



Annual Performance Report (APR)

*Reference Number (FP064): "Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments"
Inter-American Development Bank*

*Annual Reporting Period Covered in this Report:
(From 01-22-2019 to 31-12-2019)*

Sections in this report:

- Section 1: General Information
- Section 2: Implementation Progress
- Section 3: Report on Environmental and Social Safeguards & Gender

SECTION 1: GENERAL INFORMATION	
This section provides general information on the funded activity.	
1. Funded Activity Title:	<i>Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments</i>
2. Funding Proposal Number:	<i>FP064</i>
3. Date of Board approval - Board Meeting Number:	<i>3/16/2018 Decision B.19/12</i>
4. Accredited Entity:	<i>Inter-American Development Bank</i>
5. Focal Point of the Accredited Entity for this Project:	<i>Gloria Visconti, Climate Change Lead Specialist / Maria Netto, Lead Capital Markets and Financial Institutions Specialist / GLORIAV@iadb.org / MNETTO@iadb.org / +1 202-623-3360 / +1 202-623-2009</i>
6. Executing Entity(ies):	<i>Banco de Inversión y Comercio Exterior S.A. (BICE)</i>
7. Implementation Period:	<i>From: 1/22/2019 ¹ To: 7/22/2024</i>
8. Current year of Implementation:	<i>Year 1</i>
9. Date of Submission of the Report:	<i>2/21/2020</i>
10. Annual Reporting period covered in this report:	<i>From: 1/22/2019 To: 12/31/2019</i>
11. Total Project Budget²:	<i>Loan: USD 160,000,000 Grant: USD 3,850,000</i>
12. Total amount of GCF Proceeds Approved:	<i>Loan: USD 100,000,000 Grant: USD 3,000,000</i>
13. Total amount of GCF Proceeds disbursed (cumulative) to the Accredited Entity:	<i>Loan: USD 45,000,000 Grant: USD 3,000,000</i>

¹ The effectiveness date is 22 January 2019 in accordance with the "Notice of Effectiveness of the Funded Activity Agreement FP064 – IDB Argentina" Reference DMA/2019/03.

² Total project budget including co-financing as reflected in the relevant Funded Activity Agreement.

SECTION 2: IMPLEMENTATION PROGRESS – Background

On March 16, 2018, The GCF board approved the project: “Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments”. Subsequently, the IDB board approved the project on July 12th, 2018 and the Funded Activity Agreement (FAA) became effective on January 22nd, 2019. The conditions for the 1st and 2nd disbursements according to FAA Clause 9 were met on March 12th, 2019 and July 1st, 2019, respectively. For the implementation of the Funded Activity: (a) the Inter-American Development Bank (IDB) acts as the Executing Entity with respect to Component 1 (Non-Reimbursable resources); and (b) the Bank for Investment and Foreign Trade (BICE) acts as the Executing Entity with respect to Component 2 (Reimbursable resources).

Component 1: Non-Reimbursable Resources - Technical Cooperation (TC): The TC component started its implementation on April 7th, 2019 and focused on: i) strengthening the team structure within BICE in the areas of safeguards and project coordination, ii) developing a safeguards tool for eligible biogas and biomass projects, iii) developing a GHG accounting methodology for energy efficiency projects, iv) developing and executing a project pipeline creation strategy, v) developing and conducting an energy efficiency investment training to BICE’s commercial team with (60 representatives from 17 provinces). By the end of the 2019 Fiscal Year, USD 299,950 of GCF grant resources have been disbursed and have been complemented with an additional USD 40,833 in co-finance by BICE (of which about 20% in-kind resources) for the activities reflected below. In detail, the project conducted the following activities and advanced in the following areas:

- *Project supervision: An international consultant was hired to support IDB staff in the project supervision*
- *Project Portfolio Monitoring platform: Local technical consultants developed the structure for capturing the relevant performance indicators of activities and sub-projects financed. The structure serves as a basis for the electronic monitoring system.*
- *Project Pipeline Development and Promotion: Local technical consultants supported the identification and development of a portfolio of eligible sub-projects through several channels including through technology equipment suppliers, agroindustrial entities, BICE’s existing technology supplier liaison office, and consultations with industry associations. Specifically on energy efficiency, technical consultants supported BICE in identifying a portfolio of eligible sub-projects through the (i) evaluation, synthesis, and development of a more granular market understanding and individual project assessments; (ii) sectoral review of BICE’s existing SME loans to identify additional scope for EE investments; and (iii) conducting field visits and commercial activities with industry associations, technology providers, SME clients and local financial intermediaries.*
- *Environmental and Social Impact Analysis: A consulting firm (i) reviewed eligible and relevant pipeline of sub-projects according to Environmental and Social Impact criteria, (ii) applied the project’s socio-environmental requirements for the first three sub-projects financed by BICE, (iii) proposed an Environmental and Social Management Plan (PGAS) for BICE for all other sub-projects, and (iv) coordinated and supported the public consultation processes for the financed sub-projects in accordance with the requirements of the IDB’s policies under the leadership of the BICE team.*
- *Capacity Building, Training and Institutional Capacity:*
 - *In June 2019, an energy efficiency training session was held for the BICE commercial team to support client and project scoping and pipeline development for 60 commercial agents (15% of which identified as female). The objective was to familiarize BICE’s commercial team with the key concepts of energy projects and to support the identification of potential eligible sub-projects.*
 - *In July 2019, a carbon footprint training was conducted with the BICE credit, investment and international relations teams to increase BICE’s senior management awareness of carbon foot printing for energy efficiency and renewable energy.*

Component 2: Reimbursable Financing (Loan) & Financing adapted to RE and EE projects.

