted \$150 million worth of financing to subsidiaries of Atlas Renewable Energy for the design, construction, commissioning and operation of six bifacial photovoltaic plants, with a combined capacity of 359 MW, located in Pirapora, in the state of Minas Gerais in Brazil. Lar do Sol - Casablanca will supply the energy generated to Brazilian subsidiaries of Anglo American, a British multinational mining company.
Mitigation Fund Commitment: US\$5 million
- 4. Nicaragua – Nicaragua Sugar Estates:** This project is to support the transition to a more efficient and sustainable irrigation system in the sugar sector in Nicaragua. The sugar sector is one of the main agribusiness and export sectors in the country. This project enhances adaptation to climate change risks while reducing consumption in water, energy, and fertilizers, through more efficient use of resources and better technology. Canada’s contribution supports the transition of 3,500 hectares to a more sustainable irrigation system (drip and pivotal irrigation), as well as the construction of an 800,000 cubic-meter reservoir to store rainwater and use it in the dry months of the year.
Adaptation Fund Commitment: US\$12.5 million.
- 5. Ecuador and Panama – Corporacion Favorita, CS:** Part of \$235.5 million IADB financing for Corporación Favorita C.A., the largest self-service chain in Ecuador and one of the largest companies in the country to be used to increase local access to quality products both in Ecuador and Panama, where the company will consolidate its expansion. The financing will be used to support Corporación Favorita in its growth plans to implement new technologies and innovations, optimize production processes, open new locations, generate clean and renewable electricity, and ensure proper management of natural resources and waste. The participation of C2F will contribute toward installing self-consumption photovoltaic solar roofs.
Mitigation Fund Commitment: US\$5.5 million
- 6. Colombia – Davivienda SME loans:** The funds from these loans will be used to provide new financing for working capital, capital investment and fixed assets to Davivienda clients in the SME and women-led SME portfolios, which have suffered the negative impact of the health and economic crisis generated by the COVID-19 pandemic. The loan also includes a tranche of blended financing from the Canadian Climate Fund for the Private Sector in Latin America and the Caribbean, Phase II (C2F), which

is managed by IDB Invest, for \$20 million with a tenor of 7 years. This loan promoting women-led SME, coupled with the strong female representation in Davivienda's management, qualifies Davivienda for the 2X CHALLENGE, a global initiative that seeks to mobilize capital towards enterprises that benefit women.

Adaptation Fund Commitment: US\$20 million

- 7. Caribbean - SEAF Caribbean SME Growth Fund:** The SEAF Caribbean SME Growth Fund (the "Fund") is a private equity vehicle that invests growth capital in fast-growing small and medium-sized enterprises throughout the English-speaking CARICOM countries and Suriname. IDB Invest has also mobilized a USD 10 million blended finance loan to support the Fund's portfolio companies to implement a broad range of investment projects providing for increased climate resilience/adaptation, climate mitigation, and post-disaster recovery, with support from the Canadian Climate Fund for the Private Sector in the Americas – Phase II.

Mitigation / Adaptation Fund Commitment: US\$10 million

- 8. El Salvador – Capella Solar PV Project:** IDB will provide two long-term loans to the Capella Solar and Providencia Solar projects operated by Neoen, one of the most dynamic renewable energy producers in the world. The resources will be used to finance two new energy storage batteries for the aforementioned projects and to refinance the existing battery installed in Capella. The deals will improve the stability and safety of the Salvadoran electricity grid, adding 11 MW / 8 MWh in two energy storage batteries providing regulated primary and secondary reserve services at the Capella Solar (140 MWp) and Providencia Solar (101 MWp) projects, located in the departments of Usulután and La Paz, respectively.

Mitigation Fund Commitment: US\$30 million

- 9. Argentina - La Castellana wind project:** The project consists of the construction, operation and maintenance of a 99 MW wind farm and its associated facilities, including a 132 kV and 37 km long transmission line in the south of the province of Buenos Aires. The objective of the project is to contribute to the diversification of Argentina's energy matrix, which is dependent on thermoelectric and hydroelectric generation, and the sustainability of the country's electric power generation capacity.

Mitigation Fund Commitment: US\$5 million

5. Canada-World Bank Clean Energy and Forest Climate Facility (CCEFCF)

<https://www.worldbank.org/en/topic/climatechange/brief/canada-world-bank-clean-energy-and-forests-climate-facility>

Established by Canada in December 2020 with CAD\$400 million in loans and CAD\$10 million in grant contributions, the Facility will support transformational climate actions of World Bank projects, with a focus on Asia's clean energy transition, renewable energy in Small Island Developing States (SIDS), and forests and sustainable land use. Financing from the Facility will:

- Catalyze and scale up clean energy climate financing across multiple sectors
- Accelerate energy efficiency and renewable energy market development
- Promote the mainstreaming of gender considerations in clean energy investments
- Support sustainable landscapes, climate-smart land use, and green supply chains, as well as new financial instruments that promote private sector investment and public-private partnerships

The facility has four programs:

- **Energy transition:** CAD\$275 million to co-finance World Bank projects that aim to slow the expansion of coal in the power sector by scaling up low-carbon alternatives (including solar, wind, and geothermal), as well as improve energy efficiency, and grid modernization. Financing will help strengthen the capacity of key institutional actors to design regulatory incentives to boost energy efficiency and markets for renewable energy. Eligible countries: South Africa, Indonesia, Philippines, Vietnam, India and Pakistan
- **Renewable energy in SIDS:** CAD\$50 million to co-finance World Bank projects for renewable energy investments. Eligible Countries: SIDS
- **Forests and landscapes:** CAD\$75 million to co-finance World Bank projects working to reduce carbon emissions from deforestation and forest degradation and to foster conservation, sustainable management, and enhancement of forest resources. Eligible Countries: Fiji, Indonesia, Laos, Vietnam, Colombia, Costa Rica, Dominican Republic, Guatemala, Mexico, Peru
- **Gender equality in the renewable energy sector in SIDS:** CAD\$10 million in grants to provide technical assistance in SIDS to pursue gender equality through women's employment and enterprise development across energy value chains. Eligible Countries: SIDS

Projects (July 2021)

Total Allocated: None, established December 2020.

6. Canada-African Development Bank Climate Fund (CACF)

Announcement: <https://www.afdb.org/en/news-and-events/press-releases/canada-and-african-development-bank-sign-cad-133-million-gender-lens-climate-fund-africa-42833>

In March 2021, Canada signed an agreement with the Africa Development Bank for a Canada-African Development Bank Climate Fund (CACF). Canada is providing Cdn\$122.5 million concessional loan (US\$104.8 million) and a Cdn\$10 million grant. As a concessional facility, CACF resources will be deployed in innovative low-carbon technologies, renewable energy, climate-smart agriculture, sustainable forestry, water management, and climate-resilience projects. The fund will finance climate change related projects in the African Development Bank's regional member countries, including those that demonstrate a strong gender equality focus. The Cdn\$10 grant will be allocated to complementary technical assistance.

The African Development Bank's financing for climate has increased fourfold from 9% of its total portfolio in 2016, to 36% by 2019, and is on track to achieve its target of 40% of total portfolio by the end of 2021. The Bank has committed to providing \$25 billion in climate financing by 2025.

Projects (July 2021)

Total Allocated: None, established March 2021.