- *IDB received the first GCF reimbursable disbursement of USD 45,000,000 on July 23rd, 2019. Subsequently, BICE fulfilled the eligibility conditions precedent to request the reimbursable disbursement on September 13th, 2019, and requested a disbursement on September 16th, 2019, and received the IDB disbursement of USD 8,096,275 on November 14th, 2019.*
- *BICE financed 4 biogas renewable energy projects located in the provinces of Córdoba, Buenos Aires, San Luis, and La Pampa, respectively. In addition, a pre-identified pipeline of sub-projects of renewable energy and energy efficiency projects are ready to be considered for financing using the remaining balance of USD 36,903,725 from the first disbursement.*

SECTION 3: REPORT PROJECT SPECIFIC ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS & GENDER

During the reporting period of this Annual Progress Report, there have been no changes in laws and regulations that have affected the existing portfolio of sub-projects finance by BICE. Furthermore, there have been no changes in the key environmental and social risks and impacts associated with the four biogas plants being financed under same component. All procedures to implement the Social and Environmental Safeguards during the implementation of category B projects for all Environmental and Social Safeguards went as planned and in accordance with GCF and IDB standards. There was no change in the project's environmental and social risk category for any of the mentioned subprojects.

A consulting firm was hired to:

- (i) Review the Environmental and Social Analysis of the pipeline of portfolio sub-projects,
- (ii) Implement the Socio-Environmental requirements for the three first sub-projects financed by BICE under this facility,
- (iii) Propose an Environmental and Social Management Plan (PGAS) for BICE for all other sub-projects,
- (iv) Coordinate and support the public consultation processes for the financed sub-projects in accordance with the requirements of the IDB's policies under the leadership of the BICE team.

The projects have been assessed to be in compliance with applicable laws and regulations, conditions and covenants in particular Regulatory Decree 531/2016 and Order 331/2016.

Implementation of management plans

Activities implemented during the reporting period, including monitoring	Outputs during the reporting period	Key environmental, social and gender issues, risks and impacts addressed during implementation	Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention
BICE AND IDB Review the Social and Environmental Safeguards related to the 4 biogas plants	Full Review and compliance Stakeholders consultations Site Visits External Auditors	All requirements met for implementation	All requirements met for implementation
External Auditor check on the client's facilities, stakeholders' consultations and legal compliance	Clients Implemented all requirements	The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts.	The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts.
IDB review compliance of all financed sub-projects	IDB accepted the safeguards in compliance with the IDB and	The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts.	The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts.

Implementation of the stakeholder engagement plan

Activities implemented during the reporting period	Dates and venues of engagement activities	Information shared with stakeholders	Outputs including issues addressed during the reporting period
Specialized External consultant hired to implement full compliance and build BICE's in-house Capacity	BICE during mid 2019 -		In-house expertise for sub-projects compliance of: Stakeholder engagement Plan Social and Environmental Management Plan and Stakeholder consultations
Public consultation with Stakeholders	During mid 2019 - Surrounding communities and stakeholders	Benefits and externalities related to the project	Establishments of communication channels for prevention and received grievances

<i>Creation of a prevention mechanism</i>	<i>BICE During mid 2019 -</i>	<i>All Communication lines and mechanism for prevention at all stages with all stakeholders.</i>	<i>Establishments of communication channels for prevention and received grievances</i>
<i>Creation of a grievance redress mechanism</i>	<i>BICE During mid 2019 -</i>	<i>All Communication lines and mechanism for grievance at all stages with all stakeholders</i>	

Implementation of the grievance redress mechanism

(i) description of issues/complaints received during the reporting period	(ii) status of addressing issues/complaints
<i>No complains have been received via the grievance systems.</i>	<i>N.A.</i>

3.1 GENDER ACTION PLAN

During 2020, the implementation of the gender plan will involve monitoring and adequate impact evaluation. It will be performed by the local consultants and IDB and BICE personnel in accordance with IDB Gender procedures and guidelines for all its operations.

Gender baseline study on financing women-led SMEs and participation of women in relevant engineering and construction activities of eligible projects in Argentina is foreseen.

- Within the framework of the Gender Action Plan, the Gender baseline study on financing women-led SMEs and participation of women in relevant engineering and operational activities of eligible projects in Argentina will be developed to promote gender equality practices within all operations financed under this project. Financed sub-projects and the evolving pipeline will be used as data sub-sets, to more accurately measure a realistic gender baseline for SMEs. Furthermore, the study will lead to a greater awareness and best practices to promote female participation. All sub-activities of this project follow the gender guidelines of the IDB and GCF.*
- This study will assess entrepreneurial activity, income opportunities and employment for women in the eligible project categories. The objective of the study is to understand discrepancies and to increase participation of women in the project activities and incorporate gender as an integral part of the project.*

Women participate in capacity building activities - At least 20% of women participate in capacity building activities in the project

- Capacity building is needed to strengthen involvement of women at all levels of energy planning, and project development.*
- Training and networking can play a valuable role in increasing women's acquisition of technical skills or learning about new RE and EE technologies and how to run them. Active gender-balanced participation contributes to the awareness towards gender issues.*
- During 2019, the participation of women in the BICE internal capacity training event has reached 25% participation of a total of 60 participants.*